GW - 360

INSPECTIONS & DATA

2000-2005



NEW MEXICO ENERGY, MICERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor

Joanna Prukop
Cabinet Secretary

Mark E. Fesmire, P.E.
Director
Oil Conservation Division

March 7, 2005

<u>CERTIFIED MAIL</u> <u>RETURN RECEIPT NO. 5357 6990</u>

Mr. Murray A. Erickson Guardian Wellhead Protection, Inc. P.O. Box 13188 Odessa, Texas 79768

RE: Routine Inspection

Hobbs Service Facility Lea County, New Mexico

Dear Mr. Erickson:

The New Mexico Oil Conservation Division (OCD) personnel, Mr. W. Jack Ford and Mr. Larry Johnson, inspected the Hobbs Service Facility located at 5606 Carlsbad Highway, Hobbs, Lea County, New Mexico on February 10, 2005. There was no Guardian Wellhead Protection, Inc. personnel available on site to accompany the OCD personnel. A business card was attached to the front door of the facility building to let you know that we had inspected the facility. The purpose of this routine inspection was to evaluate the facility and make a determination if the operation of the facility meets the requirements of the Water Quality Control Commission (WQCC) rules and regulations. During the inspection the NMOCD took photographs of the Hobbs Service Facility and duplicate copies of these photos are enclosed for Guardian Wellhead Protection, Inc.'s reference. The following items are OCD's areas of concern at the site.

- X Prior leakage to the ground surface was observed by stained soil under and around the storage drums. Secondary containment is required around used lube oil drums on wooden pallett.
- X Major housekeeping concerns exist such as the oil leaks and spills around equipment. Drip pans for collection of leaks from fuel or lubrication fluids should be installed and checked frequently to prevent any overflow onto the ground surface.
- X Old batteries must be removed and disposed of properly. Old rusty paint cans must be removed and disposed of in an approved disposal facility. Paint cans must be stored inside a cabinet or other enclosed compartment.

Mr. Murray A. Erickson Guardian Wellhead Protection, Inc. March 7, 2005 Page 2

- X All tanks and drums should be clearly labeled. All product drums or buckets need to be stored within a secondary containment. Empty drums must be stored on their sides with bungs in place and with horizontal alignment.
- X Hydrocarbon contaminated wash water has flowed off of equipment washdown area onto the ground surface. A collection system to prevent runoff onto ground surface is required. Collected fluids must be disposed of properly.

Overall the facility appears to have an increase in the number of concerns for proper operations since an inspection was made on May 31, 2000. The OCD's concerns require attention to proper storage, handling of fluids and housekeeping items, particularly those noted above. Guardian Wellhead Protection, Inc. was required to file an application for a discharge permit for this facility by letter notification, dated August 7, 2000. To date no application has been filed. An application must be filed with the OCD by April 1, 2005.

Should you have any questions regarding this inspection please feel free to call me at (505)-476-3489.

Sincerely.

W. Jack Ford, C.P.G. Environmental Bureau Oil Conservation Division

cc: Hobbs OCD District Office

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Guardian Wellhead Protection, Inc. February 10, 2005





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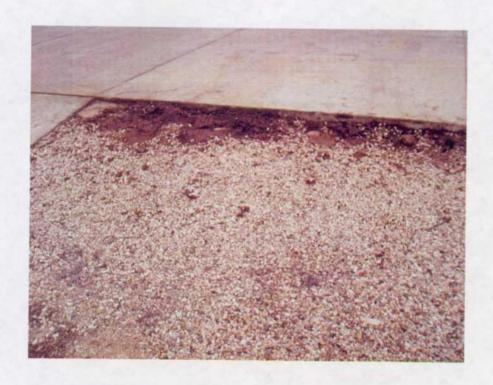


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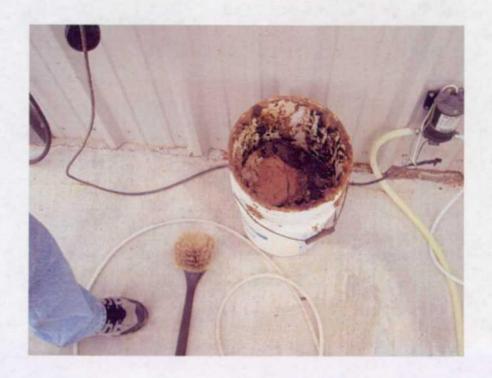
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NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

July 28, 2000

CERTIFIED MAIL RETURN RECEIPT NO. 5050 9795

Mr. Murray A. Erickson Guardian Wellhead Protection, Inc. P.O. Box 13188 Odessa, Texas 79768

RE: Pre-Discharge Plan Inspection

Hobbs Service Facility Lea County, New Mexico

Dear Mr. Erickson:

The OCD along with Guardian Wellhead Protection, Inc. personnel, Mr. Cory Cutright, inspected the Hobbs Service Facility located at 5606 Carlsbad Highway, Hobbs, Lea County, New Mexico on May 31, 2000. The purpose of this inspection was to evaluate the facility and make a determination if a discharge plan under the Water Quality Control Commission (WQCC) rules and regulations would be required. During the inspection the NMOCD took photographs of the Hobbs Service Facility and duplicate copies of these photos are enclosed for Guardian Wellhead Protection, Inc.'s reference. The bullet points that follow will note areas of concern at the site.

- No secondary containment was noted around or under the diesel fuel tank. Prior leakage to the ground surface was observed by stained soil under and around the storage drums. (Photo 5 and Photo 6) The same also applies for secondary containment area around used lube oil drum on wooden pallett. (Photo 3)
- Minor housekeeping points such as the raking of small oil spills so that they may biodegrade onsite (Photo 6). Any drip pans for collection of leaks from fuel or lubrication fluids should be checked frequently to prevent any overflow onto the ground surface.
- Paint that was poured onto the ground surface was observed. Paint must be removed and disposed of in an approved disposal facility. Paint cans must be stored inside a cabinet in the shop area (Photo 8).

- All tanks and drums should be clearly labeled (Photo 2, 3, 4 & 5). All product drums or buckets need to be stored within a secondary containment (Photo 3, 4 & 5). Empty drums must be stored on their sides with bungs in place and horizontal alignment.
- Wash water has flowed off of equipment washdown area onto the ground surface (Photo 1 & 7). Needs collection system to prevent runoff onto ground surface. Collected fluids will be handled for proper disposal.

Overall the facility appears to be neat, but does require attention to proper storage, handling of fluids and housekeeping items, particularly those noted above. Should you have any questions regarding this inspection please feel free to call me at (505)-827-7156.

Sincerely,

W. Jack Ford, C.P.G. Water Resource Engineering Specialist Oil Conservation Division

cc: Hobbs OCD District Office

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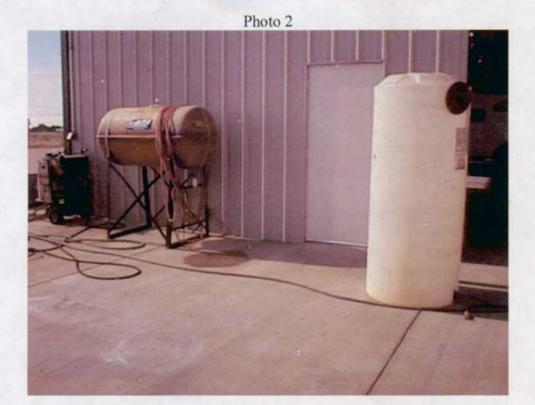
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PS. Form 3800, July 1999
See Reverse for Insuructions

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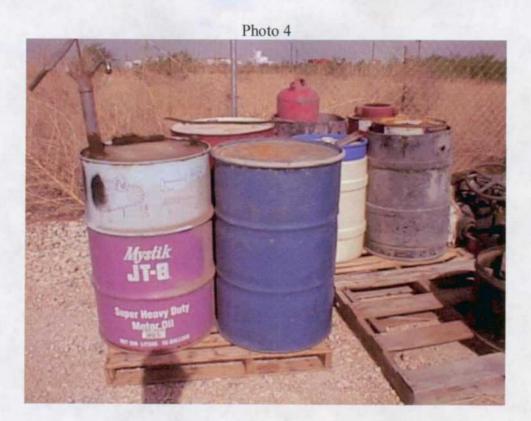
Guardian Wellhead Protection, Inc. Hobbs Service Facility Equipment washdown and testing area



Guardian Wellhead Protection, Inc. Hobbs Service Facility Saddle Tank without secondary containment



Guardian Wellhead Protection, Inc. Hobbs Service Facility Drums and buckets containing fluids without secondary containment



Guardian Wellhead Protection, Inc. Hobbs Service Facility Drums containing fluids stored without secondary containment Photo 5



Guardian Wellhead Protection, Inc. Hobbs Service Facility Drums containing fluids without secondary containment

Photo 6



Guardian Wellhead Protection, Inc. Hobbs Service Facility Petroleum stained soil from a leak or spill that needs remediation

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