

GW – 373

**PERMITS,
RENEWALS,
& MODS
Application**

ACKNOWLEDGEMENT OF RECEIPT
OF CHECK/CASH

I hereby acknowledge receipt of check No. _____ dated 11/12/09

or cash received on _____ in the amount of \$ 1700⁰⁰

from Weatherford

for GW-373

Submitted by: Lawrence Rogers Date: 11/8/10

Submitted to ASD by: Lawrence Rogers Date: 11/8/10

Received in ASD by: _____ Date: _____

Filing Fee _____ New Facility _____ Renewal _____

Modification _____ Other Facility Fee

Organization Code 521.07 Applicable FY 2004

To be deposited in the Water Quality Management Fund.

Full Payment _____ or Annual Increment _____



Weatherford®

Don Dunbar
Environmental Project Manager

RECEIVED
2010 JAN 7 PM 1 32

January 4, 2010

Mr. Glen von Gonten
New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87505

Re: New Discharge Permit GW-373

Dear Mr. von Gonten:

Please find enclosed the signed attachment for the above referenced discharge permit and check for the permit fee. I apologize for the delay, getting things through a large company during the fourth quarter are sometime more challenging than they need to be. I have notified Mr. Lowe of our submission.

Sincerely,

Don Dunbar
Environmental Project Manager
don.dunbar@weatherford.com

cc: Johnny Mitchell – Weatherford Fishing & Rental – Hobbs NM
Mr. Leonard Lowe, NMOCD

ATTACHMENT
DISCHARGE PERMIT
APPROVAL CONDITIONS

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 Oil Conservation Division (“OCD”) has received the required \$100.00 filing fee. The flat fee for an oil and gas service company is \$1700.00. Please submit this amount along with the signed permit once issued. Checks should be made out to the New Mexico Water Quality Management Fund.

2. Permit Expiration, Renewal Conditions and Penalties: 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 October 30, 2014** 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. *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 September 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 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 Part 35 Waste: Pursuant to OCD Part 35 (19.15.35.8 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 20.6.2.1203 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 performed an inspection of this facility on January 22, 2009. Mr. Don Dunbar witnessed the inspection. As a result of this, OCD inspection concluded the following:

The facility is new. One oil/water separator must be retrofitted to meet the permit Condition 11. Owner/Operator shall submit an update report to the OCD documenting to the retrofit of this vessel by **December 11, 2009**.

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: Newly Permitted Facility:

- A. A copy of the discharge permit, GW-373, shall be kept on site at all times.
- B. Owner/Operator management shall present the discharge permit conditions to all its employees. Employees shall be made aware of possible discharges at the facility and made aware of the permit location on site.
- C. The OCD has a Hobbs office. Larry Johnson is the Environmental Engineer at this location and he can be reached at 575-393-6161 ext. 111. Any spills shall be reported to Mr. Johnson.
- D. The Santa Fe OCD Environmental Bureau processes all discharge plan permits, refer all questions to the Santa Fe office.
- E. At the time of application submittal this facility is non operational and brand new. The operations of GW-075 were transferred to this facility; GW-075 is being renewed at this time.

21. Transfer of Discharge Permit (WQCC 20.6.2.3111) Prior to any transfer of ownership, control, or possession (whether by lease, conveyance or otherwise) of a facility with a discharge permit, the 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."

Weatherford
Company Name-print name above

Johnny Mitchell
Company Representative- print name

Johnny Mitchell
Company Representative- Signature

Title District Manager

Date: December 17, 2009



New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson

Governor
Joanna Prukop
Cabinet Secretary
Vacant
Deputy Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



October 26, 2009

Mr. Don Dunbar
Weatherford USLP
515 Post Oak Boulevard, Ste 600
Houston, TX 77027

Re: New Discharge Permit GW-373
3215 N. Enterprise Drive, Hobbs, Oil and Gas Service Company
NW/4 SW/4 Section 21, Township 18 South, Range 38 East, NMPM,
Lea County, New Mexico

Dear Mr. Dunbar:

Pursuant to Water Quality Control Commission (WQCC) Regulations 20.6.2.3104 - 20.6.2.3114 NMAC, the Oil Conservation Division (OCD) hereby approves **Weatherford U.S., L.P.** discharge permit 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 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 Leonard Lowe of my staff at (505-476-3492) or E-mail leonard.lowe@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,

A handwritten signature in cursive script that reads "Glenn von Gonten".

Glenn von Gonten
Acting Environmental Bureau Chief

Attachments-1
xc: OCD District Office



ATTACHMENT
DISCHARGE PERMIT
APPROVAL CONDITIONS

- 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 Oil Conservation Division (“OCD”) has received the required \$100.00 filing fee. The flat fee for an oil and gas service company is \$1700.00. Please submit this amount along with the signed permit once issued. Checks should be made out to the New Mexico Water Quality Management Fund.
- 2. Permit Expiration, Renewal Conditions and Penalties:** 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 October 30, 2014** 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. *Expired permits are a violation of the Water Quality Act {Chapter 74, Article 6, NMSA 1978} and civil penalties may be assessed accordingly.*
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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.

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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.

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- A. A copy of the discharge permit, GW-373, shall be kept on site at all times.
- B. Owner/Operator management shall present the discharge permit conditions to all its employees. Employees shall be made aware of possible discharges at the facility and made aware of the permit location on site.
- C. The OCD has a Hobbs office. Larry Johnson is the Environmental Engineer at this location and he can be reached at 575-393-6161 ext. 111. Any spills shall be reported to Mr. Johnson.
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- E. At the time of application submittal this facility is non operational and brand new. The operations of GW-075 were transferred to this facility; GW-075 is being renewed at this time.

21. Transfer of Discharge Permit (WQCC 20.6.2.3111) Prior to any transfer of ownership, control, or possession (whether by lease, conveyance or otherwise) of a facility with a discharge permit, the 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: _____

Lowe, Leonard, EMNRD

From: Lowe, Leonard, EMNRD
Sent: Monday, December 15, 2008 11:02 AM
To: 'Dunbar, Don G'
Cc: Johnson, Larry, EMNRD
Subject: GW-373, Weatherford 3215 Enterprise Drive facility
Attachments: GW-373, Admin Complete Letter.pdf; GW-373, Draft Permit.pdf; GW-373 OCD PN.pdf; 6.GW-XXX Applicant PN.doc

Mr. Dunbar,

GW-373 has been determined to be Administratively Complete. Attached are documents for your files.

Please provide your version of the public notice for review. Remember that the applicant shall publish/post ONLY the OCD approved public notice.

I have also attached an example of an applicant public notice.

llowe

Leonard Lowe

Environmental Engineer
Oil Conservation Division/EMNRD
1220 S. St. Francis Drive
Santa Fe, N.M. 87505
Office: 505-476-3492
Fax: 505-476-3462
E-mail: leonard.lowe@state.nm.us
Website: <http://www.emnrd.state.nm.us/ocd/>



New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor
Joanna Prukop
Cabinet Secretary
Reese Fullerton
Deputy Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



December 15, 2008

Mr. Don Dunbar
Environmental Project Manager
515 Post Oak Boulevard
Houston TX 77027

**Re: New Discharge Plan Permit GW-373
Weatherford U.S. Limited Partnership
3215 N. Enterprise Drive Hobbs, Oil and Gas Service Company
Lea County, New Mexico**

The New Mexico Oil Conservation Division (NMOCD) has received Weatherford U.S., Limited Partnership's request and initial fee, dated September 19, 2008 for a new discharge permit for the oil and gas service company located in NW/4 SW/4 of Section 21, Township 18 South, Range 38 East, NMPM, Lea County, New Mexico. The Oil Conservation Division has identified this facility as GW - 373 for their discharge permit, please reference all future submitted documentation with this number. The initial submittal has provided the required information in order to deem the application "administratively" complete.

Therefore, the New Mexico Water Quality Control Commission regulations (WQCC) notice requirements of 20.6.2.3108 NMAC for a new discharge plan must be satisfied and demonstrated to the NMOCD. Each public notice must be approved by the OCD prior to the applicant posting them to the public. NMOCD 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 at (505) 476-3492 or leonard.lowe@state.nm.us. On behalf of the staff of the NMOCD, I wish to thank you and your staff for your cooperation during this discharge permit review.

Sincerely,

Leonard Lowe
Environmental Engineer

LRL/lrl

xc: OCD District I, Hobbs Office





New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor
Joanna Prukop
Cabinet Secretary
Reese Fullerton
Deputy Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



December 15, 2008

Mr. Don Dunbar
Weatherford USLP
515 Post Oak Boulevard, Ste 600
Houston, TX 77027

Re: **DRAFT** New Discharge Permit
3215 N. Enterprise Drive, Hobbs, Oil and Gas Service Company (GW-373)
NW/4 SW/4 Section 21, Township 18 South, Range 38 East, NMPM,
Lea County, New Mexico

Dear Mr. Dunbar:

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 **Weatherford U.S., L.P.**, (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 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.

The final permit should be issued in approximately 45 days. If you have any questions, please contact Leonard Lowe of my staff at (505-476-3492) or E-mail leonard.lowe@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

Attachments-1
xc: OCD District Office

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

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



ATTACHMENT- DISCHARGE PERMIT APPROVAL CONDITIONS

- 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 Oil Conservation Division ("OCD") has received the required \$100.00 filing fee. The flat fee for an oil and gas service company is \$1700.00. Please submit this amount along with the signed permit once issued. Checks should be made out to the New Mexico Water Quality Management Fund.
- 2. Permit Expiration, Renewal Conditions and Penalties:** 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 Month, Day, Year** 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. *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 September 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 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 contamination 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 at or near atmospheric temperature and pressure are exempt from this containment requirement.

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 of 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, test at 3 pounds per square inch greater than normal operating pressure, and pressure held for a minimum of 15 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 20.6.2.1203 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 will perform an inspection of this facility.

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: Note: at the time of application submittal this facility is non operational and brand new. The operations of GW-075 were transferred to this facility. GW-075 is being renewed at this time.

21. Transfer of Discharge Permit (WQCC 20.6.2.3111) Prior to any transfer of ownership, control, or possession (whether by lease, conveyance or otherwise) of a facility with a discharge permit, the 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, modification, 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."

DRAFT

Company Name-print name above

Company Representative-print name

Company Representative- Signature

Title

Date

NOTICE OF PUBLICATION

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

Notice is hereby given that pursuant to New Mexico Water Quality Control Commission Regulations (20.6.2.3106 NMAC), the following discharge permit application(s) 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-373) Mr. Don Dunbar, Environmental Project Manager, Weatherford International, Inc., 515 Post Oak Blvd, Houston, TX 77027, has submitted a new discharge plan application for their new Oil and Gas Service Company at 3215 Enterprise Dr. Hobbs, located in the NW/4 SW/4 of Section 21, Township 18 South, Range 38 East, NMPM, Lea County. The facility is an oilfield tool rental company that provides on and off-site support to the oil and natural gas industry. Approximately 700 bbls/month of waste water, 100 gal/month of waste oil, 200 gallons of hydraulic oil, and 200 gallons of lubrication oil are generated and stored in onsite. These fluids are not to be intentionally discharged to the ground. If accidental discharge occurs immediate recovery/reclamation shall be implemented. Fluids, other than clean water, including dry chemicals, shall be stored within secondary containment and properly bermed. Waste shall be properly maintained and manifested. A copy of the discharge permit once renewed shall be on location at all times and made familiar to all facility personal. The Weatherford operations conducted at 3000 N. County Road have been moved to this new location. Groundwater most likely to be affected by a spill, leak or accidental discharge is at a depth of approximately 40 - 60 feet, with a total dissolved solids concentration of approximately 1323 mg/L. The discharge plan addresses how oilfield products and waste will be properly handled, stored, and disposed of, including how spills, leaks, and other accidental discharges to the surface will be managed in order to protect fresh water.

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

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

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

GIVEN under the Seal of New Mexico Oil Conservation Commission at Santa Fe, New Mexico, on this 15th day of December 2008.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

S E A L

Mark Fesmire, Director

ACKNOWLEDGEMENT OF RECEIPT
OF CHECK/CASH

I hereby acknowledge receipt of check No: _____ dated 9/10/08

or cash received on _____ in the amount of \$ 100⁰⁰

from Weatherford

for GW-373

Submitted by: Lawrence Romero Date: 10/1/08

Submitted to ASD by: Lawrence Romero Date: 10/1/08

Received in ASD by: _____ Date: _____

Filing Fee New Facility _____ Renewal _____

Modification _____ Other _____

Organization Code 521.07 Applicable FY 2004

To be deposited in the Water Quality Management Fund.

Full Payment _____ or Annual Increment _____

Weatherford International Inc.
515 Post Oak Blvd., Suite 600
Houston, TX 77027



September 19, 2008

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

Re: OCD Discharge Plan Applications
Weatherford International Service Company Facilities
Artesia & Hobbs, NM

To Whom It May Concern:

Weatherford International operates a number of Oil Field Service Company Facilities in New Mexico. Enclosed are permit applications (and copies) for four of those facilities and a renewal application for an existing permit (GW-075). These facilities are:

Weatherford Wellhead	1802 W Marland, Hobbs
Weatherford Completions	2117 N French Dr, Hobbs
Weatherford Completions	2404 N Parkland, Artesia
Weatherford Fishing & Rental (renewal)	3000 West County Road, Hobbs
Weatherford Fishing & Rental (new location)	GW-3793215 N. Enterprise, Hobbs

Additional copies have been submitted to the district offices in Hobbs and Artesia. There is also a single check attached in the amount of \$500 which represents the \$100 per site application fee.

An additional application will be submitted shortly for Weatherford Wireline in Hobbs. Please contact me at 713-693-7740 with any questions

Sincerely:

A handwritten signature in black ink, appearing to read "Don Dunbar", is written over a white background.

Don Dunbar
Environmental Project Manager
515 Post Oak Boulevard
Houston, TX 77027

Direct: 713-693-7740
Mobile: 713-416-4975
Fax: 713-693-4498

don.dunbar@weatherford.com

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**

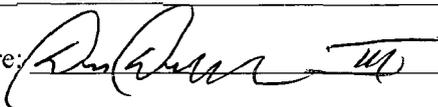
(Refer to the OCD Guidelines for assistance in completing the application)

New Renewal Modification

1. Type: Service Company GW-373
2. Operator: Weatherford Fishing & Rental, Weatherford International, Inc.
Address: 3215 N. Enterprise Drive, Hobbs NM
Contact Person: Mr. Johnny Mitchell Phone: 575-392-2626
3. Location: NW /4 SW /4 Section 21 Township 18S Range 38E
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: Don Dunbar

Title: Environmental Project Manager

Signature: 

Date: 9-19-08

E-mail Address: don.dunbar@weatherford.com

Environmental Contractors Incorporated

Engineering/Environmental/Wastewater/Consulting Services

**Weatherford U.S.,
Limited Partnership**

Discharge Plan *AW-373*

Weatherford Fishing & Rental

3215 N. Enterprise Drive

Hobbs, New Mexico

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APPENDICES

- A Waste Containment Inspection Log
- B OCD Notification Reporting Form
Weatherford Spill Report Form

1. Type of Oilfield Service Facility

Weatherford U.S., Limited Partnership, is preparing this Discharge Plan for their oilfield service facility located at, 3215 N. Enterprise Drive in Hobbs, New Mexico in compliance with the New Mexico Oil and Gas Act and the Water Quality Act. The New Mexico Oil Conservation Division (OCD) administers these regulations with approval of the New Mexico Water Quality Control Commission (WQCC). This Discharge Plan sets forth the details of the methods and techniques to be used at the facility to prevent unauthorized discharge of liquids and ensure compliance with WQCC and OCD regulations. The following sections provide the Discharge Plan information required by the ODC for Oilfield Service Facilities.

The Weatherford facility covered by this Discharge Plan provides wellhead services for the exploration and production of crude oil and natural gas.

The facility does not perform any on-site waste disposal. All wastes produced by the facility are transported off-site by licensed transporters and/or recycled or disposed by permitted operators.

2. Facility Operator

The operator of the facility is:

Weatherford U.S., L. P.
515 Post Oak Boulevard, Suite 600
Houston, Texas 77027
(713) 693-4000

The Weatherford Wellhead Services, Hobbs location facility contact person is:

Mr. Johnny Mitchell
3215 N. Enterprise Drive
Hobbs, New Mexico 88240
(575) 392-2626

3. Facility Location

The facility is located at, 3215 N. Enterprise Drive, Hobbs, New Mexico. The site is located in the NW / 4, of the SW / 4, of Section 21, Township 18 S, Range 38 E in Lea County, New Mexico. A USGS topographic map showing the approximate location of the facility is provided as Figure 1. The 1969 USGS map (Hobbs West, NM, 7.5 Minute Series, Topographic) was photo-revised in 1979. Figure 2 is a 1997 USGS Aerial Photograph of northeast Hobbs illustrating the approximate location of the facility.

4. Landowner of Facility

The landowner is:

Weatherford U.S., L. P.
515 Post Oak Boulevard, Suite 600
Houston, Texas 77027
(713) 693-4000

5. Facility Description

The facility is located within the City of Hobbs. Utilities at the facility include city water and sewer. The facility is located on an approximately 1-acre parcel with one main steel building on the south end of the property. The facility is fully fenced and gated except for the parking area in the front office area. A site plot plan of the facility indicating the locations of the facility structures, containment areas and fencing is provided as Figure 3.

Fishing & Rental Services facility stores equipment, trucks and maintains tools, supplies and materials used to provide their services.

Activities associated with these services include equipment warehousing, steam cleaning, repair and minor painting. Steam cleaning is performed in the northern section of the facility. All discharged water from the steam cleaning operations is collected in above ground containment structures and is pumped into a Mi-T-M WOS-30 oil/water separator and Biological Recycling system with no effluent discharge.

The fenced yard is used primarily for equipment storage. Any waste spilled within the area will be collected, tested and disposed of as necessary. Storm water drainage is controlled by uncovered ground and surface slope. However, most of the storm water infiltrates into the subsurface.

6. List of Materials Stored or Used at the Facility

Table 1 provides a list of materials currently used by the Weatherford Fishing & Rental facility, the quantity stored; storage location and the method of Disposal are listed for each material. MSDS sheets for all chemical products are kept at the site.

7. Present Sources of Effluent and Waste Solids

A description of the waste generating processes and the quantity of waste generated is provided below.

Table 1

WASTE TYPE	COMPOSITION OR SOURCE	VOLUME PER MONTH	DISPOSAL NOTES
Truck Wastes	None	NA	NA (maintained off-site)
Truck/Tank Washing	None	NA	NA (completed off-site)
Wash Water from Steam Cleaning of Equipment	Wash Water	20 gallons of water per day	NA Waste Mi-T-M BIO-25R-0M10 (Recycle)
Used Antifreeze	None	NA	NA (maintained off-site)
Slop Oil	None	NA	NA (maintained off-site)
Used Lubrication Hydraulic Oil and Motor Oils	None	NA	NA (maintained off-site)
Solvents	Safety Kleen (parts cleaner from inspection, repair activities)	20-30 gallons	Serviced and recycled by Safety Kleen
Paint Wastes	Spent thinner	0.0	All Thinner used to clean paint gun is used to thin paint
Other Waste Solids	Empty aerosol and lubricant containers	10 containers	Crushed and disposed through trash collection

8. Current Liquid and solids Collection / Treatment / Disposal Procedures

A description of the waste collection, treatment and disposal for each of the waste streams described in the previous section is provided below.

8.1. Wash Water Collection/Treatment

The wash water collection system is located on the north side of the facility. The collection system was designed to collect the wastewater generated during the steam cleaning of equipment/parts. Steam cleaning operations are performed in above ground containment system so that all liquids drain to a grated tank below. Wash water collected in the is pumped to a recirculation biological recycling system with no effluent discharge (continuous loop system).

8.2. Solids/Sludge from Sumps

Solids and sludge are produced during the steam cleaning of equipment and are captured in the sediment trap (holding tank) within the shop. The sump wastes consist generally of a mixture of sand, grit and mud that has been minimally impacted with hydrocarbons. The steel above ground grates will be removed and material will be shoveled out from the holding for disposal. The sludge is profiled and the drums are collected by truck and shipped to a licensed disposal center when needed.

8.3. Used Antifreeze

NA

8.4. Solvent Use

Safety Kleen parts cleaner are used to clean pipe threads and to remove grease and oil from parts during operations. The safety Kleen solvent is petroleum naphtha based solvent that is classified as hazardous waste. Safety Kleen solvent is supplied in 16-gallon drums that connect to capture trays and a recycle system to minimize the quantity of solvent use. When the current drum of solvent has reached its loading capacity of oil/grease, Safety Kleen services the unit.

The facility currently uses approximately 20 gallons of parts cleaner per month, returning product to Safety Kleen for recycling. Safety Kleen collects the used solvent approximately every 30-60 days and transports the material by truck to the Safety Kleen recycling center.

8.5. Shop Oil, Used Lubrication and Motor Oils

NA

8.6. Paint Wastes

All paint thinner used at the facility to clean painting guns and equipment is reused to thin paint prior to painting operations. There is no waste thinner produced or disposed at the facility. Paint cans are allowed to dry before they are disposed of in the trash bin.

8.7. Other Solid Wastes

Empty aerosol cans, lubricant, oil containers and miscellaneous materials are placed in an on-site dumpster for collection by truck. The materials in the dumpster are collected by a waste management company and transported to the local landfill for disposal. Scrap metal is collected in a bin and picked up by local metal recyclers. The vendors who sold the products to Weatherford reclaim any empty oil drums.

9. Proposed Modifications to Existing Collection / Treatment / Disposal Systems

None at this time.

10. Inspection, Maintenance and Reporting

The facility does not have any waste disposal units that require inspection, monitoring or reporting. Inspection, maintenance and leak detection will be performed monthly. The procedures to be used for the inspection of these areas are described in the following section.

10.1. Inspections

A description of the inspection procedures and inspection schedule for the waste recycling and treatment area are described below. A copy of an inspection log for the facility is included in Appendix B. In addition to scheduled inspections, the employees observe most areas of the facility on a day-to-day basis.

10.1.1. Wash Water Collection and Recycling System

The above grade structures of the wastewater collection and treatment system are contained within a steel containment system. Inspection will be recorded in an inspection log kept at the facility.

If system piping is leaking or is in need of repair, the source of the release will be determined and promptly repaired.

10.2. Containment of Precipitation and Runoff

Steam cleaning, repair and painting of equipment are performed inside the shop area. Precipitation or storm water runoff does not come into contact with these process areas.

11. Spill/Leak Prevention and Reporting Procedures

11.1. Containment and Cleanup

Weatherford's corporate policy is to comply with all applicable environmental laws and regulations. In addition, Weatherford has built maintained and upgraded facilities in order to minimize impacts to the environment. Weatherford personnel are present at the site during most of the daylight hours and personnel receive training in spill containment and cleanup to minimize impacts to the environment. Releases of materials require reporting to Weatherford's Corporate Environmental Department and to applicable government agencies.

Leaks, spills and drips will be handled as follows:

- Report all spill >2 gallons to the Weatherford's Corporate Environmental Department
- Small spills on pavement will be absorbed with absorbent pads or granular oil absorbent material. An approved disposal contractor will place the pads/oil absorbents into drums for off-site disposal.
- An approved disposal contractor will shovel small spills on soil into drums for off-site disposal.
- Large spills will be contained with temporary berms. Free liquids will be pumped into drums. Contaminated soils will be placed into drums or other leak-proof container and disposed as applicable. Additional characterization and removal of impacted soils will be performed on as needed basis.

The facility maintains spill kits that contain absorbent pads, granular absorbent, small booms and drums to temporarily store impacted material. The largest liquid container maintained at the site is the biological treatment system which measures 12' x 6' x 4' located in the northwest corner of the shop. All drums will be stored either in the shop or inside the container storage areas.

11.2. Reporting of Emergency Incidents

WQCC Rule 1203A requires that in the event of a release of oil or other water contaminants in such quantities as may be detrimental to human health, animal or plant life or unreasonably interfere with the public welfare or use of property, notification will be given to the OCD. OCD personnel recommend notification is given if five (5) gallons or more of a refined hydrocarbon product is released. Notification is required if more than five (5) barrels of material is released per NMOCD Rule 116. Notification will also be given if any contaminant reaches a watercourse or enters a stream or river.

Notification will be given orally to the OCD District Office as soon as possible, but no later than 24 hours, after the discharge. Notification will consist of the following information:

- The name, address and telephone number of the facility and the name and phone number of the person in charge of the facility;
- The date, time and duration of the discharge;
- The source and cause of the discharge;
- A description of the discharge including chemical composition;
- The estimated volume of the discharge, and
- The actions taken to mitigate immediate damage from the discharge.

Within ten days of the discharge, the operator will also submit, in duplicate, the above information in writing to OCD District Office.

The OCD District Office is located at the following address and phone number.

1625 N. French Drive
Hobbs, NM 88240
Phone: (575) 393-6161
Fax: (575) 393-0720

An OCD Notification of Fire, Breaks, Spills, Leaks and Blowouts form illustrating the requested notification information is provided as Appendix C. The Facility Manager or his designee for all reportable releases will complete this form. A copy of the form will be transmitted to the OCD District Office, Weatherford Corporate Environmental in Houston, Texas and a copy will be retained at the facility.

12. Site Characteristics

12.1. Nearby Water Bodies/Watercourses

There are no main water bodies within one mile of the facility.

12.2. Water Wells

A search was performed to determine if any water wells are located within 0.25 mile of the facility perimeter. The search indicated three wells within 0.25 miles of the facility perimeter. The two wells are listed as follows: NW ¼ of SW ¼ of NW ¼, Section 21, T 18S, R 38E. This well is listed as a sanitary in conjunction with commercial use. This well is has a completion depth of 130 feet and water depth of 58 feet. The second well is listed as NW ¼ of SW ¼ of NW ¼ Section 21, T 18S, R 38E. This well is listed as livestock watering use. This well is has a completion depth of 150 feet and water depth of 68 feet. The third well is listed as NW ¼ of SW ¼ of NE ¼, Section 21, T 18S, R 38E. This well is listed as a sanitary in conjunction with a commercial use. This well is has a completion depth of 120 feet and water depth of 58 feet.

12.3. Groundwater

No wells are present on-site to provide groundwater data. However, area data indicated that groundwater is present beneath the facility at a depth of approximately 40 to 60 feet below grade. No TDS information for the groundwater was available; however, the groundwater is of sufficient quality to be used for domestic purposes and human consumption and is assumed to contain less than 10,000 mg/l TDS.

Available information indicates that groundwater flow is generally to the south-southeast. The Ogallala Formation is the principal source of groundwater in northern Lea County where the facility is located.

12.4. Stratigraphy/Soils

The soils in the area include loam, sandy loam, clay loam, and clay. The loam soils are thickest and most productive soils. They generally occur in long, narrow, sub-parallel strips which vary in width and length but nearly always trend in southeasterly direction. The loam strips are surrounded in most places, by uncultivated scabland or by sand hills. The scabland is chiefly thin rocky loam, and the sand hills are chiefly sandy loams. The sand hills, like the loams, occur in long narrow strips.

12.5. Flooding Potential

The facility is not within the any flood plain area. The facility does not appear to be located within a federally designated 100 or 500-year flood plain. As such, special flood protection measures are not required.

13. Compliance With All NMOCD Rules, Regulations and/or Orders

The facility does not perform any on-site disposal or have any waste disposal units. All products and wastes are contained to prevent accidental discharge to the environment and all wastes are transported off-site for recycling or disposal. In the event of a release, Weatherford US, Limited Partnership will comply with the requirements of NMOCD Rule 116 and WQCC Section 1203 spill reporting. In the event that Weatherford were to close the 3215 N. Enterprise Drive facility, a comprehensive closure plan for the facility would be filed with the NMOCD.

LIST OF FIGURES

USGS TOPOGRAPHIC MAP

SITE PLOT PLAN

USGS 4 km NE of Hobbs, New Mexico, United States 01 Jul 1979

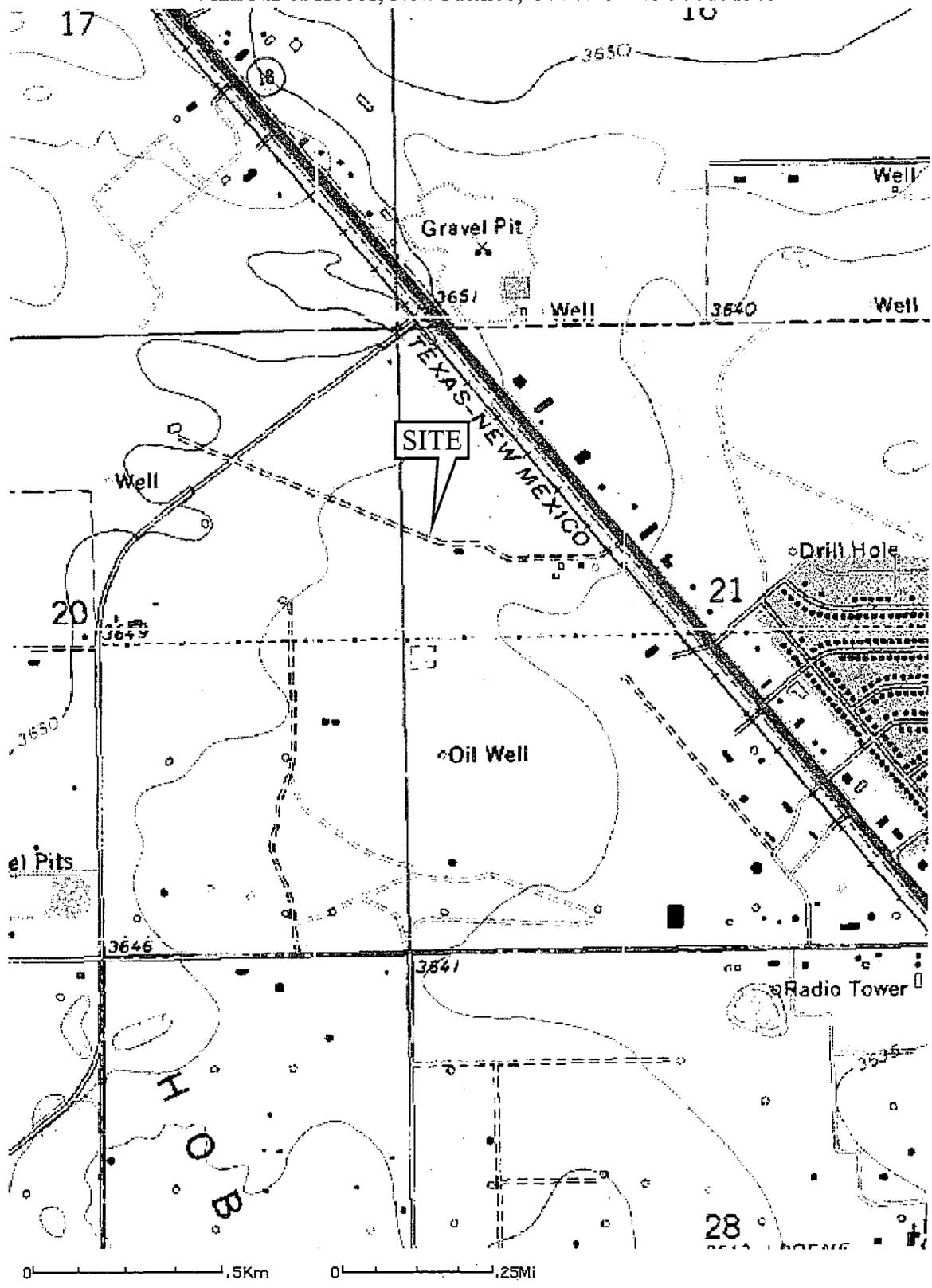


Image courtesy of the U.S. Geological Survey

APPENDIX A

WASTE CONTAINMENT INSPECTION LOG

GENERAL INSTRUCTIONS FOR COMPLETING THE FACILITY MAINTENANCE CHECKLIST

Each box of the inspection sheet (other than Date and Initials) should contain one of the following notations:

- ✓ - Area is in compliance with Company Policy and Procedures Manual;
- X - This area needs attention; or
- NA - This box is not applicable to the facility.

If the notation X is entered in a box, use the Comments/Recommendations section to describe a corrective action for the problem. For the ✓ to be entered, all of the statements listed below for that area must be true.

WASTE CONTAINMENT AREA / PRODUCT STORAGE AREA / CHEMICAL STORAGE AREA

- ✓ Containers are in good condition, not leaking or deteriorating;
- ✓ Containers are compatible with the material being stored and labeled to identify their contents;
- ✓ Containers are closed and the bungs or lids are tightly sealed;
- ✓ Containers are stored in a safe manner (away from sources of ignition, away from traffic, at least 50 feet from the property line, at least 100 feet from buildings on neighboring property, etc.);
- ✓ Containers are within a secondary containment area under a roof or other cover;
- ✓ Storage takes place in a designated area which is posted as "No Smoking";
- ✓ Grounding devices are used when transferring flammable liquids into or between containers;
- ✓ Emergency and spill control plans, equipment and supplies, including alarms, telephones, fire extinguishers, personal protective equipment and absorbents are readily available; and
- ✓ The number of exits provided should allow for safe evacuation in case of an emergency.
- ✓ Storage areas are marked with warning signs listing the principal hazards of the wastes stored;
- ✓ Security precautions have been implemented to limit access to authorized personnel only;
- ✓ Aisle space allows for unobstructed movement of workers and equipment at all times;
- ✓ Ignitable wastes are protected from possible ignition sources;
- ✓ Reactive wastes are separated to prevent reactions; and
- ✓ Adequate ventilation is provided for enclosed accumulation areas.

PIPE COATING AREA

- ✓ Coatings are applied using airless application methods to minimize airborne contamination;
- ✓ Coatings are applied in areas having secondary containment;
- ✓ Spray painting operations without vapor recovery systems are no closer than 50 feet from the property line and are at least 250 feet from adjoining property buildings;
- ✓ Coatings and thinners are properly stored in an approved flammable storage area;
- ✓ Solidified drippings from the coating process are managed to prevent impact to surface soils;
- ✓ Coatings, thinners and adhesives are collected in DOT drums or containers, properly labeled, and stored in the drum storage area; and
- ✓ Empty containers are properly disposed of and not allowed to accumulate.

WASTE WATER TREATMENT SYSTEM

- ✓ Pipes, pumps and seals are not leaking;
- ✓ Adequate supplies are on hand (e.g., paper filters, carbon, alum, sodium hypochlorite, quick-release soap); and
- ✓ All equipment is properly maintained according to the manufacturer's instructions.

DRAINAGE/COLLECTION SYSTEMS

- ✓ All grates and covers are in place; and
- ✓ Drains are not blocked and flow freely.

YARD INSPECTION

- ✓ All general housekeeping requirements are being met.

CAUSTIC VAT

- ✓ Vat is of double-wall construction or placed in a containment area;
- ✓ Vat is no closer than 50 feet from the property boundary and is at least 150 feet from adjoining property buildings;
- ✓ When equipment is removed from the vat it is drained thoroughly over the vat to ensure that no more than minimal amounts of caustic spill onto the cleaning slab and/or enter the wastewater sump;
- ✓ Drums used to contain caustic or spent caustic corrosion-resistant or lined to prevent corrosion;
- ✓ Drums used to contain caustic or spent caustic are properly sealed;
- ✓ Full drums of spent caustic are properly labeled and moved to the waste drum storage area; and
- ✓ If caustic vats are drained, they are refilled with sodium metasilicate solution, not sodium hydroxide.

PAINT BOOTHS AND BLASTING BOOTHS

- ✓ All fans function properly and are properly maintained;
 - ✓ Filters are changed at required intervals; and
 - ✓ Floor is free of debris.
-

APPENDIX B
ODC NOTIFICATION FORM
WEATHERFORD SPILL REPORT FORM

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

Form C-141
Revised October 10, 2003

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Submit 2 Copies to appropriate
District Office in accordance
with Rule 116 on back
side of form

Release Notification and Corrective Action

OPERATOR

Initial Report Final Report

Name of Company	Contact
Address	Telephone No.
Facility Name	Facility Type

Surface Owner	Mineral Owner	Lease No.
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LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
-------------	---------	----------	-------	---------------	------------------	---------------	----------------	--------

Latitude _____ Longitude _____

NATURE OF RELEASE

Type of Release	Volume of Release	Volume Recovered
Source of Release	Date and Hour of Occurrence	Date and Hour of Discovery
Was Immediate Notice Given? <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom?	
By Whom?	Date and Hour	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input type="checkbox"/> No	If YES, Volume Impacting the Watercourse.	

If a Watercourse was Impacted, Describe Fully.*

Describe Cause of Problem and Remedial Action Taken.*

Describe Area Affected and Cleanup Action Taken.*

I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to NMOCD rules and regulations all operators are required to report and/or file certain release notifications and perform corrective actions for releases which may endanger public health or the environment. The acceptance of a C-141 report by the NMOCD marked as "Final Report" does not relieve the operator of liability should their operations have failed to adequately investigate and remediate contamination that pose a threat to ground water, surface water, human health or the environment. In addition, NMOCD acceptance of a C-141 report does not relieve the operator of responsibility for compliance with any other federal, state, or local laws and/or regulations.

Signature:		OIL CONSERVATION DIVISION	
		Approved by District Supervisor:	
Printed Name:		Approval Date:	Expiration Date:
Title:		Conditions of Approval:	
E-mail Address:		Attached <input type="checkbox"/>	
Date:	Phone:		

* Attach Additional Sheets If Necessary

WEATHERFORD SPILL REPORT FORM

FACILITY ADDRESS: 3215 N. Enterprise Drive, Hobbs, NM 88241

FACILITY ID NUMBER: _____ PHONE NO. (575) 392-2626

WEATHERFORD CORPORATE EMPLOYEE CONTACTED: _____

***Report any spill, release or environmental hazard immediately to
the Health, Safety & Environmental Dept. - Houston, Texas or call the
ENVIRONMENTAL HELP LINE - (713) 439-9595.**

DATE AND TIME OF RELEASE: _____

*SPILL REPORTED TO AGENCY: _____

*NAME OF AGENCY REPORTED TO: _____

*AGENCY REPRESENTATIVE CONTACTED: _____

TYPE OF MATERIAL SPILLED: _____

AMOUNT OF MATERIAL SPILLED: _____

AREA COVERED BY SPILL: _____

ACTIONS TAKEN TO IMMEDIATELY ABATE HAZARDOUS SITUATION: _____

SUMMARY OF SPILL - INCLUDE DETAILS OF ALL ACTIVITIES: _____

* Spills are to be reported to the HSE&R Department who will notify the appropriate agency.