

GW - 297

**PERMITS,
RENEWALS,
& MODS
Application**

RECEIVED

ATTACHMENT- DISCHARGE PERMIT APPROVAL CONDITIONS

2008 DEC 8 PM 1 06

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 flat fee (*see* WQCC Regulation 20.6.2.3114 NMAC). The flat fee for an oil and gas service facility is \$1,700.00. The Oil Conservation Division (OCD) has received both the required filing and flat fees associated with this renewal application.
2. **Permit Expiration, Renewal Conditions and Penalties:** Pursuant to WQCC Regulation 20.6.2.3109.H.4 NMAC, this renewal permit is valid for a period of five years. **The renewed permit will expire on July 15, 2013** and an application for renewal should be submitted no later than 120 days before the 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. *Expired permits are a violation of the Water Quality Act {Chapter 74, Article 6, NMSA 1978} and civil penalties may be assessed accordingly.*
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 signed April 3, 2008 discharge plan 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 potential 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 runoff. 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: None.

21. Transfer of Discharge Permit: Pursuant to WQCC 20.6.2.3111 NMAC, prior to any transfer of ownership, control, or possession (whether by lease, conveyance or otherwise) of a facility with a discharge permit, the transferor 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 Plan and Financial Assurance: Pursuant to 20.6.2.3107 NMAC an owner/operator shall notify the OCD when any operations of the facility are to be discontinued for a period in excess of six months. Prior to closure, or as a condition of this permit, or request from the OCD, the operator will submit an approved closure plan, modified plan, and/or provide adequate financial assurance.

23. Certification: (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."

Basic Energy Services

Company Name - print name above

Lynn Wrigington

Company Representative - print name

Lynn Wrigington

Company Representative - Signature

Title: V.P.

Date: 12-2-08



New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson

Governor

Joanna Prukop

Cabinet Secretary

Reese Fullerton

Deputy Cabinet Secretary

Mark Fesmire

Director

Oil Conservation Division



November 18, 2008

Mr. Steve Prather
Basic Energy Services
PO Box 1869
Eunice, New Mexico 88230

Re: Renewal of Discharge Permit GW-297

Basic Energy Services

Jal Transportation Facility (Unit H in Section 19, Unit E in Section 20 of T25S, R37E)

Jal, New Mexico (Lea County)

Mr. Prather:

Pursuant to Water Quality Control Commission (WQCC) Regulations 20.6.2.3104 - 20.6.2.3114 NMAC, the Oil Conservation Division (OCD) hereby renews the discharge permit for Basic Energy Services (owner/operator) for the above referenced site contingent upon 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 days of receipt of this letter.**

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 feel free to contact Jim Griswold at (505) 476-3465 or by email at jim.griswold@state.nm.us. On behalf of the staff at the OCD, I wish to thank you and your staff for your cooperation during this discharge permit review.

Sincerely,



Wayne Price

Environmental Bureau Chief

Attachment

LWP/jg

xc: OCD District I Office, Hobbs



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20. Additional Site Specific Conditions: None.

21. Transfer of Discharge Permit: Pursuant to WQCC 20.6.2.3111 NMAC, prior to any transfer of ownership, control, or possession (whether by lease, conveyance or otherwise) of a facility with a discharge permit, the transferor 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 Plan and Financial Assurance: Pursuant to 20.6.2.3107 NMAC an owner/operator shall notify the OCD when any operations of the facility are to be discontinued for a period in excess of six months. Prior to closure, or as a condition of this permit, or request from the OCD, the operator will submit an approved closure plan, modified plan, and/or provide adequate financial assurance.

23. Certification: (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: _____

Griswold, Jim, EMNRD

From: Griswold, Jim, EMNRD
Sent: Tuesday, October 07, 2008 3:01 PM
To: 'steve.prather@basicenergyservices.com'
Cc: 'seay04@leaco.net'
Subject: Discharge Permits for Basic Energy

Messrs. Prather and Seay,

I have received the confirmation of public notice for both the Jal and Eunice facilities. Thank you.

To proceed further in finalizing the discharge permits for both sites, could you please provide the following information as quickly as possible.

With respect to the Jal facility (GW-297):

There are two 500-barrel storage tanks with a berm located on NE corner. What are these tanks constructed of, what do they hold, and is the berm lined?

There is a 500 gallon waste oil tank w/ concrete containment located on north side of shop. What is this tank constructed of?

There is a 500 gallon motor oil saddle tank located on the east side of shop. What is this tank constructed of and why is there no secondary containment?

There is a 300 gallon detergent tank located inside shop along east wall. What is this tank constructed of what and why is there no secondary containment?

There is a 55 gallon drum inside shop used for waste oil filters. What happens to the waste filters?

There is a concrete sump on east side near largest storage tanks. What are its dimensions, capacity, and outflow configuration?

The prior application of March 1998 states there is a sump in the shop bay which is not mentioned in this renewal application though it is shown on the site drawing. Please explain.

Regarding the new facility in Eunice (GW-378):

The application states that wastewater is collected in large 500-barrel tanks from the wash bay sump. This wastewater is periodically transported to an approved disposal facility, but which one?

Jim Griswold
Hydrologist
Environmental Bureau
ENMRD/Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505
direct: 505.476.3465
email: jim.griswold@state.nm.us

September 20, 2008

NMOCD Environmental
ATTN: Jim Griswold
1220 S. St. Francis Dr.
Santa Fe, NM 87505

RE: Basic Energy Service
GW-378
GW-297

Mr. Griswold:

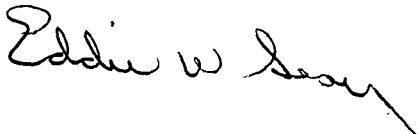
Basic Energy Service has completed the advertisement notice requirement for both the facilities. The facility in Jal, NM, GW-297, notice was posted in the Hobbs News Sun in both Spanish and English as required and posted on location as required for thirty (30) days. Copies of notice and photos of the onsite posting are within.

The Eunice facility, GW-378, notice was posted in the Hobbs News Sun, posted on location and posted at 1603 Ave. O, at an office complex on a heavily used road in Eunice. Also, notice was sent by certified mail to all landowners within 1/3 of a mile from this facility. Copies of advertisement, photos and certified mailings are within.

This should finalize all the obligations for renewing the permits for both facilities.

Should you need anything further or have any questions, please call.

Sincerely,



Eddie W. Seay, Agent
Eddie Seay Consulting
601 W. Illinois
Hobbs, NM 88242
(575)392-2236
seay04@leaco.net

cc: Basic Energy Service

PUBLIC NOTICE

GW 297, Basic Energy Services, P.O. Box 1869, Eunice, New Mexico 88230, has submitted a Discharge Plan application to the New Mexico Energy, Minerals and Natural Resources Department, Oil Conservation Division for their Oil and Gas Service company located in the NE 1/4 of the SE 1/4 of Section 19, Township 23 South, Range 37 East, and in the NW 1/4 of the SW 1/4 of Section 20, Township 23 South, Range 37 East in Lea County, New Mexico. At the Jal city limits, on State Highway 18, turn West onto State Highway 176/Kansas, travel 1/4 mile to 3rd Street, turn South on 3rd Street, travel 1/2 mile to facility. The physical address of the facility is 313 North 3rd Street, Jal, New Mexico 88230.

The facility is a dispatch facility for petroleum exploration and production fluids logistics. No vehicle products or maintenance fluids are stored or generated at this facility. Groundwater most likely to be affected by a spill, leak or accidental discharge is at a depth of approximately 40 feet, with a total dissolved solids concentration of approximately 2831 mg/L.

Any interested person or persons may obtain information, submit comments or request to be placed on a facility specific mailing list for future notices by contacting Jim Griswold at the New Mexico OCD at 1220 South St. Francis Drive, Santa Fe, New Mexico 87505, Telephone (505) 476-3440. 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.

NOTA PUBLICA

Basic Energy Services, P.O. Box 1869, Eunice, Nuevo Mexico 88230, ha sometido una aplicación para renovación a la Departamento Del Energia, Minerales y Recursos Naturales, la División de la Conservación del Petróleo del plan previamente aprobado de la descarga (GW297) para compañía de servicio del aceite y gas. La Compañía es situado en el NE 1/4 de SE 1/4 de las Sección 19 de Municipio 23 al sur, la Gama 37 al este, NMPM, Condado de Lea, Nuevo Mexico. En la ciudad de Jal limita en State Highway 18, gira al oeste en State Highway 176, viajar 0.25 millas. Gire al sur en amino de 3rd Street y continuar por 0.5 millas. La dirección de la facilidad es 313 North 3rd Street, Jal, Nuevo Mexico.

La facilidad es una facilidad de despacho para de servicio del aceite y gas. Ningun productos de vehical ni liquidos de mantenimiento son almacenados ni son engendrados en esta facilidad. El agua subterránea muy probablemente que se afectara por un derramamiento, un escape, o una descarga accidental esta en una profundidad de 40 pies, con una concentración de los solidos de aproximadamente 2831 mg/L.

Cualquier persona interesada puede obtener información adicional, someter comentarios, o petición colocar en una lista de facilidades específicamente que envia recurso para los avisos futuros por Jim Griswold a la Departamento Del Energia, Minerales y Recursos Naturales, la División de la Conservación del Petróleo, 1220 S St. Francis Dr., Santa Fe, Nuevo Mexico 87505, Correo Electrónico jim.griswold@state.nm.us, Telefonos (505) 476-3440. El NMOCD validará comentarios y declaraciones del interés con respecto a la renovación y creará una lista de facilidades específicamente para las personas que desean recibir los avisos futuros.

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 in the regular and entire issue of said paper, and not a supplement thereof for a period

of 1 issue(s).
Beginning with the issue dated
AUGUST 6, 2008
and ending with the issue dated
AUGUST 6, 2008

Kathi Bearden

PUBLISHER

Sworn and subscribed to before

me this 6TH day of
AUGUST, 2008

[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 advertisements within the meaning of Section 3, Chapter 167, Laws of 1937, and payment of fees for said publication has been made.

LEGAL
AUGUST 6, 2008

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 (2016.23106 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-297) Basic Energy Services, PO Box 1869 in Eunice, New Mexico has submitted an application for renewal of discharge plan for their service center in Jal, NM (Lea County) located at 313 North 3rd Street (SE of the NE of Section 19 and SW of the NW of Section 20, Township 25 South, Range 37 East, NMPM). The facility is used in association with the transport of produced water. Materials generated and/or stored at the facility include, but may not be limited to, new and used lubricating oils, filters, and detergents. The aquifer beneath this facility lies at an approximate depth of 40 feet below ground surface with a concentration of total dissolved solids of approximately 2,800 milligrams per liter. 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 Mexico (Contacto: Dorothy Phillips, 505-476-3461).

GIVEN under the Seal of New Mexico Oil Conservation Commission at Santa Fe, New Mexico, on this 27th day of June 2008.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

SEAL
#24292

Mark Fesmire, Director

01101546 00014310
NM OIL CONSERVATION DIVISION
JIM GRISWOLD
1220 S. SAINT FRANCIS DR.
SANTA FE, NM 87505

33 AUG 12 PM 2 45

THE SANTA FE
NEW MEXICAN
Founded 1849

NM EMNRD Oil Con. Div.
Jim Griswold
1220 S. St. Francis Dr.
Santa Fe, NM 87505

ALTERNATE ACCOUNT: 56689
AD NUMBER: 00264007 ACCOUNT: 00002212
LEGAL NO: 85781 P.O. #: 52100-00000137
193 LINES 1 TIME(S) 168.00
AFFIDAVIT: 7.00
TAX: 13.89
TOTAL: 188.89

AFFIDAVIT OF PUBLICATION

OK to Pay
J. Paquin

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 (2016-213105) (NMAC), the following discharge permit renewal application has been submitted to the Director of the New Mexico Oil Conservation Division (NMOCOD), 1220 S. Saint Francis Drive, Santa Fe, New Mexico 87505. Telephone (505) 476-3440.

(GW-297) Basic Energy Services, PO Box 1869 in Durango, New Mexico has submitted an application for renewal of discharge plan for their service center in Jal NM (Los Alamos County) located at 313 North 3rd Street (SE 1/4 of the NE 1/4 of Section 19 and SW 1/4 of the NW 1/4 of Section 20, Township 25 South, Range 37 East, NMPM). The facility is used in association with the transport of produced water. Materials generated and/or stored at the facility include, but may not be limited to, new and used lubricating oils, filters, and detergents. The aquifer beneath this facility lies at an approximate depth of 40 feet below ground surface with a concentration of total dissolved solids of approximately 2,800 milligrams per liter. The discharge plan addresses how oil-field 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.

STATE OF NEW MEXICO
COUNTY OF SANTA FE

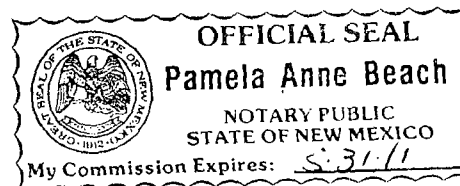
I, L. Paquin, being first duly sworn declare and say that I am Legal Advertising Representative of THE SANTA FE NEW MEXICAN, a daily newspaper published in the English language, and having a general circulation in the Counties of Santa Fe and Los Alamos, State of New Mexico and being a newspaper duly qualified to publish legal notices and advertisements under the provisions of Chapter 167 on Session Laws of 1937; that the publication # 85781 a copy of which is hereto attached was published in said newspaper 1 day(s) between 08/08/2008 and 08/08/2008 and that the notice was published in the newspaper proper and not in any supplement; the first date of publication being on the 8th day of August, 2008 and that the undersigned has personal knowledge of the matter and things set forth in this affidavit.

/s/ L. Paquin
LEGAL ADVERTISEMENT REPRESENTATIVE

Subscribed and sworn to before me on this 8th day of August, 2008

Notary Pamela Anne Beach

Commission Expires: May 31, 2011



The NMOCB has determined that the application is administratively complete and has prepared a draft permit. The NMOCB 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 NMOCB web site <http://www.emmrd.state.nm.us/ocd/>. Persons interested in obtaining a copy of the application and draft permit may contact the NMOCB 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 NMOCB 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 oral 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 mas informacion sobre esta solicitud en espanol, sirvase comunicarse por favor: New Mexico Energy, Minerals and Natural Resources Department (Depto. Del Energia, Minerales y Recursos Naturales de Nuevo Mexico), Oil Conservation Division (Depto. Conservacion Del Petroleo), 1220 South St. Francis Drive, Santa Fe, New Mexico. (Contacto: Dorothy Phillips, 505-476-3461)

GIVEN under the Seal of New Mexico, Oil Conservation Commission at Santa Fe, New Mexico, on this 27th day of June 2008:

STATE OF NEW MEXICO
OIL CONSERVATION
DIVISION

SEAL
Mark Fesmire,
Director

Legal No. 85781
Pub. Aug. 8, 2008



New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson

Governor

Joanna Prukop

Cabinet Secretary

Reese Fullerton

Deputy Cabinet Secretary

Mark Fesmire

Director

Oil Conservation Division



August 4, 2008

Mr. Steve Prather
Basic Energy Services
PO Box 1869
Eunice, New Mexico 88231

Re: Discharge Plan Renewal Permit GW-297
Basic Energy Services
Jal Service Facility (Secs. 19 & 20, T23S, R37E)
Jal, New Mexico

Mr. Prather:

The Oil Conservation Division (OCD) has received Basic Energy Services application and subsequent amendments for renewal of discharge permit GW-297 for your service facility located in Jal, New Mexico. With the receipt of the requested amendments, the application is now deemed "administratively complete".

Therefore, the New Mexico Water Quality Control Commission (WQCC) regulations public notice requirements of 20.6.2.3108 NMAC must be satisfied and demonstrated to the OCD. The OCD will provide public notice pursuant to the WQCC notice requirements of 20.6.2.3108 NMAC to determine if there is any public interest.

If there are any questions regarding this matter, please do not hesitate to contact me by phone or email at jim.griswold@state.nm.us. Please refer to permit GW-297 in all future communication. On behalf of the OCD, I wish to thank you and your staff for your continued cooperation during the review process.

Respectfully,

Jim Griswold
Hydrologist

JG/jg

cc: OCD District I Office, Hobbs



7/22/08

NMOCD Environmental
ATTN: Jim Griswold
1220 South St. Francis Drive
Santa Fe, NM 87505

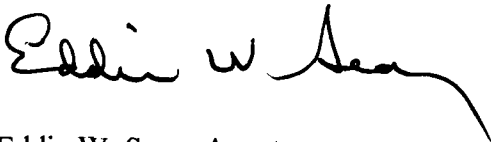
RE: Basic Energy Services
Discharge Plan Renewal GW - 297
Jal, NM

Mr. Griswold:

Find within supplement information, and proposed advertisement. If this meets with your approval, we will advertise as OCD guidelines direct. Should you need additional information, please contact me.

Looking forward to working with you.

Sincerely,



Eddie W. Seay, Agent
601 W. Illinois
Hobbs, NM 88242
575-392-2236
seay04@leaco.net

cc: Basic Energy Services

RECEIVED
2008 JUL 28 PM 3 32

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 - Transport Facility

2. Operator: Basic Energy Services GW - 297

Address: P.O. Box 1869 Eunice, New Mexico

Contact Person: Steve Prather Phone: 575-394-2545

3. Location: NE 1/4 SE 1/4 Section 19 Township 25 S Range 37 E
AND NW 1/4 SW 1/4 20 25 S 37 E

Submit large scale topographic map showing exact location.

4. Attach the name, telephone number and address of the landowner of the facility site.
5. Attach the description of the facility with a diagram indicating location of fences, pits, dikes and tanks on the facility.
6. Attach a description of all materials stored or used at the facility.
7. Attach a description of present sources of effluent and waste solids. Average quality and daily volume of waste water must be included.
8. Attach a description of current liquid and solid waste collection/treatment/disposal procedures.
9. Attach a description of proposed modifications to existing collection/treatment/disposal systems.
10. Attach a routine inspection and maintenance plan to ensure permit compliance.
11. Attach a contingency plan for reporting and clean-up of spills or releases.
12. Attach geological/hydrological information for the facility. Depth to and quality of ground water must be included.
13. Attach a facility closure plan, and other information as is necessary to demonstrate compliance with any other OCD rules, regulations and/or orders.

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: Steve Prather Title: Area Supervisor

Signature:  Date: 7/22/2008

E-mail Address: steve.prather@basicenergyservices.com

GW - 297 Discharge Plan Application Supplement

Prepared for: Basic Energy Services

Prepared by: Eddie W. Seay, Agent

July 22, 2008

Objective

The application supplement contained within has compiled information to address the concerns of the NMOCD listed in your letter dated July 14th, 2008. Please find the attached application signed by the area manager and authorized individual within Basic Energy Services.

Location

Item 3 of the renewal application of GW - 297 is incorrect. The facility is located in both Sections 19 and 20 of Township 23 South, Range 37 East, as the Section line splits the office building from the yard. The amended location and driving directions should read as follows.

NE 1/4 of the SE 1/4 of Section 19, Township 23 South, Range 37 East, and in the NW 1/4 of the SW1/4 of Section 20, Township 23 South, Range 37 East in Lea County, New Mexico. At the Jal city limits, on State Highway 18, turn West onto State Highway 176/Kansas, travel 1/4 mile to 3rd Street, turn South on 3rd Street, travel 1/2 mile to facility. The physical address of the facility is 313 North 3rd Street, Jal, New Mexico 88230.

Groundwater

As per your request, and the requirements of 20.6.2.3108F(5) NMAC, the depth to groundwater most likely affected shall be altered to reflect the shallower water found at approximately 40 feet below ground surface. Though this water is somewhat intermittent, and not consistently found, it has also been documented by laboratory analysis to be deemed non potable by the New Mexico Drinking Water Standards. Analysis of the water at 40 feet shows chloride content of approximately 804 mg/L while TDS is listed at 2831 mg/L. A deeper well drilled to the depths approximated in the first submittal indicate chloride content of 56 mg/L and TDS of 848 mg/L. Even though the water found at 40 feet is not available for use, it is our oversight in not providing this information so the NMOCD can perform a complete review of all water that may be impacted.

Notification

The proposed notification for your review, if approved, will be submitted for publication in the Hobbs News - Sun, a locally circulated newspaper for the area. The notification will be submitted in English and in Spanish and the required signage is proposed for posting on location at the facility.

GW - 297 Proposed public notice

PUBLIC NOTICE

GW - 297: Basic Energy Services, P.O. Box 1869, Eunice, New Mexico 88230, has submitted a Discharge Plan renewal application to the New Mexico Energy, Minerals and Natural Resources Department, Oil Conservation Division for their Oil and Gas Service company located in the NE 1/4 of the SE 1/4 of Section 19, Township 23 South, Range 37 East, and in the NW 1/4 of the SW1/4 of Section 20, Township 23 South, Range 37 East in Lea County, New Mexico. At the Jal city limits, on State Highway 18, turn West onto State Highway 176/Kansas, travel 1/4 mile to 3rd Street, turn South on 3rd Street, travel 1/2 mile to facility. The physical address of the facility is 313 North 3rd Street, Jal, New Mexico 88230.

The facility is a dispatch facility for petroleum exploration and production fluids logistics. No vehicle products or maintenance fluids are stored or generated at this facility. Groundwater most likely to be affected by a spill, leak or accidental discharge is at a depth of approximately 40 feet, with a total dissolved solids concentration of approximately 2831 mg/L.

Any Interested person or persons may obtain information, submit comments or request to be placed on a facility specific mailing list for future notices by contacting Jim Griswold, at the New Mexico OCD at 1220 South St. Francis Drive, Santa Fe, New Mexico 87505, Telephone (505) 476-3440. 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.



New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson

Governor

Joanna Prukop

Cabinet Secretary

Reese Fullerton

Deputy Cabinet Secretary

Mark Fesmire

Director

Oil Conservation Division



July 14, 2008

Mr. Steve Prather
Basic Energy Services
PO Box 1869
Eunice, New Mexico 88231

Re: Discharge Plan Renewal Permit GW-297
Basic Energy Services
Jal Service Facility (Secs. 19 & 20, T23S, R37E)
Jal, New Mexico

Mr. Prather:

The New Mexico Oil Conservation Division (NMOCD) has received Basic Energy Services' request dated April 3, 2008 to renew discharge permit GW-297 with respect to the service facility located at 313 North 3rd Street, in Jal, New Mexico. The review of the submittal is to determine if any additional information may be required before deeming the permit application administratively complete. The initial submittal has been determined to be incomplete.

The application is signed by Mr. Eddie W. Seay of Eddie Seay Consulting. This is not acceptable. The application must be signed by an authorized individual within Basic Energy Services.

The location of the discharge must be provided pursuant to New Mexico Water Quality Control Commission regulation 20.6.2.3108F(2) NMAC. While the attachment to the application does include a street address, the location provided in Item 3 of the application is incorrect. The facility is not situated within a single standard subdivision of a section (described in the application as NE ¼ of SE ¼ of Section 19, Township 23 South, Range 37 East), but rather spans two adjacent sections.

The depth to groundwater most likely to be affected must be provided per 20.6.2.3108F(5) NMAC. The attachment to the application provides a depth of 400 to 500 feet below ground surface to the Ogallala aquifer. Groundwater in the Jal area is only about 40 feet below surface. The shallower depth has been cited in earlier discharge plan renewal applications for the facility and the regulations do not seek to protect only those waters in current use.

In accordance with 20.6.2.3108A NMAC "To be deemed administratively complete, an application shall...indicate, for department approval, the proposed locations and newspaper for



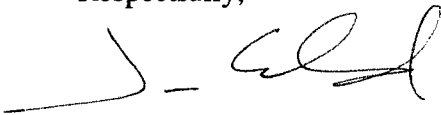
July 14, 2008

Page 2

providing notice required by Paragraphs (1) and (4) of Subsection B, or Paragraph (2) of Subsection C." Please provide the proposed locations for required signage and the name of the newspaper Basic Energy Services intends to utilize for purposes of public notice. Before such notice can be posted or published, it must be approved by the NMOCD. It will expedite the process if Basic Energy Services provides the intended notice to the NMOCD in the near future.

Please address the items discussed above and return an amended application with attachments to the NMOCD within 30 days. If there are any questions regarding this matter, do not hesitate to contact me at (505) 476-3465 or by email at jim.griswold@state.nm.us. Refer to permit GW-297 in all communications. On behalf of the NMOCD, I wish to thank you and your staff for your continued cooperation during the review process.

Respectfully,



Jim Griswold
Hydrologist

JG/jg

cc: OCD District I Office, Hobbs



April 4, 2008

RECEIVED
2008 APR 7 PM 3 46

NMOCD Environmental
ATTN: Brad Jones
1220 S. Saint Francis Drive
Santa Fe, NM 87504

RE: Basic Energy
GW-297
Discharge Plan Renewal

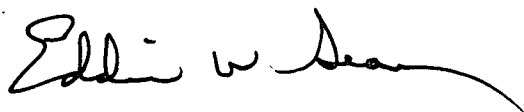
Mr. Jones:

Find enclosed the original and a copy of the discharge plan, for Basic Energy Jal facility. This plan should be put with the two checks for the application and the renewal permit previously sent.

I am finishing up on the Eunice facility for Basic, and will be sending it in next week with the appropriate monies.

Should you have any questions concerning these plans, please contact me.

Sincerely,



Eddie W. Seay, Agent
Eddie Seay Consulting
601 W. Illinois
Hobbs, NM 88242
(575)392-2236
seay04@leaco.net

RECEIVED

2008 APR 7 PM 3 46

Discharge Plan Application

Prepared for: Basic Energy Services
Prepared by: Eddie W. Seay, Agent

March 31, 2008
Proposal: GW-297 Renewal

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 – Trucking Facility

2. Operator: Basic Energy Services GW - 297

Address: P.O. Box 1869 Eunice, New Mexico

Contact Person: Steve Prather Phone: 575-394-2545

3. Location: NE 1/4 SE 1/4 Section 19 Township 25 S Range 37 E
Submit large scale topographic map showing exact location.

4. Attach the name, telephone number and address of the landowner of the facility site.

5. Attach the description of the facility with a diagram indicating location of fences, pits, dikes and tanks on the facility.

6. Attach a description of all materials stored or used at the facility.

7. Attach a description of present sources of effluent and waste solids. Average quality and daily volume of waste water must be included.

8. Attach a description of current liquid and solid waste collection/treatment/disposal procedures.

9. Attach a description of proposed modifications to existing collection/treatment/disposal systems.

10. Attach a routine inspection and maintenance plan to ensure permit compliance.

11. Attach a contingency plan for reporting and clean-up of spills or releases.

12. Attach geological/hydrological information for the facility. Depth to and quality of ground water must be included.

13. Attach a facility closure plan, and other information as is necessary to demonstrate compliance with any other OCD rules, regulations and/or orders.

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: Eddie W. Seay

Title: Agent

Signature: Eddie W. Seay

Date: 4/3/2008

E-mail

Address: Seay04@leaco.net

Discharge Plan

Type of Operation

Basic Energy Services is an oil and gas operations service company. The company's primary operation in Southeast New Mexico, is the transportation of water, fresh and produced, to oil and natural gas production locations.

Responsible Party

Steve Prather

Area Manager

Basic Energy Services

P.O. Box 1869

Eunice, NM 88231

Landowner

Same as above.

Location of Facility

Basic Energy Services operates its Jal, NM yard at 32 deg. 06 min. 59 sec. North, 103 deg. 11 min. 34 sec. West, in the NE 1/4 of the SE 1/4 of Section 19 in Township 25 South, Range 37 East, or more commonly known as 313 N. 3rd Street, Jal, NM 88252. This Facility is bisected by 3rd Street and has operations on both East and West sides of the Street.

Materials Stored at Facility

The materials listed below are either stored or used at the above mentioned facility during its normal operation. Some materials are stored awaiting final disposition, while others are only temporarily stored awaiting use.

- 2 - 500 barrel storage tanks with containment berm located on the North side of the East side of the trucking yard
- 1 - 500 gallon waste oil tank with concrete containment berm on the North side of the shop building
- 1 - 500 gallon motor oil saddle tank located on the East side of the shop building
- 1 - 300 gallon detergent tank located on the interior East side of the shop building
- 1 - 55 gallon drum used for waste oil filters located inside the shop area

Sources and Quantities of Effluent and Waste Generated at the Facility

As mentioned before, Basic Energy Services transports fresh and produced water. This process does allow for the trucks involved in transport to become contributors to the waste stream generated at this facility. However, minimal amounts of the transported product are often found at the location, in other words, truck wastes are not disposed of at this facility except in negligible amounts. Upon acquisition of Chaparral Services by Basic Energy Services, the Jal, NM yard was almost completely dissolved of any maintenance activities. Trucks are parked for recharging on the East side of the location. Therefore, the aforementioned storage tanks are all empty or are in the process of being emptied. Waste oil is no longer on location, as H2Oil Recovery Services located at 1000 SW Mustang Dr in Andrews, TX 79714 was contracted for final removal and disposition and there is no anticipation for the need to maintain any storage units as all maintenance is performed at the Eunice, NM yard. Domestic wastes generated at the facility are not commingled with

any items and are disposed of in the municipal sewer system. This facility does not conduct any activities that may produce used acids or caustics, painting wastes, nor are there any areas used for disposition of such materials. The sources and quantities of effluent and waste generated at this facility have little need for additional sampling requirements or the further discussion of toxic pollutants as described by WQCC 1101.TT. However, if additional sampling requirements are called for, those tests shall be conducted in accordance with this applications guidelines.

Summary of Waste Collection/Storage/Disposal Procedures

The collection and storage systems in action at this facility provide adequate protection of surface and sub-surface water courses that could potentially be affected by a spill. Due to the fact that all storage tanks are empty and the lack of maintenance capabilities, severely constricts what potential hazards exist for contaminants to enter the water courses. There is also an underground sump system located on the East side of the property that was used in the storage of fresh water for transport, as well as being used in conjunction with the aforementioned 500 barrel KCL storage tanks. However at this time the tanks are empty, and there is no further anticipation of their needed use. The sump system is a lined concrete pit that is occasionally used as an overflow for Fresh water uptake for transport. There are no other wastes at this location that are in need of disposal features other than office trash that is picked up by Waste Management.

Proposed Modifications

There are no proposed modifications at this time.

Inspection, Maintenance and Reporting

The lack of material does not require a need for inspection of the empty containment systems, however, daily inspection of the transport units and associated equipment does occur. Any spills or leaks of transport related equipment would be reported immediately,

and appropriate measures would be taken to transport the unit safely without incident to the Eunice, NM yard.

Spill/Leak Prevention and Contingency Plans

On the off chance a spill or leak does occur at this facility and is unable to be contained by the measures in place, all spills or leaks will be reported to the supervisor immediately and proper cleanup is initiated as directed. Significant spills and leaks will be reported to the local NMOCD field office as per rule 116 and cleanup will then proceed as required.

Site Characteristics

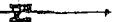
As documented, there are no surrounding bodies of water associated with the facilities operation. The water provided to the facility originates from the City of Jal. Rain accumulations may occur seasonably however do not directly or indirectly affect the facility's operation, as the lack of contaminants and a curb and gutter system that runs to the City of Jal waste water disposal system helps deter that. The area is underlain by a hard caliche surface and is almost entirely covered by reddish-brown dune sand. In some places, the underlying surface consists of alluvial sediments most commonly calcareous silt in buried valleys or quaternary lake basins. The water in Southeastern New Mexico is obtained from the Ollagalla aquifer which is reasonably determined to be at a depth of 400 to 500 feet below ground surface. (Groundwater report 6 - State Bureau of Mines) Please see attached maps for details.

Other Compliance Information

Although this is an application for a renewed discharge permit for a service company, records indicate this facility has had previous departmental approval under GW-297. In the instance this facility is approved for its continued discharge plan, and then subsequently is obligated to close, all reasonable measures will be take to comply with the WQCC standards as well as all applicable regulations of the NMOCD should this occur.

Basic Energy Services is committed to reporting spills in accordance with NMOCD Rule 116 and WQCC Section 1203. In the instance of closure of this facility, Basic Energy Services will remove all contaminated soils and dispose of all regulated and non-regulated wastes at approved facilities and with the consent of the NMOCD.

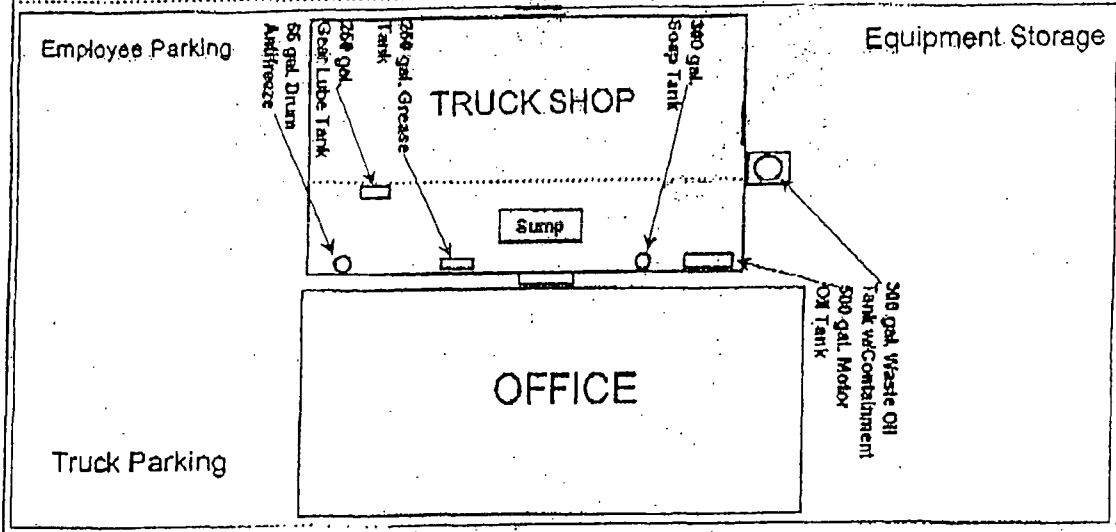
WEST MONTANA



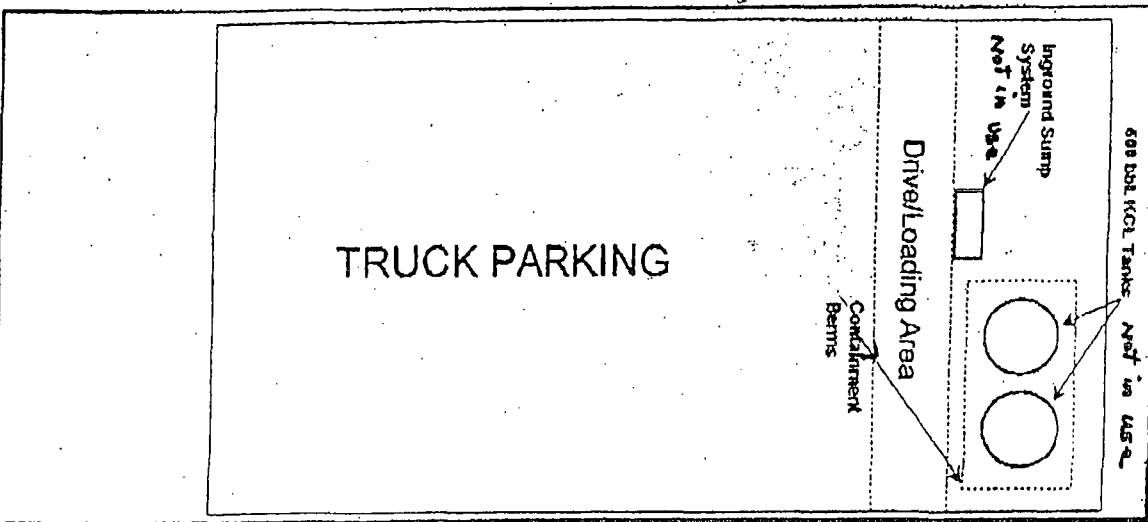
ALLEY

CST
313 North 3rd Street
Jail, New Mexico
Site Map 3/2/98
NOT TO SCALE

EAST WYOMING



3RD STREET



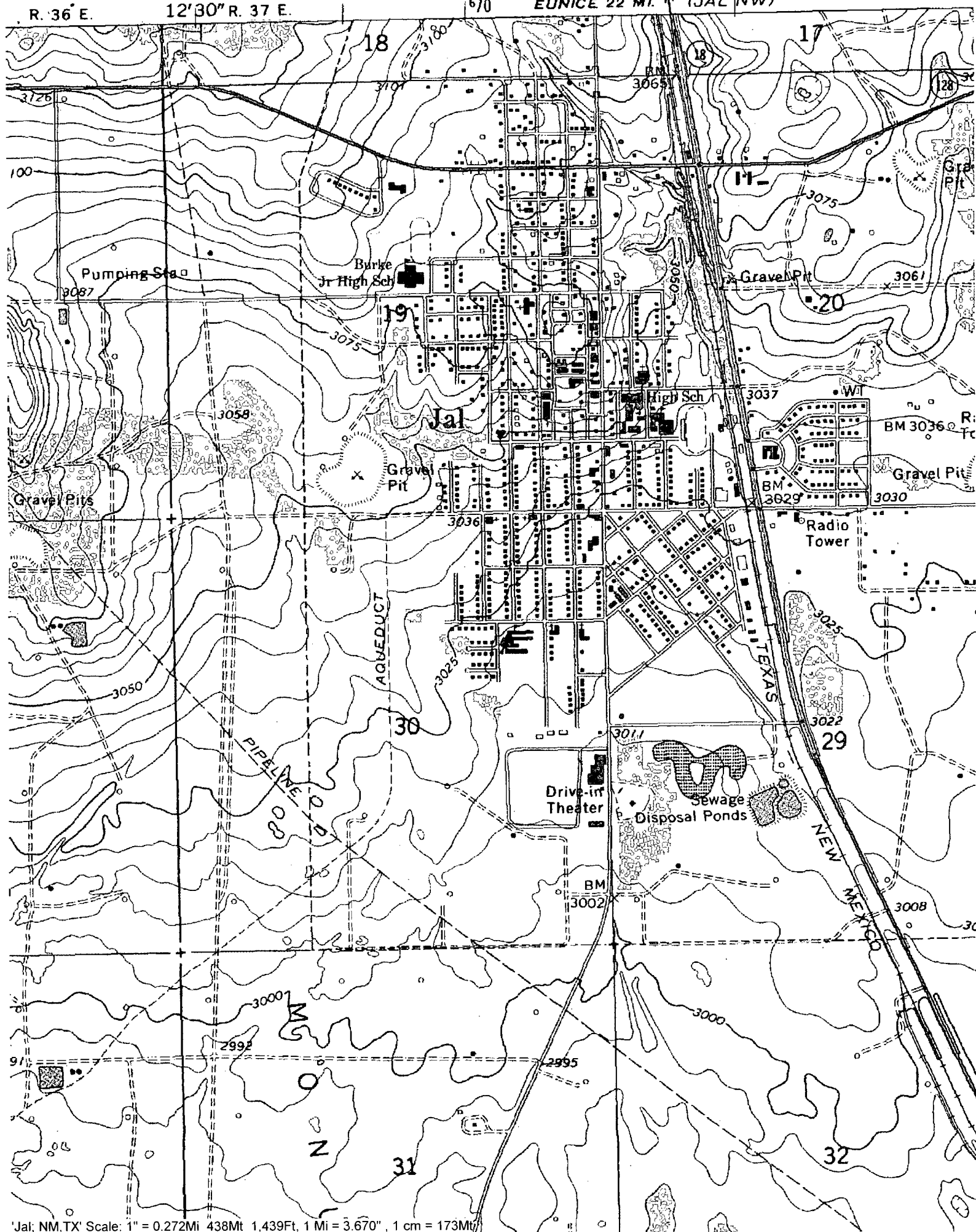
R. 36° E.

12'30" R. 37 E.

670

HOBBS 41 MI.
EUNICE 22 MI.

5348 II NW
(JAL NW)



'Jal; NM, TX' Scale: 1" = 0.272Mi 438M 1,439Ft, 1 Mi = 3,670" , 1 cm = 173M



Environmental FirstSearch

Topo : 0.50 Mile Radius

Single Map



~~MAP NAME: JAL~~ JAL NM 88252



Source:

Target Site (Latitude: 32.116666 Longitude: -103.19305)

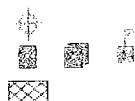
Identified Site, Multiple Sites, Receptor

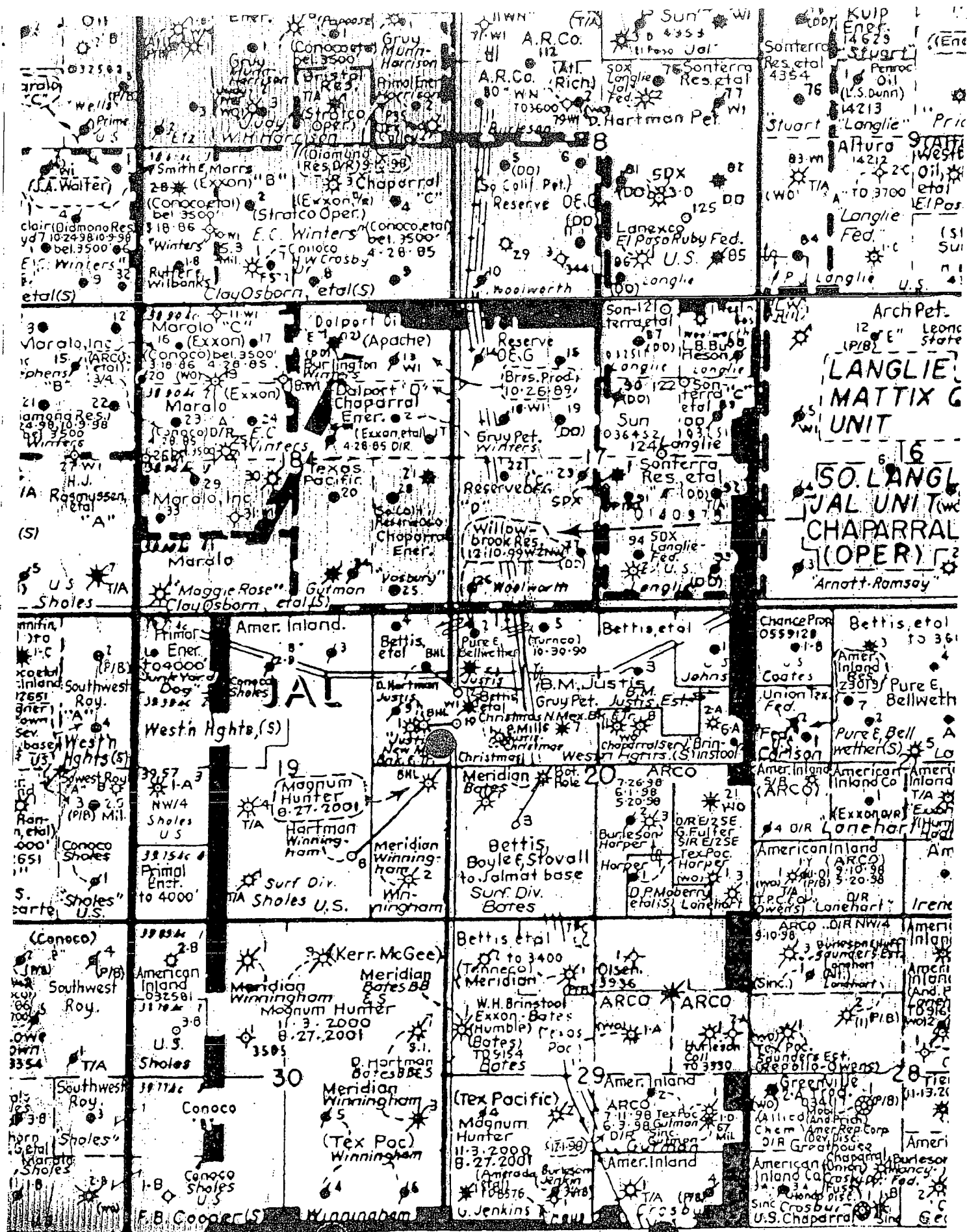
NPL, Brownfield, Solid Waste Landfill (SWL) or Hazardous Waste

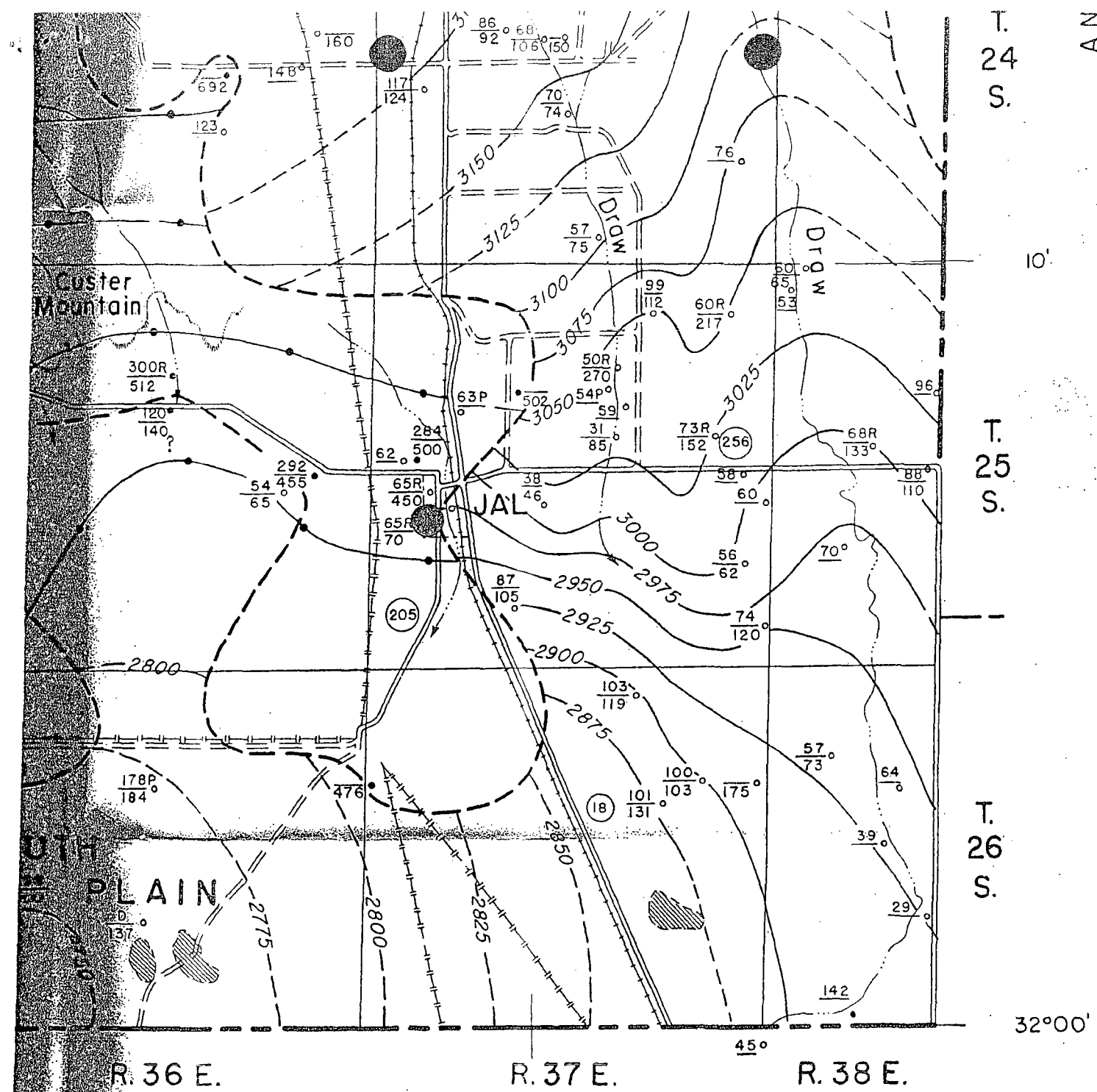
Map Name: JAL Date Created: 1969-- Date Revised: 1979--

Map Reference Code: 32103-A2-TF-024

Black Rings Represent 1/4 Mile Radii; Red Ring Represents 1/2 Mile Radius







WINKLER COUNTY

Compiled by Alfred Clebsch, Jr.,
1960, using data collected mainly
by Alexander Nicholson, Jr., in
1953 and 1954.

TY, NEW MEXICO





New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson

Governor
Joanna Prukop
Cabinet Secretary
Reese Fullerton
Deputy Cabinet Secretary

Mark Fesmire
Director
Oil Conservation Division



July 14, 2008

Mr. Steve Prather
Basic Energy Services
PO Box 1869
Eunice, New Mexico 88231

Re: Discharge Plan Renewal Permit GW-297
Basic Energy Services
Jal Service Facility (Secs. 19 & 20, T23S, R37E)
Jal, New Mexico

Mr. Prather:

The New Mexico Oil Conservation Division (NMOCD) has received Basic Energy Services' request dated April 3, 2008 to renew discharge permit GW-297 with respect to the service facility located at 313 North 3rd Street, in Jal, New Mexico. The review of the submittal is to determine if any additional information may be required before deeming the permit application administratively complete. The initial submittal has been determined to be incomplete.

The application is signed by Mr. Eddie W. Seay of Eddie Seay Consulting. This is not acceptable. The application must be signed by an authorized individual within Basic Energy Services.

The location of the discharge must be provided pursuant to New Mexico Water Quality Control Commission regulation 20.6.2.3108F(2) NMAC. While the attachment to the application does include a street address, the location provided in Item 3 of the application is incorrect. The facility is not situated within a single standard subdivision of a section (described in the application as NE ¼ of SE ¼ of Section 19, Township 23 South, Range 37 East), but rather spans two adjacent sections.

The depth to groundwater most likely to be affected must be provided per 20.6.2.3108F(5) NMAC. The attachment to the application provides a depth of 400 to 500 feet below ground surface to the Ogallala aquifer. Groundwater in the Jal area is only about 40 feet below surface. The shallower depth has been cited in earlier discharge plan renewal applications for the facility and the regulations do not seek to protect only those waters in current use.

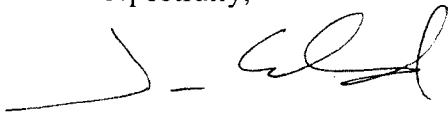
In accordance with 20.6.2.3108A NMAC "To be deemed administratively complete, an application shall...indicate, for department approval, the proposed locations and newspaper for



providing notice required by Paragraphs (1) and (4) of Subsection B, or Paragraph (2) of Subsection C." Please provide the proposed locations for required signage and the name of the newspaper Basic Energy Services intends to utilize for purposes of public notice. Before such notice can be posted or published, it must be approved by the NMOCD. It will expedite the process if Basic Energy Services provides the intended notice to the NMOCD in the near future.

Please address the items discussed above and return an amended application with attachments to the NMOCD within 30 days. If there are any questions regarding this matter, do not hesitate to contact me at (505) 476-3465 or by email at jim.griswold@state.nm.us. Refer to permit GW-297 in all communications. On behalf of the NMOCD, I wish to thank you and your staff for your continued cooperation during the review process.

Respectfully,



Jim Griswold
Hydrologist

JG/jg

cc: OCD District I Office, Hobbs





NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

November 18, 2003

Lori Wrotenbery

Director

Oil Conservation Division

CERTIFIED MAIL
RETURN RECEIPT NO. 3929-9987

RECEIVED

DEC 1 0 2003

OIL CONSERVATION
DIVISION

Mr. Paul Prather
Chaparral Services, Inc.
P.O. Box 1769
Eunice, NM 88231

RE: Discharge Plan Renewal GW-297
Chaparral Services, Inc.
Eunice, NM Facility
Lea County, New Mexico

Dear Mr. Prather:

The ground water discharge plan renewal GW-297 for the Chaparral Services, Inc. Eunice, NM Facility located in the SW/4 NW/4 of Section 20, Township 25 South, Range 37 East, and the SE/4 N/E/4 of Section 19, Township 25 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 thirty (30) days of receipt of this letter.** Mailing address appears below.

The discharge plan renewal application letter, dated August 13, 2003, submitted pursuant to Section 3106 of the New Mexico Water Quality Control Commission (WQCC) Regulations includes all earlier applications and approvals and all conditions later placed on those approvals. The discharge plan is renewed pursuant to Section 3109.C. Note Section 3109.G, which provides for possible future amendment of the plan. Be advised that approval of this plan does not relieve Chaparral Services, Inc. of responsibility should operations result in pollution of surface water, groundwater or the environment. Nor does it relieve Chaparral Services, Inc. of its responsibility to comply with any other governmental authority's rules and regulations.

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

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

Mr. Paul Prather
GW- 297
November 18, 2003
Page 2

3107.C, Chaparral 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.H.4, this renewal plan is for a period of five years. This renewal will expire on July 15, 2008, and Chaparral Services, Inc. should submit an application in ample time before this date. Section 3106.F of the regulations states 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.

The discharge plan renewal application for the Chaparral Services, Inc. Eunice Facility is subject to WQCC Regulation 3114. Every facility submitting a discharge plan application is assessed a filing fee of \$100.00. There is a renewal flat fee assessed for oilfield service companies of \$1,700.00.

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/eem
Attachment

Xc: OCD Hobbs Office

ATTACHMENT TO THE DISCHARGE PLAN RENEWAL GW-297
CHAPARRAL SERVICES, INC.
EUNICE, NM FACILITY
DISCHARGE PLAN APPROVAL CONDITIONS
November 18, 2003

1. Payment of Discharge Plan Fees: The \$100.00 filing fee and the \$1,700.00 flat fee have been received by the OCD.
2. Commitments: Chaparral Services, Inc. will abide by all commitments submitted in the discharge plan renewal application letter dated August 13, 2003 and these conditions for approval.
3. Waste Disposal: All wastes will be disposed of at an OCD approved facility. Only exempt oilfield 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 permitted at solid waste facilities permitted by the New Mexico Environment Department as long as:
 1. the waste stream is identified, and authorized, as such in the discharge plan, and;
 2. existing process knowledge of such waste stream does not change without notification to the Oil Conservation Division.
4. Drum Storage: All drums containing material 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 below grade tanks and sumps must be tested annually. Results of such tests shall be maintained at the facility covered by this discharge plan and available for NMOCD inspection. Permit holders 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.
10. Underground Process/Wastewater Lines: All underground process/wastewater pipelines must be approved by the OCD prior to installation and must be tested to demonstrate their mechanical integrity every five (5) years. Results of such tests shall be maintained at the facility covered by this discharge plan and available for NMOCD inspection. Permit holders 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 approved for construction and/or operation unless it can be demonstrated that groundwater will 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.
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: Chaparral Services, Inc. shall maintain storm water runoff controls. 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 storm water run-off, then Chaparral Services, Inc. shall: take immediate actions to mitigate the effects of the run-off, notify the OCD within 24 hours, and modify the discharge plan to include a formal storm water run-off containment plan and submit for OCD approval within 15 days.
16. Closure: The OCD will be notified when operations of the Eunice, NM Facility are discontinued for a period in excess of six months. Prior to closure of the facility, the company will submit a closure plan for approval. Closure and waste disposal will be in accordance with the statutes, rules and regulations in effect at the time of closure.
17. Conditions accepted by: Chaparral Services, Inc., by the officer whose signature appears below, accepts this permit and agrees to comply with all terms and conditions contained herein. Chaparral Services, Inc. further acknowledges that the division for good cause shown as necessary to protect fresh water, human health and the environment may change the conditions and requirements of this permit administratively.

Chaparral Services, Inc.

Print Name: _____

Signature: _____

Title: _____

Date: _____

Paul D. Prather
Paul D. Prather
President
12-4-03



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop
Cabinet Secretary

November 18, 2003

Lori Wrotenbery

Director

Oil Conservation Division

CERTIFIED MAIL

RETURN RECEIPT NO. 3929-9987

Mr. Paul Prather
Chaparral Services, Inc.
P.O. Box 1769
Eunice, NM 88231

RE: Discharge Plan Renewal GW-297
Chaparral Services, Inc.
Eunice, NM Facility
Lea County, New Mexico

Dear Mr. Prather:

The ground water discharge plan renewal GW-297 for the Chaparral Services, Inc. Eunice, NM Facility located in the SW/4 NW/4 of Section 20, Township 25 South, Range 37 East, and the SE/4 N/E/4 of Section 19, Township 25 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 thirty (30) days of receipt of this letter.** Mailing address appears below.

The discharge plan renewal application letter, dated August 13, 2003, submitted pursuant to Section 3106 of the New Mexico Water Quality Control Commission (WQCC) Regulations includes all earlier applications and approvals and all conditions later placed on those approvals. The discharge plan is renewed pursuant to Section 3109.C. Note Section 3109.G, which provides for possible future amendment of the plan. Be advised that approval of this plan does not relieve Chaparral Services, Inc. of responsibility should operations result in pollution of surface water, groundwater or the environment. Nor does it relieve Chaparral Services, Inc. of its responsibility to comply with any other governmental authority's rules and regulations.

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

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

Mr. Paul Prather
GW- 297
November 18, 2003
Page 2

3107.C, Chaparral 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.H.4, this renewal plan is for a period of five years. This renewal will expire on July 15, 2008, and Chaparral Services, Inc. should submit an application in ample time before this date. Section 3106.F of the regulations states 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.

The discharge plan renewal application for the Chaparral Services, Inc. Eunice Facility is subject to WQCC Regulation 3114. Every facility submitting a discharge plan application is assessed a filing fee of \$100.00. There is a renewal flat fee assessed for oilfield service companies of \$1,700.00.

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/eem
Attachment

Xc: OCD Hobbs Office

U.S. Postal Service CERTIFIED MAIL RECEIPT (Domestic Mail Only: No Insurance Coverage Provided)	
OFFICIAL USE	
Postage \$	Postmark Here
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees \$	
Sent To PAUL PRATHER / CHAPARRAL Sves. Street, Apt. No.; or PO Box No. P.O. Box 1769 City, State, ZIP+4 [®] EUNICE, NM 88231	
PS Form 3800, January 2001 See Reverse for Instructions	

7001 1940 0004 3929 9987

GW-297

ATTACHMENT TO THE DISCHARGE PLAN RENEWAL GW-297
CHAPARRAL SERVICES, INC.
EUNICE, NM FACILITY
DISCHARGE PLAN APPROVAL CONDITIONS
November 18, 2003

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17. Conditions accepted by: Chaparral Services, Inc., by the officer whose signature appears below, accepts this permit and agrees to comply with all terms and conditions contained herein. Chaparral Services, Inc. further acknowledges that the division for good cause shown as necessary to protect fresh water, human health and the environment may change the conditions and requirements of this permit administratively.

Chaparral Services, Inc.

Print Name: _____

Signature: _____

Title: _____


Date: _____

ACKNOWLEDGEMENT OF RECEIPT
OF CHECK/CASH

I hereby acknowledge receipt of check No. dated 8/13/03,
or cash received on 8/26/03 in the amount of \$ 100.00
from EDDIE SEAY CONSULTING
for CHAPARRAL SERVICES INC. GW-297
Submitted by: Ed Martin Date: 8/26/03
Submitted to ASD by: Date:
Received in ASD by: Date:
Filing Fee ☒ New Facility ☐ Renewal ☐
Modification ☐ Other ☐
Organization Code 521.07 Applicable FY 2001

To be deposited in the Water Quality Management Fund.


Full Payment ☒ or Annual Increment ☐


EDDIE SEAY CONSULTING 601 W. ILLINOIS 392-2236 HOBBS, NM 88240		95-219 616 1070 1100154253 Date <u>8-13-03</u>
Pay to the Order of <u>NMED Water Quality Management Fund</u> \$ <u>100.00</u>		
<u>One hundred and 00/100</u> Dollars		
	Wells Fargo Bank New Mexico, N.A. 1910 North Turner Street Hobbs, NM 88240 www.wellsfargo.com	
Memo	<u>Chaparral Services</u> <u>application fee</u>	
<u>Rena Seay</u>		NP

EDDIE SEAY CONSULTING
 601 W. ILLINOIS 392-2236
 HOBBS, NM 88240

95-219-616
 1070
 1100154253

Date 8-13-03

Pay to the
 Order of NMED Water Quality Management Fund \$ 1700.00
Seventeen hundred and no/100 ——— Dollars  Security Features
 Included.
 Details on Back.

 Wells Fargo Bank New Mexico, N.A.
 1910 North Turner Street
 Hobbs, NM 88240
www.wellsfargo.com

Memo Chaparral Services
permit GW-297

Rena Seay

MP

GW-297

X. L. TRANSPORTATION CO.

DRAWER A
JAL, NM 88252

88-2207 / 1123

PAY
TO THE
ORDER OF

DATE 3-3-98

Oil Conservation Division

\$ 430.00

CERTIFIED
Till 11:30-98

430 DOLS 00 CTS

DOLLARS



Kermit State Bank

Post Office Drawer K
Kermit, Texas 79745

FOR

Justin B. Smith



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

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

July 15, 1998

CERTIFIED MAIL

RETURN RECEIPT NO. Z-357-869-992

Ms. Christine Brininstool
Quality Oil Service
P. O. Box 1060
Jal, New Mexico 88252

**RE: Discharge Plan GW-297
Jal Facility
Lea County, New Mexico**

Dear Ms. Brininstool:

The ground water discharge plan GW-297 for the Jal Facility located in the SW/4 NW/4 of Section 20, Township 25 South, Range 37 East and the SE/4 NE/4 of Section 19, Township 25 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 original discharge plan application dated March 3, 1998 and the conditions 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 discharge plan was submitted pursuant to Section 3106 of the New Mexico Water Quality Control Commission (WQCC) Regulations. It is approved pursuant to Section 3109. Please note Sections 3109.E and 3109.G., which provide for possible future amendments or modifications of the plan. Please be advised that approval of this plan does not relieve Quality Oil Service 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.

Ms. Christine Brininstool
Jal Facility
July 15, 1998
Page 2

Please note that Section 3104 of the regulations provides: "When a plan has been approved, discharges must be consistent with the terms and conditions of the plan." Pursuant to Section 3107.C., Quality Oil Service 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 plan approval is for a period of five years. This approval will expire on July 15, 2003, and Quality Oil Service 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 renewal.

The discharge plan application for the Quality Oil Service Jal Facility is subject to WQCC Regulation 3114. Every billable Facilities submitting a discharge plan renewal will be assessed a fee equal to the filing fee of \$50 plus a flat fee of \$1,380.00 for oil field service companies. The OCD has received the filing fee.

Please make all checks payable to **NMED-Water Quality Management** and addressed to the OCD Santa Fe Office.

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, Environment Bureau
Oil Conservation Division

RCA/wjf
Attachment

xc: OCD Hobbs Office

ATTACHMENT TO THE DISCHARGE PLAN GW-297
QUALITY OIL SERVICE
JAL FACILITY
DISCHARGE PLAN APPROVAL CONDITIONS
(July 15, 1998)

1. Payment of Discharge Plan Fees: The \$50.00 filing fee has been received. A flat fee of \$1,380.00 is required for discharge plans for oil field service companies. 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. Quality Oil Service Commitments: Quality Oil Service will abide by all commitments submitted in the discharge plan application dated March 3, 1998.
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 characterization per 40 CFR Part 261.
4. Drum Storage: All drums containing materials other than fresh water must be stored on an impermeable pad with curbing. All empty drums will be stored on their sides with the bungs in and lined up on a horizontal plane. Chemicals in other containers such as sacks or buckets will also be stored on an impermeable pad and curb type containment.
5. Process Areas: All process and maintenance areas which show evidence that leaks and spills are reaching the ground surface must be either paved and curbed or have some type of spill collection device incorporated into the design.
6. Above Ground Tanks: All above ground tanks which contain fluids other than fresh water must be bermed to contain a volume of one-third more than the total volume of the largest tank or of all interconnected tanks. All new tanks or existing tanks that undergo a major modification, as determined by the Division, must be placed within an impermeable bermed enclosure.
7. Above Ground Saddle Tanks: Above ground saddle tanks must have impermeable pad and curb type containment unless they contain fresh water or fluids that are gases at atmospheric temperature and pressure.
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12. Housekeeping: All systems designed for spill collection/prevention will be inspected weekly and after each storm event to ensure proper operation and to prevent overtopping or system failure. A record of inspections will be retained on site for a period of five years.
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16. Certification: Quality Oil Service, by the officer whose signature appears below, accepts this permit and agrees to comply with all terms and conditions contained herein. Quality Oil Service 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:

QUALITY OIL SERVICE

by Christine B. Winston
Title
General Manager



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

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

July 15, 1998

CERTIFIED MAIL
RETURN RECEIPT NO. Z-357-869-992

Ms. Christine Brininstool
Quality Oil Service
P. O. Box 1060
Jal, New Mexico 88252

**RE: Discharge Plan GW-297
Jal Facility
Lea County, New Mexico**

Dear Ms. Brininstool:

The ground water discharge plan GW-297 for the Jal Facility located in the SW/4 NW/4 of Section 20, Township 25 South, Range 37 East and the SE/4 NE/4 of Section 19, Township 25 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 original discharge plan application dated March 3, 1998 and the conditions 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 discharge plan was submitted pursuant to Section 3106 of the New Mexico Water Quality Control Commission (WQCC) Regulations. It is approved pursuant to Section 3109. Please note Sections 3109.E and 3109.G., which provide for possible future amendments or modifications of the plan. Please be advised that approval of this plan does not relieve Quality Oil Service 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.

Ms. Christine Brininstool
Jal Facility
July 15, 1998
Page 2

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Sincerely,



Roger C. Anderson
Chief, Environment Bureau
Oil Conservation Division

RCA/wjf
Attachment

xc: OCD Hobbs Office

Z 357 869 992	
US Postal Service Receipt for Certified Mail No Insurance Coverage Provided. Do not use for International Mail (See reverse)	
Sent to	Chris Brininstool
Street & Number	Quality Oil Serv.
Post Office, State, & ZIP Code	Jal
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date	GW-297

PS Form 3800, April 1995

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QUALITY OIL SERVICE
JAL FACILITY
DISCHARGE PLAN APPROVAL CONDITIONS
(July 15, 1998)

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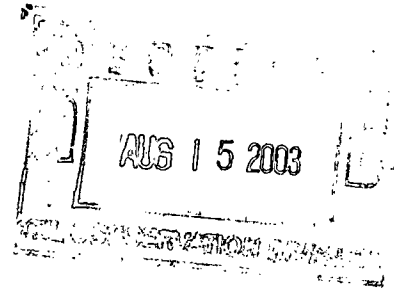
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Accepted:

QUALITY OIL SERVICE

by _____
Title



DISCHARGE PLAN

GW-297

CHAPARRAL SERVICES, INC.

**JAL, NM
2003**

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: Transportation of Liquids for the Oil & Gas Industry

2. Operator: Chaparral Services, Inc.

Address: P.O. Box 1769 Eunice, NM 88231

Contact Person: Paul Prather Phone: (505) 394-2545

3. Location: S/W N/W 20 25 S 37 E.
S/E /4 N/E /4 Section 19 Township 25 S Range 37 E.

Submit large scale topographic map showing exact location.

4. Attach the name, telephone number and address of the landowner of the facility site.
5. Attach the description of the facility with a diagram indicating location of fences, pits, dikes and tanks on the facility.
6. Attach a description of all materials stored or used at the facility.
7. Attach a description of present sources of effluent and waste solids. Average quality and daily volume of waste water must be included.
8. Attach a description of current liquid and solid waste collection/treatment/disposal procedures.
9. Attach a description of proposed modifications to existing collection/treatment/disposal systems.
10. Attach a routine inspection and maintenance plan to ensure permit compliance.
11. Attach a contingency plan for reporting and clean-up of spills or releases.
12. Attach geological/hydrological information for the facility. Depth to and quality of ground water must be included.
13. Attach a facility closure plan, and other information as is necessary to demonstrate compliance with any other OCD rules, regulations and/or orders.
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: Eddie W. Seay

Title: Agent

Signature: Eddie W. Seay

Date: 08-13-03

E-mail Address: seay04@leaco.net

TYPE OF OPERATION

Chaparral Services hauls produced water and fresh water for oil and gas operations.

RESPONSIBLE PARTY

Paul Prather - Owner
Box 1769
Eunice, NM 88231

LANDOWNER

Same as above.

FACILITY DESCRIPTION

The trucking facility is located on both the east and west side of 3rd. St. in Jal, NM. The office address is 313 3rd. St. The facility consists of a main office, 3 bay shop building and a parking area. The first bay of the shop building is used to store bulk containers of oil, lubricants, antifreeze, and soap. These bulk containers are stored on metal racks, which is on a concrete floor that is slopping to a concrete lines sump that has compartments for separation. All lubricants are stored in this area to provide containment in case of a spill. Used lubricants are disposed into a 500 gallon fiberglass tank that is on a concrete pad with concrete beams. The used lubricants are picked up by a reclaiming company in Andrews, Texas, for recycling. The area to the east side of 3rd. St. is parking for trucks. There are two 500 bl. fiberglass tanks with berms that were once used for KCL. These tanks and loading facility are no longer used. We do not store or have any fueling tanks, or solvent tanks.

MATERIAL STORED OR USED AT THE FACILITY

2 empty 500 bl. fiberglass tanks.
1 - 500 gallon waste oil tank.
250 gallon grease tank.
55 gallon drum of antifreeze.
500 gallon motor oil.
250 gallon pump oil.
300 gallon soap tank.

SOURCES AND QUANTITIES OF EFFLUENT AND WASTE GENERATED AT THE FACILITY

Used motor oil is disposed of into the 500 gallon fiberglass tank. Chaparral disposes approximately 100 gallons per month. The used motor oil is picked up as needed by a recycling company in Andrews, Texas. The oil filter are allowed to drain into the fiberglass tank, and the dry filters are bagged and disposal by Waste Management, approximately 10 to 15 filters per month.

NO MODIFICATION PROPOSED AT THIS TIME

INSPECTION, MAINTENANCE PLAN

Two mechanics and a shop employee are in the work area all day 6 days a week, these employees check the bulk lubricant tank for leaking daily. No KCL or fuel is used at the facility.

CONTINGENCY PLAN FOR REPORTING AND CLEANUP OF SPILL

All spills will be reported to supervisor and proper cleanup done as directed. Significant spills and leaks will be reported to the NMOCD as per rule 116 and cleanup will proceed as required.

GEOLOGY/HYDROLOGY INFORMATION

Jal is situated in the extreme southeast corner of Lea Co., NM. The area is underlain by a hard caliche surface and is almost entirely covered by reddish-brown dune sand. In some places, the underlying surface consists of alluvial sediments most commonly calcareous silt in buried valleys or Quaternary lake basins.

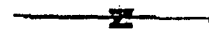
Some water is found at 40' to 60' below ground level, but the usable groundwater for Jal area is found at 400' to 500' below ground level. (Groundwater report 6 State Bureau of Mines) Find maps attached.

Precipitation and/or runoff are into the curbed and paved streets of Jal, and into the city drainage system.

FACILITY CLOSURE PLAN

All reasonable and necessary measures will be taken to comply with the WQCC and NMOCD rules and regulations should Chaparral Services, Inc. close this facility. Chaparral will remove all above ground tanks and equipment. All waste will be removed from the site and properly disposed of. All contaminated soils, if any, will be removed and properly disposal of with approval from NMOCD. No work will be performed without prior approval from the regulating authority.

WEST MONTANA



ALLEY

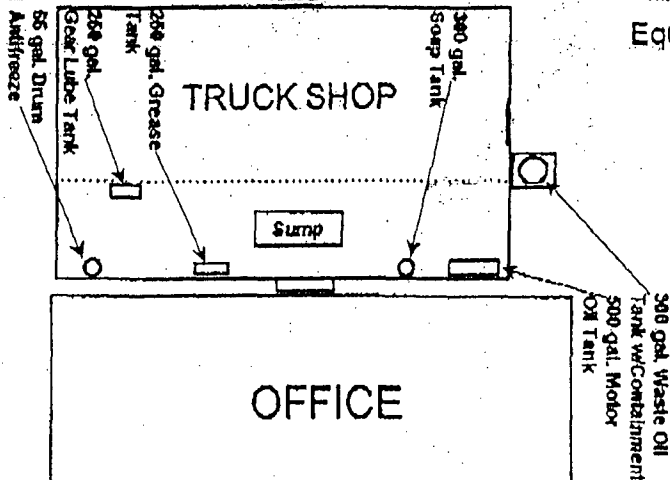
Equipment Storage

TRUCK SHOP

OFFICE

Employee Parking

Truck Parking



3RD STREET

TRUCK PARKING

Drive/Loading Area

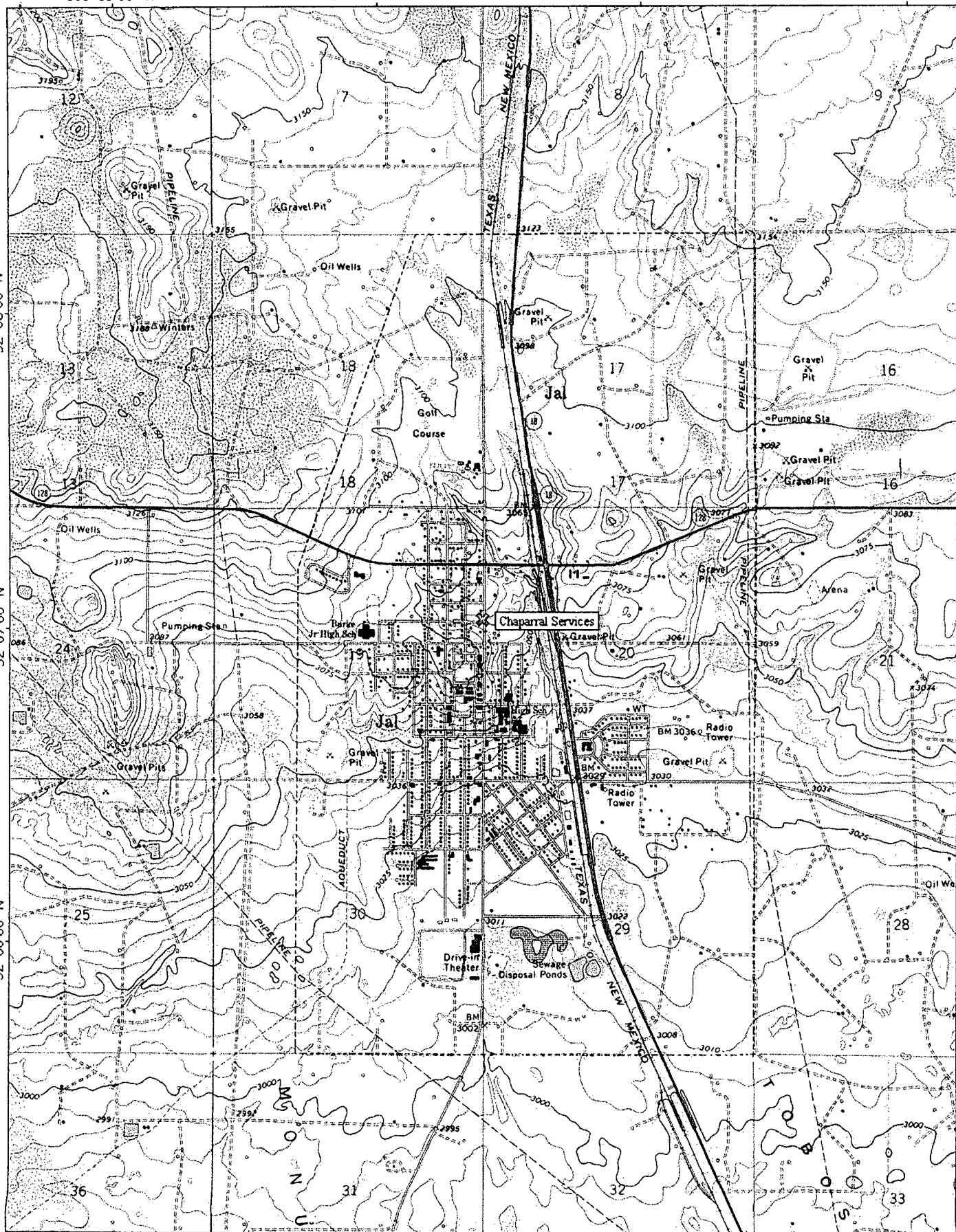
Inground Sump System Not in Use

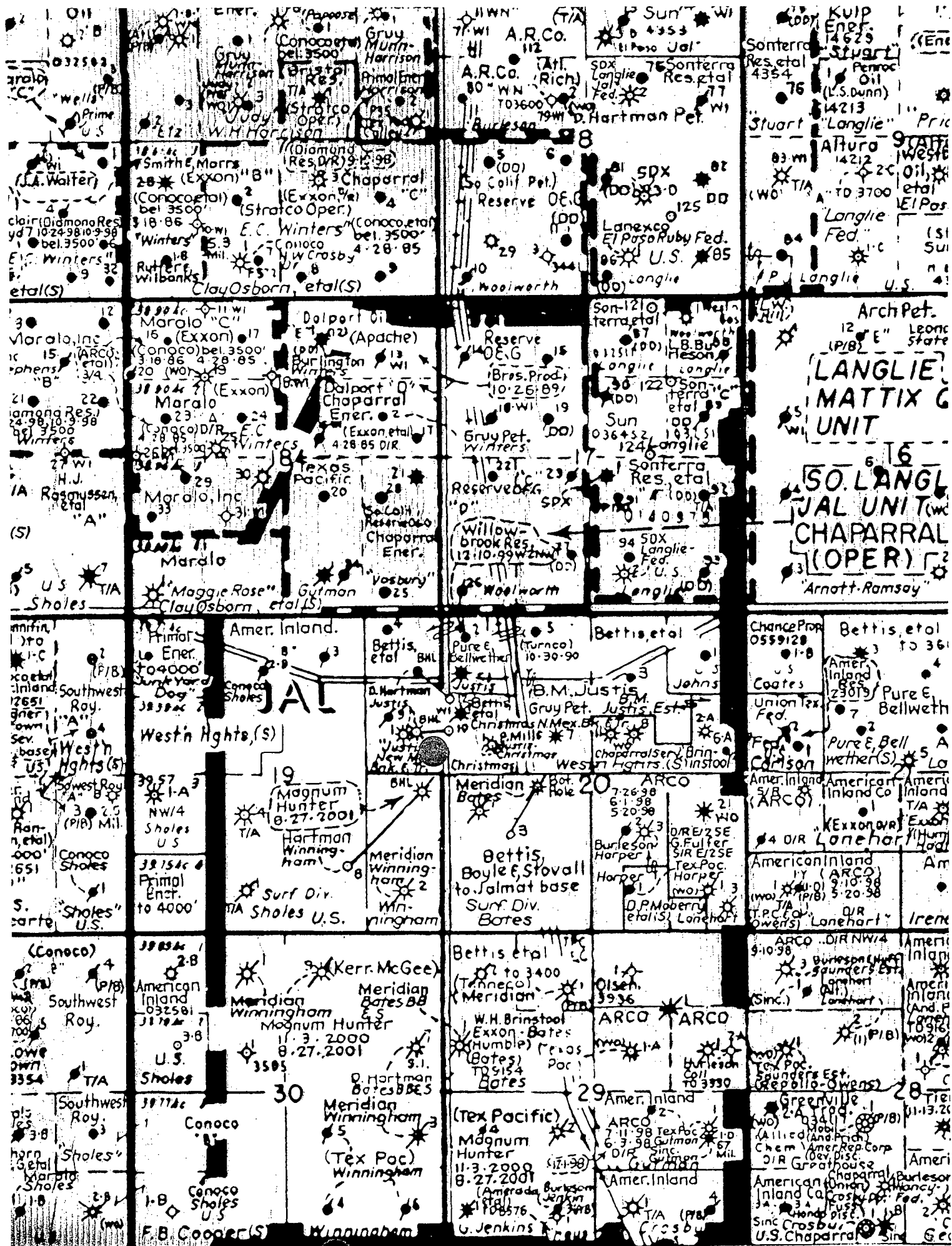
600 BBL WCL Tanks Not in Use


Containment Berms

CSL
313 North 3rd Street
Jal, New Mexico
Site Map 3/2/98
NOT TO SCALE

EAST WYOMING






EDDIE SEAY CONSULTING601 W. ILLINOIS 392-2236
HOBBS, NM 8824095-219-616
1070
1100154253Date 8-13-03Pay to the Order of NMED Water Quality Management Fund \$ 100.00One hundred and no/100 ————— Dollars  Security Features Included. Details on Back.Wells Fargo Bank New Mexico, N.A.
1910 North Turner Street
Hobbs, NM 88240

www.wellsfargo.com

Memo Chaparral Services
Application feeRena Seay MP

© 1999 WFB, N.A. SAFETY

EDDIE SEAY CONSULTING601 W. ILLINOIS 392-2236
HOBBS, NM 8824095-219-616
1070
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