

GW - 318

**PERMITS,
RENEWALS,
& MODS
Application**

DEC 11 2006

Mr. Kinnibrugh
September 19, 2006
Page 2

Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87505

**ATTACHMENT TO THE DISCHARGE PERMIT
OK HOT OIL SERVICES, INC., LOCO HILLS SERVICE FACILITY (GW-318)
DISCHARGE PERMIT APPROVAL CONDITIONS
September 19, 2006**

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

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

- 1. Payment of Discharge Plan Fees:** All discharge permits are subject to WQCC Regulations. Every billable facility that submits a discharge permit application will be assessed a filing fee of \$100.00, plus a renewal flat fee (*see* WQCC Regulation 20.6.2.3114 NMAC). The Oil Conservation Division ("OCD") has received the required \$100.00 filing fee. However, the owner/operator still owes the required \$1700.00 renewal permit fee for an oilfield service company.
- 2. Permit Expiration and Renewal:** Pursuant to WQCC Regulation 20.6.2.3109.H.4 NMAC, this permit is valid for a period of five years. **The permit will expire on March 24, 2010** and an application for renewal should be submitted no later than 120 days before that expiration date. Pursuant to WQCC Regulation 20.6.2.3106.F NMAC, if a discharger submits a discharge permit renewal application at least 120 days before the discharge permit expires and is in compliance with the approved permit, then the existing discharge permit will not expire until the application for renewal has been approved or disapproved.
- 3. Permit Terms and Conditions:** Pursuant to WQCC Regulation 20.6.2.3104 NMAC, when a permit has been issued, the owner/operator must ensure that all discharges shall be consistent with the terms and conditions of the permit. In addition, all facilities shall abide by the applicable rules and regulations administered by the OCD pursuant to the Oil and Gas Act, NMSA 1978, Sections 70-2-1 through 70-2-38.
- 4. Owner/Operator Commitments:** The owner/operator shall abide by all commitments submitted in its July 27, 2005 discharge permit renewal application, including attachments and subsequent amendments and these conditions for approval. Permit applications that reference previously approved plans on file with the division shall be incorporated in this permit and the owner/operator shall abide by all previous commitments of such plans and these conditions for approval.
- 5. Modifications:** WQCC Regulation 20.6.2.3109.G NMAC addresses possible future modifications of a permit. Pursuant WQCC Regulation 20.6.2.3107.C NMAC, the owner/operator (discharger) shall notify the OCD of any facility expansion, production increase or process modification that would result in any significant modification in the discharge of water contaminants. Pursuant to WQCC Regulation 20.6.2.3109.E NMAC, the Division Director may require a permit modification if any water quality standard specified at 20.6.2.3103 NMAC is being or will be exceeded, or if a toxic pollutant as defined in WQCC Regulation 20.6.2.7 NMAC is present in ground water at any place of withdrawal for present or reasonably foreseeable future use, or that the Water Quality Standards for

Interstate and Intrastate streams as specified in 20.6.4 NMAC are being or may be violated in surface water in New Mexico.

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

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

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

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

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

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

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

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

A. All below-grade tanks and sumps must be approved by the OCD prior to installation and must incorporate secondary containment with leak detection into the design. The owner/operator shall retrofit all existing systems without secondary containment and leak detection before discharge permit

renewal. All existing below-grade tanks and sumps without secondary containment and leak detection must be tested annually or as specified herein. Systems that have secondary containment with leak detection shall have a monthly inspection of the leak detection system to determine if the primary containment is leaking. Small sumps or depressions in secondary containment systems used to facilitate fluid removal are exempt from these requirements if fluids are removed within 72 hours.

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

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

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

12. Underground Process/Wastewater Lines:

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

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

13. Class V Wells: The owner/operator shall close all Class V wells (e.g., septic systems, leach fields, dry wells, etc.) that inject non-hazardous industrial wastes or a mixture of industrial wastes and domestic

wastes unless it can be demonstrated that ground water will not be impacted in the reasonably foreseeable future. Leach fields and other wastewater disposal systems at OCD-regulated facilities that inject non-hazardous fluid into or above an underground source of drinking water are considered Class V injection wells under the EPA UIC program. Class V wells that inject domestic waste only, must be permitted by the New Mexico Environment Department (NMED).

- 14. Housekeeping:** The owner/operator shall inspect all systems designed for spill collection/prevention and leak detection at least monthly to ensure proper operation and to prevent over topping or system failure. All spill collection and/or secondary containment devices shall be emptied of fluids within 72 hours of discovery. The owner/operator shall maintain all records at the facility and available for OCD inspection.
- 15. Spill Reporting:** The owner/operator shall report all unauthorized discharges, spills, leaks and releases and conduct corrective action pursuant to WQCC Regulation 20.5.12.1203 NMAC and OCD Rule 116 (19.15.3.116 NMAC). The owner/operator shall notify both the OCD District Office and the Santa Fe Office within 24 hours and file a written report within 15 days.
- 16. OCD Inspections:** The OCD may place additional requirements on the facility and modify the permit conditions based on OCD inspections.
- 17. Storm Water:** The owner/operator shall implement and maintain run-on and runoff plans and controls. The owner/operator shall not discharge any water contaminant that exceeds the WQCC standards specified in 20.6.2.3101 NMAC or 20.6.4 NMAC (Water Quality Standards for Interstate and Intrastate Streams) including any oil sheen in any stormwater run-off. The owner/operator shall notify the OCD within 24 hours of discovery of any releases and shall take immediate corrective action(s) to stop the discharge.
- 18. Unauthorized Discharges:** The owner/operator shall not allow or cause water pollution, discharge or release of any water contaminant that exceeds the WQCC standards listed in 20.6.2.3101 NMAC or 20.6.4 NMAC (Water Quality Standards for Interstate and Intrastate Streams) unless specifically listed in the permit application and approved herein. *An unauthorized discharge is a violation of this permit.*
- 19. Vadose Zone and Water Pollution:** The owner/operator shall address any contamination through the discharge permit process or pursuant to WQCC 20.6.2.4000-.4116 NMAC (Prevention and Abatement of Water Pollution). The OCD may require the owner/operator to modify its permit for investigation, remediation, abatement, and monitoring requirements for any vadose zone or water pollution. Failure to perform any required investigation, remediation, abatement and submit subsequent reports will be a violation of the permit.
- 20. Additional Site Specific Conditions:** The owner/operator shall address all deficiencies identified by OCD during the March 23, 2005 discharge permit renewal inspection. Notification of the following deficiencies was provided in an April 13, 2005 certified mail correspondence. The noted deficiencies include the following:

1. Drums are being stored without proper containment. **Action required:** Proper impermeable containment i.e. pad and curb, shall be installed within 90 days.
2. The waste oil tank located next to the shop has no containment. **Action required:** Proper impermeable containment shall be installed under all process tanks within 90 days.
3. Fuels are being discharged onto the ground surface at the fuel island. **Action required:** All contaminated soils shall be removed within 90 days and disposed of off-site at an OCD approved facility. Confirmation soil samples shall be collected below the contaminated areas after the soils have been removed. The samples shall be analyzed for BTEX (8021), and TPH (8015 GRO&DRO) all using EPA approved methods.
4. The KCL loading area, chemical tanks and fuel tanks all need proper impermeable containment. **Action required:** Proper impermeable containment shall be installed within 90 days.
5. Housekeeping in the scrap iron junk area and used tire pile needs to be addressed. **Action Required:** Disposal or recycling of this material within 90 days. The new discharge plan shall include the proper storing, handling and disposing of these waste items.
6. The wash bay sump and below-grade tank have not been tested. Owner indicated they are planning on installing a new below-grade tank with secondary containment with leak detection. **Action Required:** Plans for the new wash bay system shall be submitted with the discharge permit renewal.
7. OCD reviewed a recent waste disposal ticket (worksheet copy enclosed) showing Wash Bay water being disposed of at Loco Hills Disposal. Loco Hills Disposal Facility was not listed in the Discharge Plan as being an approved site. **Action Required:** OK Hot Oil shall be restricted to only the disposal companies listed in the approved discharge permit. If OK Hot Oil wants to include other facilities they shall include these in the discharge permit renewal application. In addition, OK Hot Oil shall immediately collect a sludge and water sample from the Wash Bay below-grade tank and have it analyzed for Hazardous TCLP Characteristics as defined by EPA RCRA Subpart B -261. The result of the analysis shall be submitted with the discharge plan submittal.

OK HOT OIL will notify the OCD Santa Fe office and the OCD District office at least 72 hours in advance of all scheduled activities such that the OCD has the opportunity to witness the events and/or split samples during OCD's normal business hours.

21. Transfer of Discharge Permit: The owner/operator shall notify the OCD prior to any transfer of ownership, control or possession of a facility with an approved discharge permit. The purchaser shall submit a written commitment to comply with the terms and conditions of the previously approved discharge permit and shall seek OCD approval prior to transfer.

22. Closure: The owner/operator shall notify the OCD when operations of the facility are to be discontinued for a period in excess of six months. Prior to closure of the facility, the operator shall submit

a closure plan for approval. Closure and waste disposal shall be in accordance with the statutes, rules and regulations in effect at the time of closure.

23. Certification: Certification: OK HOT OIL SERVICES, INC., by the officer whose signature appears below, accepts this permit and agrees to comply with all submitted commitments, including these terms and conditions contained herein. **OK HOT OIL SERVICES, INC.** 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: **OK HOT OIL SERVICES, INC.**

Randy Kinnibrugh
Company Representative- print name

Randy Kinnibrugh
Company Representative- signature

Date 9-22-06

Title Secretary



NEW MEXICO ENERGY, MINERALS and
NATURAL RESOURCES DEPARTMENT

SEP 25 2006

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Oil Conservation Division

1220 S. St. Francis Drive

Santa Fe, NM 87505

September 19, 2006

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

Mr. Randy Kinnibrugh
OK Hot Oil Services, Inc.
P.O. Box 146
Loco Hills, New Mexico 88255

Re: Discharge Permit GW-0318 Renewal
Loco Hills Service Facility

Dear Mr. Kinnibrugh:

Pursuant to Water Quality Control Commission (WQCC) Regulations 20.6.2.3104 - 20.6.2.3114 NMAC, the Oil Conservation Division (OCD) hereby approves the discharge permit for the OK Hot Oil Services, Inc. (owner/operator) Loco Hills Service Facility GW-318 located in the NE/4 of Section 29, Township 17 South, Range 29 East, NMPM, Eddy County, New Mexico, under the conditions specified in the enclosed **Attachment To The Discharge Permit**. Enclosed are two copies of the conditions of approval. **Please sign and return one copy to the New Mexico Oil Conservation Division (OCD) Santa Fe Office within 30 working days of receipt of this letter including permit fees.**

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

If you have any questions, please contact Brad A Jones of my staff at (505-476-3487) or E-mail brad.a.jones@state.nm.us. On behalf of the staff of the OCD, I wish to thank you and your staff for your cooperation during this discharge permit review.

Sincerely,

Wayne Price

Environmental Bureau Chief

LWP/baj

Attachments-1

xc: OCD District Office

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Interstate and Intrastate streams as specified in 20.6.4 NMAC are being or may be violated in surface water in New Mexico.

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Conditions accepted by: **OK HOT OIL SERVICES, INC.**

Company Representative- print name

Company Representative- signature

Date _____

Title

**O K HOT OIL
SERVICE INC.**

GW-318

Tuesday, July 11, 2005

Mr. Wayne Price
State of New Mexico
Energy Minerals and Natural Resources Oil Conservation Division
2040 S. Pacheco
Santa Fe, New Mexico

RECEIVED
JUL 13 2005
OIL CONSERVATION
DIVISION

Re: **Discharge Plan for Loco Hills Facility**
O K Hot Oil Service, Inc.

Dear Mr. Price:

Please find enclosed the Discharge Plan for the O K Hot Oil Service, Inc. facility in Loco Hills, New Mexico. Also enclosed is the \$100.00 filing fee. If you have any Questions or need additional information please contact me at (505)677-2262.

Sincerely,

Randy Kinnibrugh

Randy Kinnibrugh

cc: NMOCD, District II, Artesia, New Mexico

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

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

New

Renewal

Modification

- 1 Type: Oilfield Service Company
- 2 Operator: O.K. Hot Oil Service, Inc.
Address: P.O. Box 146, Loco Hills, N.M. 88255
Contact Person: Randy Kinnibrugh Phone: (505) 677-2262
- 3 Location: /4 NW /4 Section 29 Township 17S Range 29E
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: Randy Kinnibrugh Signature: _____
Title: Secretary Date: 7/11/2005

O K HOT SERVICE , INC.

DISCHARGE PLAN - LOCO HILLS, NM

I. Type of Operation

O K Hot Oil Service, Inc. is an oilfield service company which provides hot oil work, vacuum truck work, transport trucks and kill truck services at well sites.

II. Name of Operator or Legally Responsible Party and Local Representative

Operator - O K Hot Oil Service, Inc.

P O Box 146

Loco Hills, NM 88255

(505) 677-2262

Local Representative - Randy Kinnibrugh

O K Hot Oil Service, Inc.

Co-Owner

(505) 677-2262

III. Location of Discharge

Northwest Quarter of Section 29

Township 17 South

Range 29 East

Eddy County, New Mexico

IV. Landowners

O K Hot Oil Service, Inc.

P O Box 146

Loco Hills, NM 88255

V. Facility Description

See Attachment 1 - Site Plan

VI. Materials Stored or Used at the Facility

See Attachment 2

**Vii. Sources and Quantities of Effluent and Waste Solids Generated
At the facility**

<u>Source</u>	<u>Waste</u>	<u>Quantity</u>	<u>Additive</u>
Truck Washing	Water and Soap Residue	70 Barrels/3mths	detergent
Varsol Solvent	Solvent	20 gallons/3mths	none
Maintenance	Motor oil	55 gallons/mth	none
Maintenance	Oil filters	14/mth	none

**VIII. Description of Current Liquid and Solid Waste Collection/Storage/Disposal
Procedure**

All waste is disposed of offsite and is transported by truck to the receiving facility

<u>Waste</u>	<u>Storage</u>	<u>Disposition</u>	<u>Facility</u>
Water and Soap residue	sump	disposal	Controlled Recovery
Solvent	sump	recycle	Nunn Waste Oil
Motor Oil	sump	recycle	Nunn Waste Oil
Oil Filters	drum	recycle	Artesia Metals

Used motor oil is collected in an above ground tank and when full is taken to the Facility of Nunn Waste Oil.

Used Varsol is collected in the same tank as the motor oil and disposed with the Motor oil.

Oil filters are drained into the motor oil sump tank and then crushed and sold with junk Iron.

IX. Proposed Modifications

O K Hot Oil is planning to work with the NMOCD to modify any existing practices which May not meet requirements in order to comply with NMOCD regulations.

X. Inspection, Maintenance and Reporting

A. There are no surface impoundments or other disposal units leak detection systems on This facility.

B. No groundwater monitoring is done at this facility.

XI. Spill/Leak Prevention and Reporting Procedures (Contingency Plans)

A. Facility Description

O K Hot Oil Service is an oil field service company which offers hot oil, vacuum, transport and kill truck services. The company uses various chemicals supplied for our specific applications through outside vendors.

The Loco Hills facility serves as a base for contract services in Southeast New Mexico. The facility maintains various quantities of chemicals stored in 55 gallon drums, sacks, and bulk tanks.

B. Reporting Procedures

All spills of hazardous substances must be reported to the facility manager. The facility manager must report any spill whose quantity may injure or be detrimental to human health, animal or plant life, or property, or unreasonably interfere with the public welfare or the use of property, as soon as possible after learning of such a discharge, but in no event more than 24 hours thereafter.

The spill must be reported to:

O K Hot Oil Service
Randy Kinnibrugh (505) 677-2262

New Mexico Health & Environmental Improvement Division
24 Hour call (505) 827-9329

New Mexico Energy, Minerals, & Natural Resources Department
Oil Conservation Division
(505) 748-1283

C. Spill Containment and Clean Up

Spills will most likely occur around the chemical storage area. All spilled materials will be disposed of according to local, state and federal regulations.

1. Chemical Storage Areas

Drums or bulk tanks may develop leaks or be punctured during use in this area. They are inside containments so any spills will be controlled. Spilled materials will be picked up and placed in appropriate containers for disposal.

D. Leak Detection and Inspection

1. Aboveground tanks and piping will be visually inspected monthly for leaks. If leaks or possible problem areas are identified facility manager must be notified and action taken to stop any leaks. Maintenance should be scheduled for problems noted. If leaks occur which need to be reported then follow the reporting procedures described in Part B.

XII. Site Characteristics

1. The nearest body of water is the Pecos River, approximately 15 miles to the west.
2. The facility has never been known to flood. No flood protection measures will be taken.

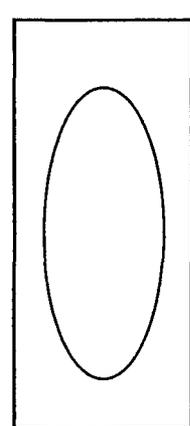
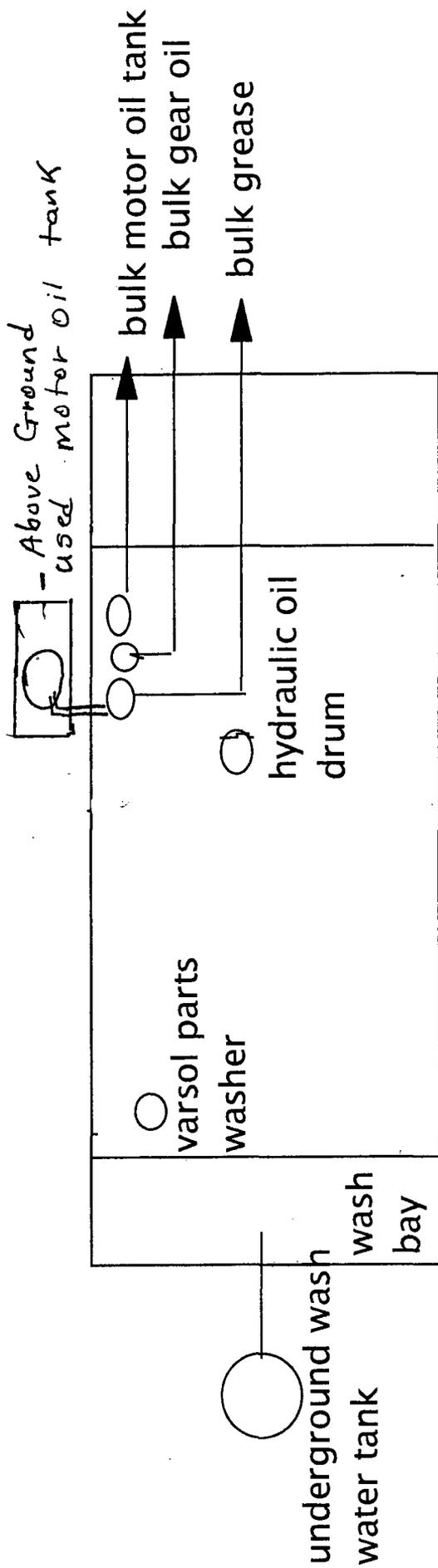
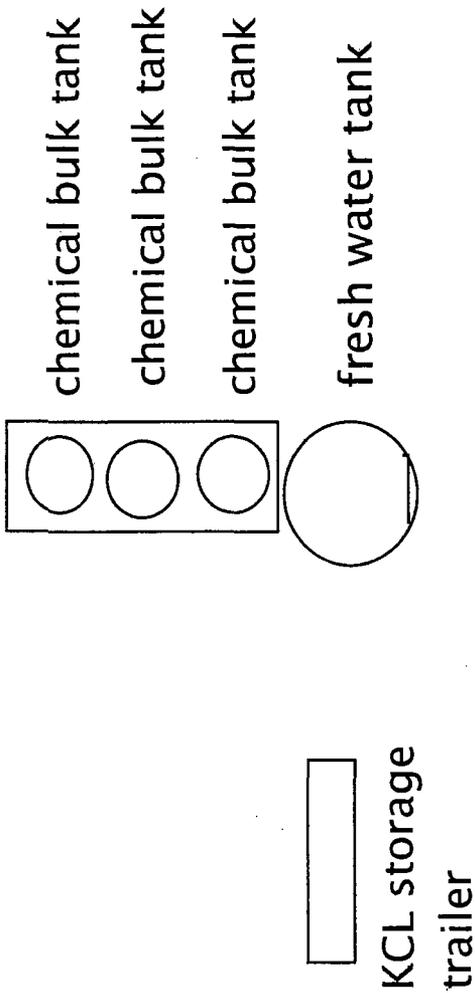
XIII. CLOSURE PLAN

In the event O K Hot Oil closes or is sold all buildings and equipment will be left as is or will be removed. However, all waste products or hazardous materials will be removed and taken to the appropriate site for disposal.

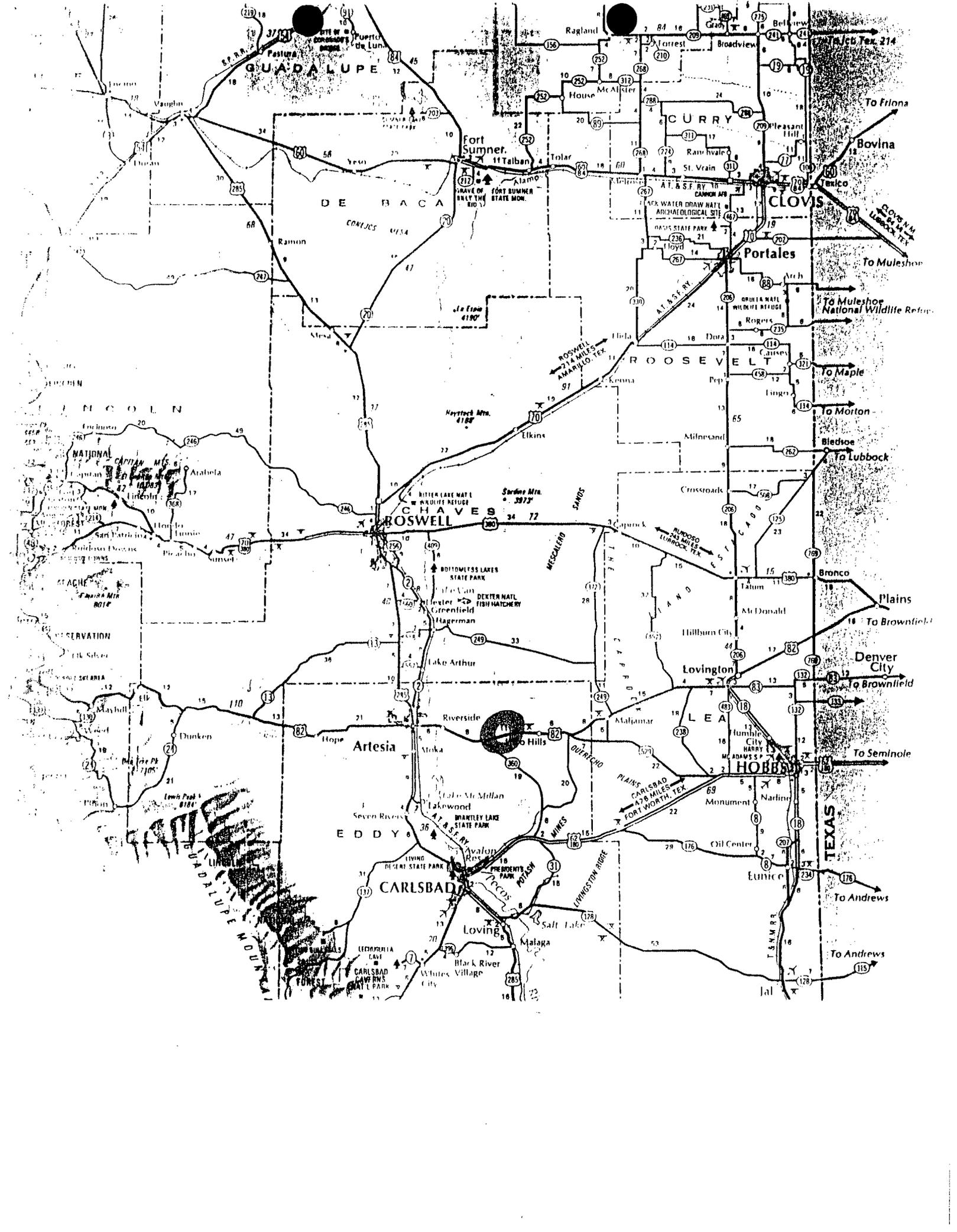
All underground tanks shall be removed and soil samples taken 3 feet below tanks and submitted to NMOCD for analysis.

ATTACHMENT I

OK Hot Oil Service



fenced in propane tank



GUADALUPE

DE BACA

CURRY

ROOSEVELT

CHAVES

EDDY

CARLSBAD

CLOVIS

Portales

ROSWELL

Lovington

HOBBBS

TEXAS

TEXAS

TEXAS

TEXAS

TEXAS

To Ft. Jct. Tex. 214

To Frlona

To Bovina

To Tenico

To Muleshoe

To Muleshoe National Wildlife Refuge

To Maple

To Morton

To Bledsoe

To Lubbock

To Plains

To Brownfield

To Denver City

To Brownfield

To Seminole

To Andrews

ATTACHMENT II

MATERIALS STORED OR USED AT OK HOT OIL SERVICE

Material	Solid or Liquid	Container	Location
1. KCL	solid	50# sacks	van trailer in yard
2. Unichem Technisperse 253	liquid	500 gallon drum	yard
3. Unichem Technisperse 270	liquid	500 gallon drum	yard
4. Unichem Technisperse 370	liquid	500 gallon drum	yard
5. Unichem Technisperse 270ws	liquid	500 gallon drum	yard
6. Propane	liquid	10,000 gallon tank	yard
7. Car wash detergent	solid	20 gallon container	shop
8. Varsol	liquid	1000 gallon bulk tank	yard
9. Motor oil	liquid	300 gallon bulk tank	shop
10. 90 wt. gear oil	liquid	20 gallon drum	shop
11. Lubricating grease	solid	20 gallon drum	shop
12. Hydraulic oil	liquid	20 gallon drum	shop
13. Varsol	liquid	20 gallon parts washer	shop

ATTACHMENT III

XII. Site Characteristics

1. Depth to ground water is 260 feet.

Geologic formations are as follows:

0 - 5 caliche
5 - 160 yellow and red clay
160 - 190 hydrite
190 - 260 sandy gravel

2. Water analysis and TDS are included with this attachment

UNICHEM

A Division of BJ Services Company

Lab Test No: 31777

POLK, BILL

OK Hot Oil

02/18/2000

Water Analysis

Listed below please find water analysis report from: Fresh Water Well FW Well

Specific Gravity:	1.005
TDS:	6411
pH:	6.82
Conductivity:	µmhos
Resistivity:	ohms/M

Cations:		mg/L
Calcium	(Ca ⁺⁺)	569
Magnesium	(Mg ⁺⁺)	194
Sodium	(Na ⁺)	1168
Iron	(Fe ⁺⁺)	0.64
Barium	(Ba ⁺⁺)	0.04
Strontium	(Sr ⁺⁺)	8.99
Manganese	(Mn ⁺⁺)	0.01
Anions:		
Bicarbonate	(HCO ₃ ⁻)	171
Carbonate	(CO ₃ ⁻)	
Hydroxide	(OH ⁻)	
Silica	(SiO ₂)	
Sulfate	(SO ₄ ⁻)	1500
Chloride	(Cl ⁻)	1800

Gases:	
Carbon Dioxide	(CO ₂)
Hydrogen Sulfide	(H ₂ S)

Comments:

DownHole SAT Rx
WATER CHEMISTRY

OK Hot Oil FW Well
Fresh Water Well

Report Date: 03-02-2000 Sampled: 02-18-2000
Sample #: 31777 at 0000

CATIONS

Calcium (as Ca)	569.00
Magnesium (as Mg)	194.00
Barium (as Ba)	0.0400
Strontium (as Sr)	8.99
Sodium (as Na)	1168
Aluminum (as Al)	0.00
Manganese (as Mn)	0.01000

ANIONS

Chloride (as Cl)	2174
Sulfate (as SO4)	1500
Dissolved CO2 (as CO2)	37.97
Bicarbonate (as HCO3)	169.77
Carbonate (as CO3)	0.601
Silica (as SiO2)	0.00
Phosphate (as PO4)	0.00

PARAMETERS

pH	6.82
Temperature (°F)	100.00
Density (mg/L)	1.00
Pressure (atm)	1.00
Calculated T.D.S.	5824

COMMENTS

UNICHEM, A Division of B.J. Services
14505 Torrey Chase Blvd., Houston, TX 77014-1024

RECEIVED
APR 24 2000
Environmental Bureau
Oil Conservation Division

AMMENDMENT

LOCO HILLS SERVICE FACILITY DISCHARGE PLAN

GW-318

Article VIII. Description of Current Liquid and Solid Waste Collection/Storage/Disposal Procedure

Under the Water and Soap Residue Heading the Disposal Facility should read Controlled Recovery Inc., Hobbs, New Mexico not Loco Hills Disposal

Also under the Solvent and Motor Oil Headings, the Disposal Facility should read Nunn Waste Oil Pickup, El Paso Texas not Old Loco Oil

RECEIVED
APR 24 2000
Environmental Bureau
Oil Conservation Division

VII. Sources and Quantities of Effluent and Waste Solids Generated at the Facility

<u>Source</u>	<u>Waste</u>	<u>Quantity</u>	<u>Additive</u>
Truck Washing	Water & Soap Residue	70 bbls./ 3mths	detergent
Varsol Solvent	Solvent	20 gallons/3mths	none
Maintenance	Motor Oil	55 gallons/mth	none
Maintenance	Oil Filters	14/mth	none

VIII. Description of Current Liquid and Solid Waste Collection/Storage/Disposal Procedure

All waste is disposed of offsite and is transported by truck to the receiving facility.

<u>Waste</u>	<u>Storage</u>	<u>Disposition</u>	<u>Facility</u>
Water and Soap Residue	Sump	Disposal	Controlled Recovery
Solvent	Sump	Recycle	Nunn Waste Oil
Motor Oil	Sump	Recycle	Nunn Waste Oil
Oil Filters	Drum	Recycle	Artesia Metals

Used motor oil is collected in an underground sump tank and when full is picked up by Nunn Waste Oil Pickup, El Paso, Texas, 915-584-4602.

Used Varsol is collected in the same tank as the motor oil and disposed with the motor oil.

Oil filters are drained into the motor oil sump tank and then crushed and sold with junk iron.

IX. Proposed Modifications

O K Hot is planning to work with the NMOCD to modify any existing practices which may not meet requirements in order to comply with NMOCD regulations.

X. Inspection, Maintenance and Reporting

A. There are no surface impoundments or other disposal units leak detection systems on this facility.

B. No groundwater monitoring is done at this facility.

ACKNOWLEDGEMENT OF RECEIPT
OF CHECK/CASH

I hereby acknowledge receipt of check No. [redacted] dated 4-6-00,
or cash received on _____ in the amount of \$ 1380⁰⁰
from OK HOT OIL SERVICE

for ~~OK HOT~~ LOCO HILLS SERVICE FACILITY GW-318

Submitted by: WAYNE PRICE (Family Name) Date: 4/10/00 (DP No.)

Submitted to ASD by: [Signature] Date: "

Received in ASD by: _____ Date: _____

Filing Fee _____ New Facility Renewal _____
Modification _____ Other _____
(specify)

Organization Code 521.07 Applicable FY 2000

To be deposited in the Water Quality Management Fund.

Full Payment or Annual Increment _____

OK HOT OIL SERVICE 12-96
505-746-6233 OR PH. 505-677-2262
P.O. BOX 146
LOCO HILLS, NM 88255-0146

No. [redacted]

DATE 4-6-00

95-43/1122
50631110

Pay to the order of WQCC - Water Quality Management Fund \$ 1380⁰⁰
OK HOT OIL SERVICE INC. 1380 DOLS 00 00

1ST NATIONAL BANK
MEMBER FDIC
303 W. MAIN ST. P.O. BOX 44 806-746-8000
ARTESIA, NEW MEXICO 88211-7026
ARTESIA • HOBBS • LAS CRUCES • ROSWELL

GW-318

[Signature]

FOR

[redacted]

Called RANDY KINNIBRUGH
FEES WILL BE SENT
TODAY!
LP

Mr. Randy Kinnibrugh
03/24/00
Page 3

RECEIVED
APR 06 2000
Environmental Bureau
Oil Conservation Division

**ATTACHMENT TO THE DISCHARGE PLAN GW-318 APPROVAL
OK Hot Oil Service, Inc. Loco Hills Service Facility (GW-318)
DISCHARGE PLAN APPROVAL CONDITIONS
March 24, 2000**

1. Payment of Discharge Plan Fees: The \$50.00 filing fee has been received by OCD. The \$1380.00 flat fee shall be submitted upon receipt of this approval. The required flat fee may be paid in a single payment due at the time of approval, or in equal annual installments over the duration of the plan, with the first payment due upon receipt of this approval.
2. Commitments: OK Hot Oil Service, Inc. will abide by all commitments submitted in the discharge plan application dated October 26, 1999 and these conditions for approval.
3. Drum Storage: All drums containing materials other than fresh water must be stored on an impermeable pad with curbing. All empty drums should be stored on their sides with the bungs in place and lined up on a horizontal plane. Chemicals in other containers such as sacks or buckets must also be stored on an impermeable pad with curbing.
4. Process Areas: All process and maintenance areas which show evidence that leaks and spills are reaching the ground surface must be either paved and curbed or have some type of spill collection device incorporated into the design.
5. Above Ground Tanks: All above ground tanks which contain fluids other than fresh water must be bermed to contain a volume of one-third more than the total volume of the largest tank or of all interconnected tanks. All new facilities or modifications to existing facilities must place the tank on an impermeable type pad within the berm.
6. Above Ground Saddle Tanks: Above ground saddle tanks must have impermeable pad and curb type containment unless they contain fresh water or fluids that are gases at atmospheric temperature and pressure.
7. Labeling: All tanks, drums, and other containers should be clearly labeled to identify their contents and other emergency information necessary if the tank were to rupture, spill, or ignite.

Mr. Randy Kinnibrugh

03/24/00

Page 4

8. Below Grade Tanks/Sumps: All below grade tanks, sumps, and pits must be approved by the OCD prior to installation or upon modification and must incorporate secondary containment and leak-detection into the design. All pre-existing sumps and below-grade tanks must be tested to demonstrate their mechanical integrity no later than May 30, 2000 and every year from tested date, thereafter. Permittees may propose various methods for testing such as pressure testing to 3 pounds per square inch above normal operating pressure and/or visual inspection of cleaned out tanks and/or sumps, or other OCD approved methods. The OCD will be notified at least 72 hours prior to all testing. The test results will be submitted to OCD by June 30, 2000.
9. Underground Process/Wastewater Lines: All underground process/wastewater pipelines must be tested to demonstrate their mechanical integrity no later than May 30, 2000 and every 5 years, from tested date, thereafter. Permittees may propose various methods for testing such as pressure testing to 3 pounds per square inch above normal operating pressure or other means acceptable to the OCD. The OCD will be notified at least 72 hours prior to all testing. The test results will be submitted to OCD by June 30, 2000.
10. Class V Wells: No Class V wells that inject non-hazardous industrial wastes or a mixture of industrial wastes and domestic wastes will be approved for construction and/or operation unless it can be demonstrated that groundwater will not be impacted in the reasonably foreseeable future. Leach fields and other wastewater disposal systems at OCD regulated facilities which inject non-hazardous fluid into or above an underground source of drinking water are considered Class V injection wells under the EPA UIC program. Class V wells that inject domestic waste only must be permitted by the New Mexico Environment Department.
11. Housekeeping: All systems designed for spill collection/prevention, and leak detection will be inspected daily to ensure proper operation and to prevent overtopping or system failure.
12. Spill Reporting: All spills/releases shall be reported pursuant to OCD Rule 116. and WQCC 1203. to the OCD Artesia District Office.
13. Waste Disposal: All wastes will be disposed of at an OCD approved facility. Only oilfield exempt wastes shall be disposed of down Class II injection wells. Non-exempt oilfield wastes that are non-hazardous may be disposed of at an OCD approved facility upon proper waste determination per 40 CFR Part 261.
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.

Mr. Randy Kinnibrugh

03/24/00

Page 5

15. Closure: The OCD will be notified when operations of the facility are discontinued for a period in excess of six months. Prior to closure of the facility a closure plan will be submitted for approval by the Director. Closure and waste disposal will be in accordance with the statutes, rules and regulations in effect at the time of closure.
16. OCD Inspections: Additional requirements may be placed on the facility based upon results from OCD inspections.
17. Storm Water Plan: The facility will have an approved storm water run-off plan.
18. Conditions accepted by: OK Hot Oil Service, Inc. by the officer whose signature appears below, accepts this permit and agrees to comply with all terms and conditions contained herein. **OK Hot Oil Service, Inc.** further acknowledges that these conditions and requirements of this permit may be changed administratively by the Division for good cause shown as necessary to protect fresh water, human health and the environment.

OK Hot Oil Service, Inc.

Print Name: Randy Kinnibrugh

Signature: Randy Kinnibrugh

Title: Secretary

Date: 3-29-00



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

March 24, 2000

CERTIFIED MAIL
RETURN RECEIPT NO. 5051 4669

Mr. Randy Kinnibrugh
OK Hot Oil Service, Inc.
P.O. Box 146
Loco Hills, New Mexico 88255

Re: Discharge Plan GW-318
Loco Hills Service Facility

Dear Mr. Kinnibrugh:

The groundwater discharge plan application for the Loco Hills Service Facility GW-318 operated by OK Hot Oil Service, Inc. located in the NE/4 of Section 29, Township 17 South, Range 29 East, NMPM, Eddy 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 ten working days of receipt of this letter.

The discharge plan application was submitted on October 26, 1999 with supplemental information received by OCD on March 17, 2000. The discharge plan application, including attachments, was submitted pursuant to Sections 5101.B.3. of the New Mexico Water Quality Control Commission (WQCC) Regulations also includes all earlier applications and all conditions later placed on those approvals. The discharge plan is renewed pursuant to Section 5101.A. and 3109.C. Please note Section 3109.G., which provides for possible future amendment of the plan. Please be advised that approval of this plan does not relieve OK Hot Oil Service, Inc. of liability should operations result in pollution of surface or ground waters, or the environment.

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

Mr. Randy Kinnibrugh

03/24/00

Page 2

Please note that Section 3104. of the regulations requires that "when a plan has been approved, discharges must be consistent with the terms and conditions of the plan." Pursuant to Section 3107.C., OK Hot Oil Service, 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 approval is for a period of five years. **This approval will expire March 24, 2005** and an application for renewal should be submitted in ample time before that date. Pursuant to Section 5101.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 plans for, or the results of, an underground drainage testing program as a requirement for discharge plan renewal.

The discharge plan application for the OK Hot Oil Service, Inc. Loco Hills Service Facility is subject to the WQCC Regulation 3114. Every billable facility submitting a discharge plan will be assessed a fee equal to the filing fee of \$50 plus an initial flat fee of \$13800.00 for oilfield service facilities. The OCD has not received the \$13800.00 flat fee.

CALLED 3/31/00
CORRECTED \$1,380.00

If you have any questions, please contact Wayne Price of my staff at (505-827-7155). On behalf of the staff of the OCD, I wish to thank you and your staff for your cooperation during this discharge plan review.

Sincerely,



Roger C. Anderson
Environmental Bureau Chief
RCA/lwp

Attachments-2

xc: OCD Artesia Office

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OK Hot Oil Service, Inc. Loco Hills Service Facility (GW-318)
DISCHARGE PLAN APPROVAL CONDITIONS
March 24, 2000**

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Mr. Randy Kinnibrugh

03/24/00

Page 4

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16. OCD Inspections: Additional requirements may be placed on the facility based upon results from OCD inspections.
17. Storm Water Plan: The facility will have an approved storm water run-off plan.
18. Conditions accepted by: OK Hot Oil Service, Inc. by the officer whose signature appears below, accepts this permit and agrees to comply with all terms and conditions contained herein. **OK Hot Oil Service, Inc.** further acknowledges that these conditions and requirements of this permit may be changed administratively by the Division for good cause shown as necessary to protect fresh water, human health and the environment.

OK Hot Oil Service, Inc.

Print Name: _____

Signature: _____

Title: _____

Date: _____

ATTACHMENT III

RECEIVED
MAR 17 2000
Environmental Bureau
Oil Conservation Division

XII. Site Characteristics

1. Depth to ground water is 260 feet.

Geologic formations are as follows:

0 - 5 caliche
5 - 160 yellow and red clay
160 - 190 hydrite
190 - 260 sandy gravel

2. Water analysis and TDS are included with this attachment

UNICHEM

A Division of BJ Services Company

Lab Test No: 31777

POLK, BILL

OK Hot Oil

02/18/2000

Water Analysis

Listed below please find water analysis report from: Fresh Water Well FW Well

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Conductivity: μmhos
Resistivity: ohms/M

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Barium	(Ba ⁺⁺)	0.04
Strontium	(Sr ⁺⁺)	8.99
Manganese	(Mn ⁺⁺)	0.01
Anions:		
Bicarbonate	(HCO ₃ ⁻)	171
Carbonate	(CO ₃ ⁻)	
Hydroxide	(OH ⁻)	
Silica	(SiO ₂)	
Sulfate	(SO ₄ ⁻)	1500
Chloride	(Cl ⁻)	1800

Gases:	
Carbon Dioxide	(CO ₂)
Hydrogen Sulfide	(H ₂ S)

Comments:

DownHole SAT Rx
WATER CHEMISTRY

OK Hot Oil FW Well
Fresh Water Well

Report Date: 03-02-2000 Sampled: 02-18-2000
Sample #: 31777 at 0000

CATIONS

Calcium (as Ca)	569.00
Magnesium (as Mg)	194.00
Barium (as Ba)	0.0400
Strontium (as Sr)	8.99
Sodium (as Na)	1168
Aluminum (as Al)	0.00
Manganese (as Mn)	0.01000

ANIONS

Chloride (as Cl)	2174
Sulfate (as SO4)	1500
Dissolved CO2 (as CO2)	37.97
Bicarbonate (as HCO3)	169.77
Carbonate (as CO3)	0.601
Silica (as SiO2)	0.00
Phosphate (as PO4)	0.00

PARAMETERS

pH	6.82
Temperature (°F)	100.00
Density (mg/L)	1.00
Pressure (atm)	1.00
Calculated T.D.S.	5824

COMMENTS

UNICHEM, A Division of B.J. Services
14505 Torrey Chase Blvd., Houston, TX 77014-1024

DownHole SAT Rx
DEPOSITION POTENTIAL INDICATORS

OK Hot Oil
Fresh Water Well

FW Well

Report Date: 03-02-2000 Sampled: 02-18-2000
Sample #: 31777 at 0000

SATURATION LEVEL		MOMENTARY EXCESS (Lbs/1000 Barrels)	
Calcite (CaCO3)	0.841	Calcite (CaCO3)	-0.0130
Witherite (BaCO3)	< 0.001	Witherite (BaCO3)	-9.81
Strontianite (SrCO3)	0.0399	Strontianite (SrCO3)	-1.79
Anhydrite (CaSO4)	0.799	Anhydrite (CaSO4)	-58.38
Gypsum (CaSO4*2H2O)	0.978	Gypsum (CaSO4*2H2O)	-4.99
Barite (BaSO4)	1.43	Barite (BaSO4)	0.00717
Celestite (SrSO4)	0.314	Celestite (SrSO4)	-13.94
Silica (SiO2)	0.00	Silica (SiO2)	-56.54
Magnesium silicate	0.00	Magnesium silicate	-97.19
Iron hydroxide (Fe(OH)3)	9.26	Iron hydroxide (Fe(OH)3)	< 0.001
Strengite (FePO4*2H2O)	0.00	Strengite (FePO4*2H2O)	>-0.001
Iron sulfide (FeS)	0.00	Iron sulfide (FeS)	-0.152

SIMPLE INDICES		BOUND IONS		TOTAL	FREE
Langelier	0.118	Calcium	569.00	428.93	
Ryznar	6.58	Barium	0.0400	0.0400	
Puckorius	5.27	Carbonate	0.778	0.118	
Larson-Skold Index	32.97	Phosphate	0.00	0.00	
Stiff Davis Index	0.0449	Sulfate	1500	967.06	
Oddo-Tomson	-0.0296				

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ATTACHMENT IV

XIII. CLOSURE PLAN

In the event O K Hot Oil closes or is sold all buildings and equipment will be left as is or will be removed. However, all waste products or hazardous materials will be removed and taken to the appropriate site for disposal.

All underground tanks shall be removed and soil samples taken 3 feet below tanks and submitted to NMOCD for analysis.