PERMITS, RENEWALS, & MODS Application

ATTACHMENT TO THE DISCHARGE PLAN GW-279 APPROVAL Plains Marketing L.P., Hobbs Facility DISCHARGE PLAN APPROVAL CONDITIONS July 24, 2002

- 1. Payment of Discharge Plan Fees: The \$100.00 filing fee (\$50.00 if filed before January 2001) has been received by the OCD. There is a required flat fee of \$1700.00 for oil field service companies. The flat fee required for this facility may be paid in a single payment due at the time of approval, or in equal annual installments over the duration of the discharge plan, with the first payment due upon receipt of this approval. The filing fee is payable at the time of application and is due upon receipt of this approval.
- 2. Commitments: Plains Marketing L.P. will abide by all commitments submitted in the discharge plan renewal application dated April 13, 2000, including attachments and these conditions for approval.
- 3. Drum Storage: All drums containing materials other than fresh water must be stored on an impermeable pad with curbing. 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 must also be stored on an impermeable pad with curbing.
- 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 within the berm.
- 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. Labeling: All tanks, drums, and other containers should be clearly labeled to identify their contents and other emergency information necessary if the tank were to rupture, spill, or ignite.

- 8. Below Grade Tonks/Sumps: All below grade tanks, sumps, and pits must be approved by the OCD prior of installation or upon modification and thest incorporate secondary containment and leak-detection into the design. All pre-existing sumps and below-grade tanks must be tested to demonstrate their mechanical integrity no later than December 15, 2002 and every year from tested date, thereafter. Permittees may propose various methods for testing such as 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. The test results will be submitted to OCD by April 13 of each year.
- 9. <u>Underground Process/Wastewater Lines:</u> All underground process/wastewater pipelines must be tested to demonstrate their mechanical integrity no later than December 15, 2002 and every 5 years, from tested date, thereafter. Permittees 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. The test results will be submitted to OCD by April 13, 2003.
- 10. Class V Wells: No Class V wells that inject non-hazardous industrial wastes or a mixture of industrial wastes and domestic wastes will be approved for construction and/or operation 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.
- 11. Housekeeping: All systems designed for spill collection/prevention, and leak detection will be inspected daily to ensure proper operation and to prevent over topping or system failure. All spill collection and/or secondary containment devices will be emptied of fluids within 48 hours of discovery. A record of inspections will be retained on site for a period of five years.
- 12. Spill_Reporting: All spills/releases shall be reported pursuant to OCD Rule 116. And WQCC 1203, to the OCD Hobbs District Office.
- 13. 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.
 - Rule 712 Waste: Pursuant to Rule 712 disposal of certain non-domestic waste is allowed at solid waste facilities permitted by the New Mexico Environment Department as long as

the waste stream is identified in the discharge plan, and existing process knowledge of the waste stream does not change without notification to the Oil Conservation Division.

- 14. OCD Inspections: Additional requirements may be placed on the facility based upon results from OCD inspections.
- 15. Storm Water Plan: Stormwater runoff controls shall be maintained. As a result of operations, if any water contaminant that exceeds the WQCC standards listed in 20 NMAC 6.2.3101 is discharged in any stormwater run-off, then immediate actions shall be taken to mitigate the effects of the run-off, notify the OCD within 24 hours, and modify the discharge plan to include a formal stormwater run-off containment plan and submit for OCD approval within 15 days.
- 16. 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.
- 17. 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.
- 18. Certification: Plains Marketing L.P. by the officer whose signature appears below, accepts this permit and agrees to comply with all terms and conditions contained herein. Plains Marketing L.P. 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.

Conditions accepted by:

Plains Marketing L.P.

WAYNE E. ROBERTS
Company Representative- print name

Nagne E. Roberto Company Representative- Sign

Title Mgr., Env. & Reg. Compliance

Date 08/06/03

ACKNOWLEDGEMENT OF RECEIPT OF CHECK/CASH

I hereby acknowledge receipt of check No	dated 8/19/03
or cash received on in	the amount of \$ 1700°
from PLAINS MARKETING L.C.	
for Hobbs facility	GW-279 -
Submitted by: WAYNE PRICE	GW-279 - Data: 8/14/03
Submitted to ASD by:	Date:
Received in ASD by:	Date:
Filing Fee New Facility	Renewal X
Modification Other	/
Organization Code <u>521.07</u> App To be deposited in the Water Quality Ma	
Full Payment or Annual Incr	rement
Wathoyia Bank NA Greenville, Sout In Cooperation with & Payable, if Dastre at Welle Fargo Bank, NA 4759-61930 PLAINS MARKETING, L.P. at Welle Fargo Bank, NA 4759-61930 P.O. BOX 4648 HOUSTON TX 77210-4648	No.



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor

BETTY RIVERA

Cabinet Secretary

July 24, 2002

Lori Wrotenbery
Director
Oil Conservation Division

CERTIFIED MAIL RETURN RECEIPT NO. 3929 9529

Mr. Richard Lentz Plains Marketing L.P. 3514 Lovington Hwy Hobbs, New Mexico 88240

Re:

Renewal of Discharge Plan GW-279

Jal Facility

Dear Mr. Lentz:

The groundwater discharge plan GW-279 for the Plains Marketing L.P., Jal Facility, located in the NW/4 NW/4 of Section 21, Township 18 South, Range 38 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 working days of receipt of this letter.

The original discharge plan was approved on July 18, 1997 with an expiration date of July 18, 2002. The discharge plan renewal application dated April 13, 2002, including attachments, submitted pursuant to Section 3106 of the New Mexico Water Quality Control Commission (WQCC) Regulations also includes all earlier applications and all conditions later placed on those approvals.

The discharge plan is renewed pursuant to Section 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 Plains Marketing L.P. of responsibility should operations result in pollution of surface water, ground water or the environment. Nor does it relieve Plains Marketing L.P. of its responsibility to comply with any other governmental authority's rules and regulations.

Please be advised that all exposed pits, including lined pits and open top 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 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., Plains Marketing L.P. is required to notify the Director of any facility expansion, production increase, or process modification that would result in any change in the discharge of water quality or volume.

Pursuant to Section 3109.H.4., this approval is for a period of five years. This approval will expire July 18, 2007 and an application for renewal should be submitted in ample time before that date. Pursuant to 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.

The discharge plan application for the Plains Marketing L.P., Jal Facility, is subject to the WQCC Regulation 3114. Every billable facility submitting a discharge plan will be assessed a fee equal to the filing fee of \$100.00 plus a flat fee of \$1700.00 for oil field service companies. The OCD has not received the \$1700.00 flat fee. The flat fee may be paid in a single payment due on the date of the discharge plan approval or in five equal installments over the expected duration of the discharge plan. Installment payments shall be remitted yearly, with the first installment due on the date of the discharge plan approval and subsequent installments due on this date of each calendar year.

Please make all checks payable to: Water Quality Management Fund

C/o: Oil Conservation Division

1220 South Saint Francis Drive

Santa Fe, New Mexico 87505.

If you have any questions, please contact Wayne Price of my staff at (505-476-3487) or E-mail WPRICE@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 plan review.

Sincerely,

Roger C. Anderson

Environmental Bureau Chief

RCA/lwp Attachment-1

Xc: OCD Hobbs Office

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Conditions accepted by:	Plains Marketing L.P.	
(tue	Company Representative- print name	-
	Company Representative- Sign	_Date
	Title	

A DISCHARGE PLAN

FOR

EXISTING OIL FIELD SERVICE TRUCK FACILITY

OF

SCURLOCK PERMIAN CORPORATION

LOCATED AT

3514 LOVINGTON HIGHWAY HOBBS, NEW MEXICO 88240

NW/4 SEC. 21 T-18-S;R-38-E TRACT J, H, AND G, BLOCK 34 OF NORTH ACRES SUBDIVISION UNIT 2 LEA COUNTY, NEW MEXICO

PREPARED FOR COMPLIANCE WITH

NEW MEXICO WATER QUALITY CONTROL COMMISSION (WQCC) REGULATIONS

1) Name of Facility:

SPC Hobbs Shop

2) Operator:

Scurlock Permian Corporation

333 Clay Street P O Box 4648

Houston, Texas 77210-4648

Contact Person:

Stephen G. Falgoust Phone: 713/672-5646 Fax: 713/672-7609

3) Location:

3514 Lovington Highway Hobbs, New Mexico 88240

NW/4 Sec. 21 T-18-S; R-38-E Tract J, H, and G, Block 34 of North Acres Subdivision

Unit 2

Lea County, New Mexico

Maps:

Exhibits "A", "B", "C"

4) Property Owner:

Scurlock Permian Corporation

333 Clay Street P O Box 4648

Houston, Texas 77210-4648

Phone: 713\646-4100

5) Property Description:

Approximately 3.3 acres of land located on Tract J, H, and G, Block 34 of North Acres Subdivision, Unit 2, Lea County, New Mexico fronting State Highway 18 at North Acres Drive. The operation consists of a 4-bay truck shop, office, a calachie yard with above ground storage tanks for bulk new and used motor oil. The facility is used for the servicing and light repairs of transport tanker trucks used to haul crude oil, production water and salt water brines and fresh water for drilling activities. Water and domestic waste facilities are provided by the City of Hobbs. No open pits are located on this property.

6) This Facility Stores the Following Materials for Use or Collection Pending Proper Disposal:

Gear Oil
Motor Oil
Used Motor Oil
Used Automotive filters
Anti-freeze (Ethylene Glycol)
Used Anti-Freeze
Automotive Grease
Varsol

New motor oil is received in bulk quantities and stored in a 1,000 gallon tank. Gear oil and automotive grease is received in 55 gallon drums. Used oils are stored in a 500 gallon tank. Anti-freeze is stored in a 55 gallon drum. Used automotive filters are drained into a collection unit which pumps the drained liquid to the used oil storage tank. The drained used filters are then stored in drums for removal. A self contained parts washer holds about 30 gallons of varsol. An outside company services the parts washer on a regular basis by removing the old used varsol for recycling and replacing with clean varsol.

7) Effluent and Waste Solids

Solid waste consisting of miscellaneous trash such as packing boxes, plastic wrap paper, small metal cans, glass and plastic bottle, paper and cloth wipes, and other items generally associated with office and shop facilities are placed into an onsite dumpster which is emptied twice a week by a garbage collection agency.

Used oil from the truck lubrication system is collected and stored in a 500 gallon bulk tank. Volume of used oil is about 150 to 180 gallons per month. This used oil includes the liquids drained from the used automotive filters.

Used automotive filters consisting of oil, fuel and cooling system filters are drained and placed in drums for transport to crushing/recycling facilities. About one-third (1/3) drum of filters are collected monthly.

Used anti-freeze (Ethylene Glycol) is collected in 55 gallon drums for recycling. About one (1) gallon per month average is collected. Volumes of used oil, filters and anti-freeze are dependent on the number of trucks serviced each month. Services are scheduled on a truck mileage basis and will vary month to month depending on business activities.

Approximately 30 gallons of varsol is used in the self contained parts washer. Except for the capacity of the parts washer, no other varsol is stored on this location. Dirty varsol is picked up bi-monthly by a recyclist and clean varsol put into the parts washer unit.

The commingling of domestic sewage does not occur at this location. There is no liquid waste added to the normal sewage stream associated with on premises personnel hygiene. Also, no waste water is generated at this location.

8) Description of Waste Collection/Disposal

Used oil drained from truck engines, gear boxes, etc. is collected in a drain pan and poured into a collection unit located in the shop. The oil collection unit is equipped with an electric driven pump which pumps the oil to a 500 gallon holding tank located outside the shop. Used filters are placed on a drain rack inside the collection unit and allowed sufficient time to drain. A used oil reclamation company pumps out the collection tank about once every two months or as often as needed.

Drained used filters are placed in covered 55 gallon drums. The drums of filters are then transported to SPC's Maintenance Facility in Midland Texas for crushing and pick up by a recycling company.

Used anti-freeze drained from truck cooling systems is collected in a drain pan and poured into a 55 gallon drum using a funnel. The drum of used anti-freeze is transported to SPC's Maintenance Facility in Midland Texas for recycling.

Empty gear oil and grease drums are transported to our Midland, Texas facility for cleaning, crushing and recycling.

A concrete slab is used as a designated storage area for drums. Empty drums and drums of used anti-freeze, filters and other hydrocarbon waste are to be stored on the concrete slab pending transportation pick up. Each drum is to be labeled as to its content.

9) Proposed Modifications to Existing Collection/Disposal Procedures

Storage tanks for new and used motor oil will be inspected for adequate diked secondary containment. A minimum secondary containment capacity of 134% of the largest tank inside the diked area will be maintained.

10) Inspection and Maintenance Plan

SPC personnel will visually inspect the drum storage area and storage tanks on a daily basis. Once each month, the shop personnel will complete a written report to be presented to the District Supervisor. The report will list the number of drums stored by content, conditions of drums as to leakage/damage and labeling, and condition of storage tanks and piping as to leaks or seeps and locks/plugs on all connections. Conditions of secondary retainment dikes and general house keeping appearance are to be noted on the report. The District Supervisor will be responsible for needed repairs, changes, and clean up. All underground tankage and piping have been removed from this site other than piping for fresh water, domestic sewage, air, natural gas or propane,

11) Reporting And Clean Up of Spills or Releases

Spills of motor oil, varsol, anti-freeze, and hydrocarbon contamination will be cleaned up immediately with clean up operations to begin within 24 hours of the spill discovery and report to SPC officials.

A spill of automotive engine used oil or a mixture of automotive used oil and other used oil of 25 gallons or more or any quantity that reaches a water course or drainage system in sufficient quantities to cause a sheen on water must be verbally reported within 24 hours of discovery to:

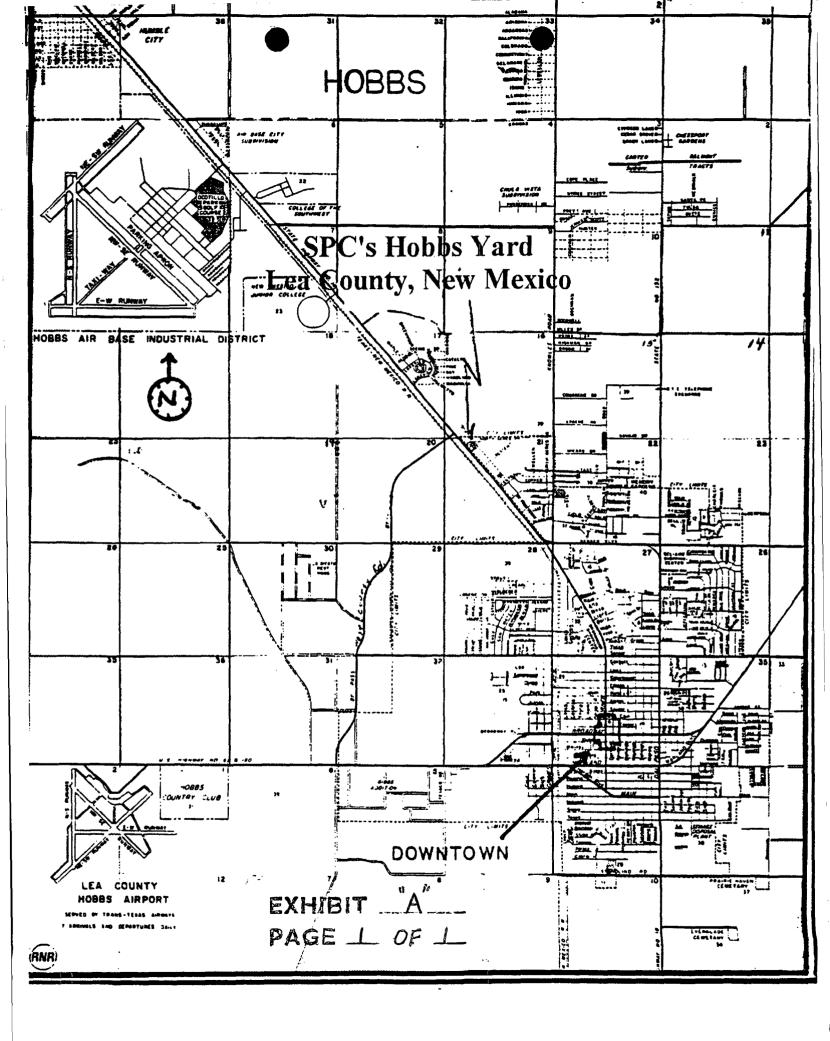
New Mexico Environmental Department Environmental Improvement Division Herald Reynolds Building 1190 St. Francis Drive PO Box 26110 Santa Fe, New Mexico 87502

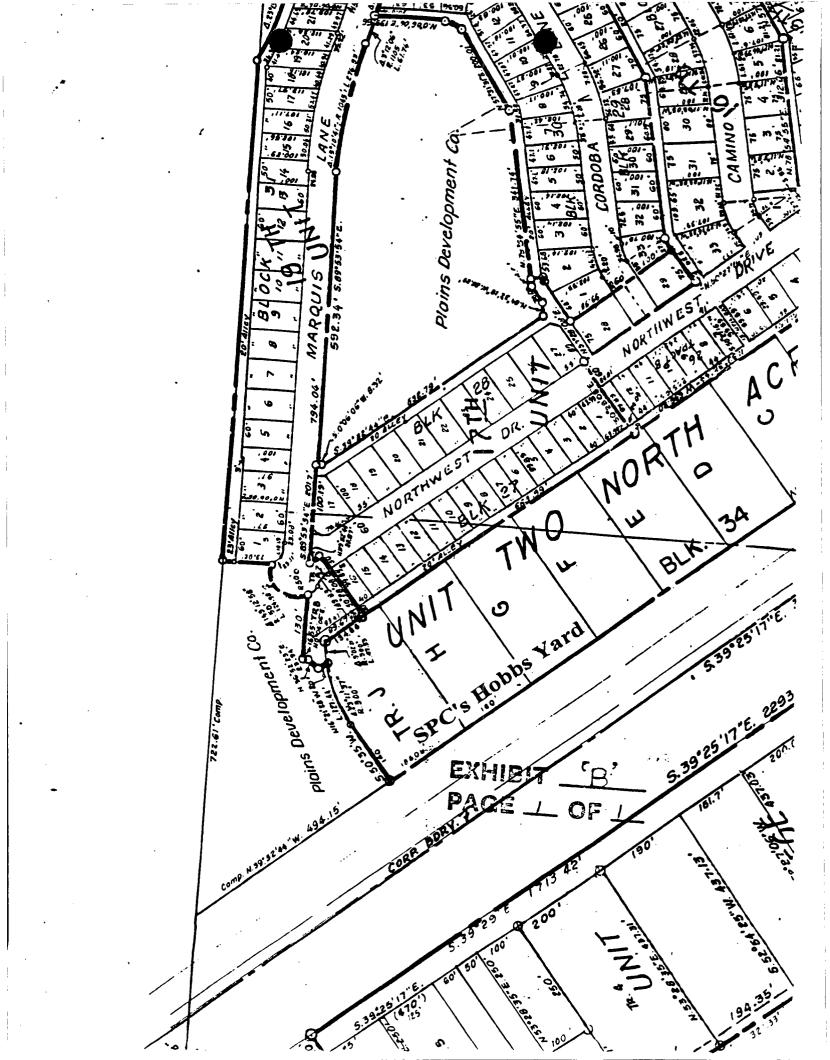
Clean up will consist of pick up and removal of all liquids and any contaminated soils that could be expected to cause a sheen on water if subject to sufficient quantities of water causing the oil sheen to leave the facility property in run off water. Highly contaminated solids are to be placed in containers or between plastic sheeting until proper disposal to prevent water dispersion.

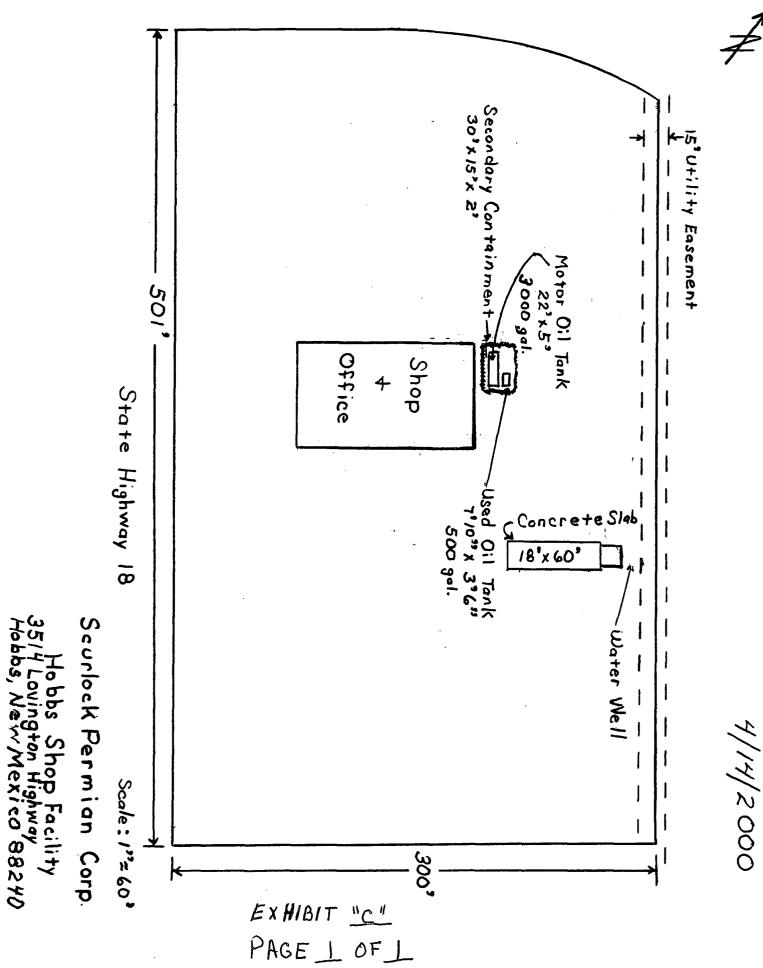
12) Geological/Hydrological Information For Facility.

The Hobbs shop facility is located in an area with very little elevation changes. Drainage patterns are shallow. Ground water levels in this area are 40 to 60 feet below ground surfaces. Piezometric maps indicate that water wells in this area are producing from the Ogallala or Quaternary aquifers.

Due to relatively small amounts of precipitation in this area and the very shallow drainage patterns, this area is not subject to flooding or dramatic run-off events. Excess rain water flows to adjacent roadways and alley, then to City of Hobbs storm water drain system.









NEW MEXICO ENERGY, MINERALS & NATURAL RESOURCES DEPARTMENT

Jennifer A. Salisbury CABINET SECRETARY

Conclusions or Agreements:

CC: Scurlock- E-mail + JAX

Signed: John / L

Oil Conservation Div. Environmental Bureau 2040 S. Pacheco Santa Fe, NM 87505

Memorandum of Meeting or Conversation

TelephonePersonalE-MailTime: 1:15 p Date: Januar	X	- 0				
Originating I	Party:	Wayne Price-O	CD			
Other Parties	s:	Jim Ephraim-S 7609, E-Mail j				92, fax 713-672-
Subject:	Discha	rge Plan Renew	al Notice fo	r the follow	ing Facilities	s: cp tave v 1/18/2002
GW-279	Hobbs		xpires (07/17/200	0 & KOU	cp 118/2002.
GW	Name	expires			2561	J M
GW	Name Name	expires expires			UP.	
least 120 days be plan on the date until the applicat remains fully eff address all of the	efore the of its exprision for refective and informate effective properties.	lischarge plan expire iration, then the exist newal has been approl enforceable. An appion necessary for eva	es, and the disc ting approved oved or disapp plication for d aluation of a n	harger is not i discharge plan proved. A discl ischarge plan i ew discharge p	n violation of the for the same act harge plan contin renewal must inc plan. Previously	scharge plan renewal at e approved discharge tivity shall not expire nued under this provision clude and adequately submitted materials may fficiently identified to be
Discussion:		sed WQCC 3106	_		_	ge Plan renewal
application wi	ith \$50.0	00 filing fee for th	ne above list	ed facilities	•	

OIL CONSERVATION DIVISION - DISTRICT I Hobbs - P.O. Box 1980 - Hobbs, NM 88241-1980 - (505) 393-6161 FAX (505) 393 - 0720

OIL CONSERVATION DIVISION

2040 South Pacheco Santa Fe, NM 87505 (505) 827-7133 Fax: (505) 827-8177



(PLEASE DELIVER THIS FAX)

TO: JIM FPHRAIM - SEURLOCK
From: 000
Date: 1/07/2000
Number of Pages (Includes Cover Sheet)
Message:

If you have any trouble receiving this, please call: (505) 827-7133

OIL CONSERVATION DIVISION 2040 South Pacheco Street Santa Fe, New Mexico 87505 (505) 827-7131

February 3, 1999

Certified Mail P 288 259 098 Return Receipt Requested:

James C. Ephraim II P.E. Scurlock Permian Corporation (SPC) 333 Clay P.O. Box 4648 Houston, Texas 77210-4648

Re: Discharge Plan GW-279 Underground Wash Water Tank and Sand Trap Sump Removal; and Groundwater Investigation.

Dear Mr. Ephraim:

New Mexico Oil Conservation Division (NMOCD) is in receipt of the following documents submitted by Scurlock Permian Corporation (SPC) and Safety & Environmental Solutions, Inc. (SES) On SPC's behalf:

- 1. SPC Letter Dated August 11, 1997.
- 2. Sump (Underground Wash Water Tank) and Sand Trap Removal Closure Report.....Dated October 31, 1997.
- 3. SES's report dated June 5, 1998... documentation on other groundwater contamination sources around Hobbs city well #25.
- 4. SES's report dated December 22, 1998..documentation on additional groundwater contamination in the area.

The following is a chronology of the remedial actions related to SPC's facility:

In June of 1996 SPC experienced a release of oil from the washbay sump and sand trap which was caused by rainwater filling up the underground wash water tank and overflowing the sand trap sump. This oil ran down an alley and into nearby streets in Hobbs, NM. SPC performed clean-up actions for the oil release event which were completed to the satisfaction of NMOCD. The New Mexico Environment Department and City of Hobbs representatives were also on site during this event.

It was noted that some of the oil flowed over the on-site water well casing which was open and flush to the ground surface thus possibly contaminating this well. Due to the close proximity of this site to the City of Hobbs fresh water supply well #25, the City of Hobbs requested that NMOCD investigate for groundwater contamination from this site since city well #25 had been experiencing prior groundwater contamination problems.

On July 15, 1996 the NMOCD Environmental Bureau issued SPC a letter requiring an investigation plan to be submitted for the oil release event, which included sampling of the water well and all waste generated, a remediation plan to clean-up contaminated soils, and a plan requiring hazardous waste determinations for all waste. SPC did not respond to this correspondence, however this issue has been addressed in the discharge plan process.

On November 22, 1996 NMOCD issued a letter requiring SPC to obtain a discharge plan for this site. On March 19, 1997 SPC filed an application for a discharge plan in which commitments were made to remove the Underground Wash Water Tank and Sand Trap Sump and dispose of all waste properly. On July 18, 1997 SPC's Discharge Plan GW-279 was approved with conditions. Condition (15) required a closure plan be submitted for NMOCD approval for the Underground wash water tank (called sump) in the closure report and the sump sand traps closures.

On October 31, 1997 SPC submitted the closure report for the Underground Wash Water Tank and Sand Trap Sump Removal.

On June 5, 1998 and December 5, 1998 SPC submitted documentation on other known groundwater contamination sources in the area that are up-gradient and closer to the city well #25 than the SPC site.

NMOCD has reviewed all the documents on file and hereby approves of the closure report and does not require any additional groundwater information or work at this time.

Please be advised that NMOCD approval of this site does not relieve SPC of liability should their operations have failed to adequately investigate and remediate contamination that pose a threat to ground water, surface water, human health or the environment. In addition, NMOCD approval does not relieve SPC of responsibility for compliance with any other federal, state, or local laws and/or regulations.

If you require any further information or assistance please do not hesitate to write or call me at (505-827-7155).

Sincerely Yours,

Wayne Price-Environmental Bureau

cc: OCD Hobbs

file: O/envr..word/wa..spgw279