

**GW-383**

**General  
Correspondence**

**YEAR(S): 2008 - 2012**

## **Low, Leonard, EMNRD**

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**From:** Payton Seck [PSeck@cudd.com]  
**Sent:** Wednesday, July 01, 2009 12:13 PM  
**To:** Lowe, Leonard, EMNRD  
**Subject:** Discharge Permit Affidavits  
**Attachments:** peyton form.doc; 06-25-09\_0941.jpg; 06-25-09\_0957.jpg

Mr. Lowe,

The attached documents were provided to me by Cudd Energy in Hobbs, if you need more specific information let me know. Otherwise, I hope these documents will suffice.

Thanks and Happy 4th,

Peyton Seck  
Environmental Engineer  
Cudd Energy Services  
1115 16 Road  
Fruita, CO 81521  
(970)623.0019 - cell

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**From:** Joe Jurado  
**Sent:** Thu 6/25/2009 12:24 PM  
**To:** Payton Seck  
**Cc:** Paul Navarrete  
**Subject:** RE: More Permit stuff

Peyton,

Attached are the photos and affidavit. If you need anything else, let us know.

Thanks,

Joe Jurado  
Cudd Energy Services  
Hobbs, NM

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**From:** Payton Seck  
**Sent:** Tuesday, June 23, 2009 4:49 PM  
**To:** Paul Navarrete; Joe Jurado  
**Subject:** More Permit stuff

Hey Guys!!,

Looks like Mr. Leonard Lowe is ready to move on now that our public notification period is over. He has requested that we submit proof of these public postings...heres what I need.

1. An affidavit for proof of posting from the news paper notification, scanned and emailed to myself.
2. Photograph of the notification in front of our office there, emailed to myself
3. Photograph of the notice at the Post Office, included in email

I don't think there were any other public postings, but include them if there were. I will forward your email to Mr. Lowe and I will get back to you if there is anything else that he needs.

As soon as we do this we'll have our permit!

Paul,

Based on some of the information I've been collecting about this last surprise \$1300 bill from Tetrattech, looks like Pratt is addimant about not paying because of what was said in meetings previous to my existence in the Env. It has been clear from the beginning that Cudd will not pay invoices unless there is a PO printed on it(Pratt told this to Tim Reed in a meeting about the matter). Dept. We'll sort it all out in a few weeks when the Project Leader for this Discharge Permit, Time Reed, get's off of vacation. We won't worry about it till then.

Thanks,

Peyton Seck  
Environmental Engineer  
Cudd Energy Services  
1115 16 Road  
Fruita, CO 81521  
(970)623.0019 - cell

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The information in this electronic mail is intended for the designated recipient(s) only. It may contain privileged, proprietary, or otherwise confidential information. If you have received it in error, please notify the sender immediately and delete the original electronic mail. Please do not disclose the contents to anyone. By reading the message and opening any attachments, the recipient accepts full responsibility for taking protective and remedial action about viruses and other defects. Thank you.

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This inbound email has been scanned by the MessageLabs Email Security System.

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APR 24 2009

AFFIDAVIT OF PUBLICATION

State of New Mexico,  
County of Lea.

I, KATHI BEARDEN

PUBLISHER

of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, do solemnly swear that the clipping attached hereto was published in the regular and entire issue of said paper, and not a supplement thereof for a period

of 1 issue(s).  
Beginning with the issue dated  
April 21, 2009

and ending with the issue dated  
April 21, 2009

Kathi Bearden  
PUBLISHER

Sworn and subscribed to before

me this 21th day of  
April, 2009

[Signature]  
Notary Public.

My Commission expires  
February 07, 2013  
(Seal)



This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937, and payment of fees for said publication has been made.

Jorreaan McTalb 4-21-09

PUBLIC NOTICE  
APRIL 21, 2009

Cudd Energy Services, Paul Navarette, District manager, Telephone (575) 393-4111, 1908 West Bender Blvd., Hobbs New Mexico 88240, has submitted an application to the New Mexico Energy, Minerals and Natural Resources Department, Oil Conservation Division for a new discharge plan permit (GW-383) for their Cudd Energy Services, Hobbs New Mexico oil and gas service facility, located at the SW/4 of the SW/4 of Section 21, Township 18 South, Range 38 East, in Hobbs, Lea County, New Mexico 88240.

The facility provides technical services to the oil and gas industry. It stores chemicals and equipment associated with acid and fracture operations of oil and gas wells. Materials stored at the facility include diesel, gel, xylene, HCL, corrosives/flammables, water/soap, motor/lube oils, friction reducers, antifreeze, used oil/filters along with dry chemicals. All storage tanks are either polyurethane or steel containers located within properly engineered and OCD approved secondary containments. Plans for a paved concrete secondary containment are proposed for the totes and 55-gallon drums of chemicals and gels stored in two areas on pallets along the north fence line. The aquifer most likely to be affected is approximately 40 to 60 feet below ground surface with a total dissolved concentration of between 600 and 1,000 mg/l.

Any interested person or persons may obtain information: submit comments or request to be placed on a facility-specific mailing list for future notices by contacting Leonard Lowe at the New Mexico OCD at 1220 South St. Francis Drive, Santa Fe, New Mexico 87505, Telephone (505) 476-3492. The OCD will accept comments and statements of interest regarding the renewal and will create a facility-specific mailing list for persons who wish to receive future notices.

NOTA PUBLICA  
21 DE ABRIL 2009

Los Servicios de la energia de Cudd, Paul Navarette, el Representante regional, el Telefono (575) 393-4111, 1908 Juerga Occidental Blvd., Hobbs Nuevo Mexico 88240, se han sometido una aplicacion a la Energia de Nuevo Mexico, los Minerales y el Departamento, Natural de Recursos, Conservacion de Petroleo Division para un nuevo permiso de plan de descarga (GW-383) para sus Servicios de Energia de Cudd, Hobbs, petroleo de Nuevo Mexico y facilidad de servicio de gas, situaron en el SW/4 del SW/4 de Seccion 21, el Municipio 18 del sur, la Gama 38 En Hobbs, Condado de Lea, Nuevo Mexico. La direccion fisica de la facilidad es 1908 Juerga Occidental Blvd., Hobbs, Nuevo Mexico 88240.

La facilidad proporciona servicios tecnicos a la industria del petroleo y el gas. Almacena sustancias quimicas y el equipo se asocio con operaciones de acido y frctura de petroleo y gas bien. Las materias almacenadas en la facilidad incluyen gel de diesel, xylene, HCL, corrosivo/flammables, el agua/jabon, oleos de motriz/lubricante, la friccion reducers, el anticongelante, filtros de aceite utilizados junto con sustancias quimicas secas. Todos tanques de almacenaje son o poliuretano o contenedores de acero situaron dentro de apropiadamente dirigido y OCD aprobo contenciones secundarias. Los planes para una contencion secundaria, concreta y pavimentada son propuestos para las cargas y baterias de 55-galones de sustancias quimicas y gels almaceno en dos areas en espaldas por la linea del norte de valta. El acuífero mas probable de ser afectado es aproximadamente 40 a 60 pies debajo de superficie de suelo con un suma concentracion disuelta de entre 600 y 1.000 mg/L.

Alguna person o las personas interesadas pueden obtener informacion: se somete comentarios o la peticion para ser colocada en una lista de envio facilidad-especifico para futuras notas contactando Leonard Lowe en el Nuevo Mexico OCD en 1220 S. del sur, Francis Camino, Santa Fe, Nuevo Mexico 87505, el Telefono (505) 476-3492. El OCD aceptara que comentarios y declaraciones de interes con respecto a la renovacion y creara una lista de envio facilidad-especifico para personas que desea recibir futuras notas.

#24907

02105040 00029575  
CUDD ENERGY SERVICES  
ATTN: DONNA NAVARRETE  
P.O. BOX 2381  
HOBBS, NM 88241

Two pages of a document with dense, illegible text. The text is arranged in multiple columns on each page, typical of a technical or scientific report. The pages are slightly aged and show some minor discoloration.

6/25/09

6/25/09



# Affidavit of Publication

State of New Mexico,  
County of Lea.

I, KATHI BEARDEN  
PUBLISHER

of the Hobbs News-Sun, a  
newspaper published at Hobbs, New  
Mexico, do solemnly swear that the  
clipping attached hereto was  
published in the regular and entire  
issue of said newspaper, and not a  
supplement thereof for a period

of 1 issue(s).

Beginning with the issue dated  
May 02, 2009  
and ending with the issue dated  
May 02, 2009



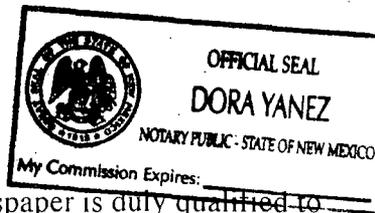
PUBLISHER

Sworn and subscribed to before me  
this 5th day of  
May, 2009



Notary Public

My commission expires  
February 09, 2013  
(Seal)



This newspaper is duly qualified to  
publish legal notices or  
advertisements within the meaning of  
Section 3, Chapter 167, Laws of  
1937 and payment of fees for said  
publication has been made.

LEGAL  
MAY 2, 2009

## 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-383) Mr. Paul Navarrette, District Manager, Cudd Pumping Services, 1908 West Bender Blvd, Hobbs N.M., has submitted a new discharge plan application for the for their Oil and Gas Service Company at, located in the SW/4 SW/4 of Section 21, Township 18 South, Range 38 East, NMPM, Lea County. The facility provides technical services to the oil and gas industry and stores chemicals and equipment associated with acid and fracture operations of oil and gas wells. Approximately 5000 gallons of diesel mix, 10,000 gallons of HCL, 200 gallons of used oil and 200 gallons of corrosive/flammable/gels are generated and stored in onsite. 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 600 - 1000 mg/L.

(GW-312) Mr. Rodney Bailey, Chevron USA, HCR 60, Box 425, Lovington, New Mexico 88260, has submitted a renewal application for the previously approved discharge plan for their Buckeye CO2 Plant, located in the SE/4 of Section 36, Township 17 South, Range 34 East, NMPM, Lea County. The facility treats CO2 enriched natural gas. Approximately 5400 gals/day of waste water, 1100 bbls of lube oil and 110 - 130 gals/4 years of used oil are generated and stored in onsite. Groundwater most likely to be affected by a spill, leak or accidental discharge is at a depth of approximately 115 - 120 feet, with a total dissolved solids concentration of approximately 414 mg/L.

(GW-003) Chevron U.S.A. Inc., 11111 South Wilcrest, Houston, TX 77099, has submitted a renewal application for the previously approved discharge plan for their Eunice South Gas Plant located in the NW/4 of the SW/4 of Section 27, Township 22 South, Range 37 East, NMPM, Lea County, New Mexico. The gas plant is shut down, partially dismantled, and is out of operation with the exception of some compression equipment that is currently operated by Targa Midstream Services on behalf of Versado L.L.P Chevron is presently disposing of recovered chloride impacted ground water into an on-site saltwater disposal well operated by Targa Midstream Services and is storing recovered hydrocarbon impacted ground water in a 175 barrel frac tank for offsite disposal. Ground water that is most likely to be affected by an accidental discharge is at a depth of approximately 49-54 feet below ground surface with a total dissolved solids concentration of approximately 1,000 to 1,300 mg/l.

All these discharge plans addresses how oilfield products and waste will be properly handled, stored, and disposed of, including how spills, leaks, and other accidental discharges to the surface will be managed in order to protect fresh water.

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

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

Para obtener más información sobre esta solicitud en español, sírvase comunicarse por favor: New Mexico Energy, Minerals and Natural Resources Department (Depto. Del En-

THE SANTA FE  
**NEW MEXICAN**  
Founded 1849

RECEIVED

2009 MAY 26 PM 1 13

NM Oil Conservation Div  
Attn: Leonard Lowe  
1220 S St Francis Dr  
Santa Fe NM 87505

ALTERNATE ACCOUNT: 56689  
AD NUMBER: 00287140 ACCOUNT: 00002212  
LEGAL NO: 87322 P.O. #: 52100-13759  
377 LINES 1 TIME(S) 0.00  
AFFIDAVIT: 0.00  
TAX: 0.00  
TOTAL: 0.00

AFFIDAVIT OF PUBLICATION

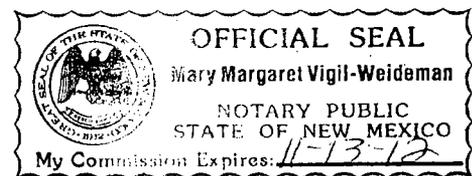
STATE OF NEW MEXICO  
COUNTY OF SANTA FE

I, V. Wright, being first duly sworn declare and say that I am Legal Advertising Representative of THE SANTA FE NEW MEXICAN, a daily newspaper published in the English language, and having a general circulation in the Counties of Santa Fe and Los Alamos, State of New Mexico and being a newspaper duly qualified to publish legal notices and advertisements under the provisions of Chapter 167 on Session Laws of 1937; that the publication # 87322 a copy of which is hereto attached was published in said newspaper 1 day(s) between 05/21/2009 and 05/21/2009 and that the notice was published in the newspaper proper and not in any supplement; the first date of publication being on the 21st day of May, 2009 and that the undersigned has personal knowledge of the matter and things set forth in this affidavit.

/s/ V. Wright  
LEGAL ADVERTISEMENT REPRESENTATIVE

Subscribed and sworn to before me on this 21st day of May, 2009

Notary Mary Margaret Vigil-Weideman  
Commission Expires: 11-13-2012



**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-125) Jennifer Knowlton, of Agave Energy Company 105, South Fourth Street, Artesia N.M. 88210, has submitted a renewal application for the previously approved discharge plan for their Penasco Compressor Station, located in the SE/4 SE/4 of Section 26, Township 18 South, Range 25 East, NMPM, Eddy County. The facility compresses natural gas for a small localized gathering system. Approximately 5 bbls/day of produced water, 100 - 200 gallons/year of engine coolant and 100 gallons/year of waste oil are generated and stored in onsite. Groundwater most likely to be affected by a spill, leak or accidental discharge is at a depth of approximately 200 feet, with a total dissolved solids concentration of approximately 1500 mg/L.

(GW-383) Mr. Paul Navarrette, District Manager Cudd Pumping Services, 1908 West Bender Blvd, Hobbs N.M., has submitted a new discharge plan application for the for their Oil and Gas Service Company at located in the SW/4 SW/4 of Section 21, Township 18 South, Range 38 East, NMPM, Lea County. The facility provides technical services to the oil and gas industry and

ior Environmental Specialist, DCP Midstream, L.P., 370 17th Street, Suite 2500, Denver Colorado, 80202 has submitted a renewal application for the previously approved discharge plan for their (GW-144) North compressor station, located in the SW/4 NW/4 of Section 35, Township 22 South, Range 28 East, NMPM, Eddy County. The facility provides natural gas compression for the local gathering system. Approximately 65 bbls/month of slop oil/Condensate, 10 bbl/month of washdown water and 600 gallons/year of used oil are generated and stored in onsite. Groundwater most likely to be affected by a spill, leak or accidental discharge is at a depth of approximately 16 feet, with a total dissolved solids concentration of approximately 305 mg/L.

(GW-150) Gold Pure 28 compressor station, located in the NW/4 NW/4 of Section 28, Township 23 South, Range 31 East, NMPM, Eddy County. The facility provides natural gas compression for the local gathering system. Approximately 20 bbls/month of Condensate, 10 bbl/month of wash down water and 1000 gallons/year of used oil are generated and stored in onsite. Groundwater most likely to be affected by a spill, leak or accidental discharge is at a depth of approximately 160 - 200 feet, with a total dissolved solids concentration of approximately 305 mg/L.

(GW-115) Mr. Tom Hart, 5801 Lovington Highway, Hobbs N.M. 88240, has submitted a renewal application for the previously approved discharge plan for their Oil and Gas Service Company located in the Section 28, Township 17 South, Range 26 East, NMPM, Eddy County. The facility operates in support of off-site services for oil and gas wells, including cementing and stimulation. Activities at this facility include maintenance of equipment, above-ground storage of dry acid/caustics, 140,000 lbs of brines, 100,000 gal/month of water effluent are generated and stored in onsite. Groundwater most likely to be af-

riched natural gas. Approximately 5400 gals/day of waste water, 1100 bbls of lube oil and 110 - 130 gals/4 years of used oil are generated and stored in onsite. Groundwater most likely to be affected by a spill, leak or accidental discharge is at a depth of approximately 115 - 120 feet, with a total dissolved solids concentration of approximately 414 mg/L.

All these discharge plans 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

(Depto. Del Energia, Minerales y Recursos Naturales de Nuevo México), Oil Conservation Division (Depto. Conservación Del Petróleo), 1220 South St. Francis Drive, Santa Fe, New Mexico. (Contacto: Dorothy Phillips, 505-476-3461)

GIVEN under the Seal of New Mexico Oil Conservation Commission at Santa Fe, New Mexico, on this 30th day of April 2009.

STATE OF NEW MEXICO OIL CONSERVATION DIVISION

SEAL

Mark Fesmire, Director

Legal #87322  
Pub: May 21, 2009



1908 W. Bender Blvd  
 P. O. BOX 2381  
 Hobbs, NM 88241  
 Phone: 575/ 393-4111  
 Fax: 575/ 393-4115

Fax

To: LEONARD LOWE From: JOE JURADO  
 Fax: 505 476 3462 Date: 4/16/09  
 Phone: Pages: 6 + COVER  
 Re: GW-383 CC:

- Urgent
- For Review
- Please Comment
- Please Reply
- Please Recycle

•Comments:

## La NOTA DE PUBLICACION

El estado de Nuevo México

La energía, los Minerales y el Departamento Natural de Recursos

Engrase División de Conservación

Advierta por la presente es dado que conforme a Regulaciones de Conservación de Petróleo de Nuevo México División, la Aplicación siguiente para el Permiso de Descarga GW-383 han sido sometidos al Director de la Conservación de Petróleo División, 1220 S. S. Francis Dr., Nuevo México 87504 Telefónico (505) 476-3440:

Los Servicios de la Energía de Cudd, Paul Navarrete, el Representante regional, el Teléfono (575) 393-

4111, 1908 Juerga Occidental Blvd., Hobbs, Nuevo México 88240, se han sometido un

la aplicación para un permiso de descarga (GW-383) para los Servicios de Energía de Cudd,

Hobbs, petróleo de Nuevo México y facilidad de servicio de gas, situaron en el SW/4 del SW/4

de Sección 21, el Municipio 18 del sur, Recorre 38 Oriental, en Hobbs, Condado de Lea, Nuevo

México. El acuífero bajo estas mentiras de facilidad en una profundidad de aproximadamente 40 a 60

los pies debajo de superficie de suelo con un suma se disolvieron concentración de entre 600 y

1.000 mg/L. El permiso de la descarga dirige cómo productos de yacimiento petrolífero y desecho hacen

es manejado apropiadamente, es almacenado, y es deshecho de, inclusive cómo rocia, las filtraciones, y otro

las descargas accidentales a la superficie serán logradas proteger fresco Agua.

El NMOCD ha determinado que la aplicación es administrativamente completa y ha preparado un permiso de giro. El NMOCD aceptará que comentarios y declaraciones de interés con respecto a esta aplicación y creará una lista de envío facilidad-específico para personas que desea recibir notas adicionales. Las personas interesaron a obtener información adicional, sometiéndose comentarios o solicitando para estar en una lista de envío facilidad-específico para futuras notas puede contactar al Jefe Ambiental de Oficina de la Conservación de Petróleo División en la dirección dada arriba. La administrativa lo determinación del completo y el permiso del giro pueden ser vistos en el encima de dirección entre 8:00 de la mañana y 4:00 de la tarde, el lunes por el viernes, o también pueden ser visto en el de NMOCD <http://www.emnrd.state.nm.us/ocd>. sitio web.

Las personas interesaron a obtener una copia del permiso de aplicación y giro puede contactar el NMOCD en la dirección dada arriba. Antes de resolución en permiso propuesto de descarga o modificación mayor, el Director permitirá un periodo de por lo menos treinta (30) días después de la fecha de publicación de esta nota, durante que interesaron a personas pueden someterse comentarios de petición que NMOCD tiene una audición del público. Las peticiones para una audición pública expondrán las razones por qué una audición debe ser tenida. Una audición será tenida si el Director determina que hay interés público significativo.

Si ninguna audición pública es tenida, el Director aprobará o rechazará el permiso propuesto basado en la información disponible, inclusive todos comentarios recibidos. Si una audición pública es tenida al director aprobará o rechazará el permiso propuesto basado en la información en la aplicación de permiso e información sometidas en la audición.

Solicitud de esta de sobre de informacion de mas de obtener de párr en español, favor de por de comunicarse de sirvase: La Energía de Nuevo México, los Minerales y el Departamento Natural de Recursos (Depto. Del Energía, los Minerales Y Recursos Naturales de Nuevo México), Conservación de Petróleo División (Depto, Conservacio N Del Petroleo), 1220 S. del sur. Francis Camino, Santa Fe, Nuevo México (Contacto: Dorothy Phillips, 505-476-3461)

DADO bajo el Sello de la Comisión de Conservación de Petróleo de Nuevo México en Santa Fe, Nuevo México, en esto \_\_\_\_\_ day de \_\_\_\_\_, 2009.

EL ESTADO DE NUEVO MEXICO

ENGRASE CONSERVACION DIVISION

**List of Landowner Notification  
NM Discharge Permit  
CPS-Hobbs, NM  
1908 W. Bender**

1. Tyler Family Trust
2. Blocker Revocable Trust
3. Wilks Ranch
4. Abbott Brothers Co.
5. Allen E. Hodge
6. Commercial Leasing Inc.
7. Hobbs Diesel Inc.
8. Lillard L. Hamilton Jr.
9. Jay Collins
10. Felkins Family Trust
11. Chesapeake Energy Corp.
12. Cope Consulting LLC.
13. Grimes Land Co. LTD.
14. Larry P. Cochran

7008 1140 0001 3094 8130

**U.S. Postal Service**  
**CERTIFIED MAIL™ RECEIPT**  
 (Domestic Mail Only; No Insurance Coverage Provided)

For delivery information visit our website at [www.usps.com](http://www.usps.com)

ABILENE TX 79608

Postage	\$ 0.42	0640
Certified Fee	\$2.70	01
Return Receipt Fee (Endorsement Required)	\$2.20	Postmark Here
Restricted Delivery Fee (Endorsement Required)	\$0.00	APR 16 2009
Total Postage & Fees	\$ 5.32	04/16/2009

Sent To: Blocker Revocable Trust  
 Street, Apt. No., or PO Box No.: P.O. Box 5769  
 City, State, ZIP+4: Abilene, TX 79608

PS Form 3800, August 2005 See Reverse for Instructions

7008 1140 0001 3094 8161

**U.S. Postal Service**  
**CERTIFIED MAIL™ RECEIPT**  
 (Domestic Mail Only; No Insurance Coverage Provided)

For delivery information visit our website at [www.usps.com](http://www.usps.com)

HOBBS NM 88240

Postage	\$ 0.42	0640
Certified Fee	\$2.70	01
Return Receipt Fee (Endorsement Required)	\$2.20	Postmark Here
Restricted Delivery Fee (Endorsement Required)	\$0.00	APR 16 2009
Total Postage & Fees	\$ 5.32	04/16/2009

Sent To: Allen E. Hodge  
 Street, Apt. No., or PO Box No.: 1533 Cordoba  
 City, State, ZIP+4: Hobbs, NM 88240

PS Form 3800, August 2005 See Reverse for Instructions

U.S. Postal Service™  
**CERTIFIED MAIL™ RECEIPT**  
 (Domestic Mail Only; No Insurance Coverage Provided)

For delivery information visit our website at [www.usps.com](http://www.usps.com)

HOBBS NM 88241

Postage	\$ 0.42	0640
Certified Fee	\$2.70	01
Return Receipt Fee (Endorsement Required)	\$2.20	
Restricted Delivery Fee (Endorsement Required)	\$0.00	
Total Postage & Fees	\$ 5.32	

Sent To: Cope Consulting LLC  
 Street, Apt. No., or PO Box No. P.O. Box 905  
 City, State, ZIP+4 Hobbs, NM 88241

PS Form 3800, August 2006 See Reverse for Instructions

U.S. Postal Service™  
**CERTIFIED MAIL™ RECEIPT**  
 (Domestic Mail Only; No Insurance Coverage Provided)

For delivery information visit our website at [www.usps.com](http://www.usps.com)

HOBBS NM 88241

Postage	\$ 0.42	0640
Certified Fee	\$2.70	
Return Receipt Fee (Endorsement Required)	\$2.20	
Restricted Delivery Fee (Endorsement Required)	\$0.00	
Total Postage & Fees	\$ 5.32	

Sent To: Larry P. Cochran  
 Street, Apt. No., or PO Box No. 1200 Terry Crt.  
 City, State, ZIP+4 Hobbs, NM 88240

PS Form 3800, August 2006 See Reverse for Instructions

U.S. Postal Service™  
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Restricted Delivery Fee (Endorsement Required)	\$0.00	
Total Postage & Fees	\$ 5.32	

Sent To: Lillard Hamilton Jr.  
 Street, Apt. No., or PO Box No. 4254 Russian Sage Dr.  
 City, State, ZIP+4 Las Cruces, NM 88011

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Restricted Delivery Fee (Endorsement Required)	\$0.00	
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 Street, Apt. No., or PO Box No. P.O. Box 637  
 City, State, ZIP+4 Hobbs, NM 88241

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7008 1140 0001 3094 8055

7008 1140 0001 3094 8031

7008 1140 0001 3094 8075

7008 1140 0001 3094 8046

7008 1140 0001 3094 8093

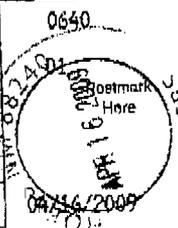
7008 1140 0001 3094 8154

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<b>Total Postage &amp; Fees</b>	<b>\$</b>	<b>\$5.32</b>



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**Commercial Leasing Inc.**  
 Street, Apt. No. or PO Box No. **2119 French Dr.**  
 City, State, ZIP+4 **Hobbs, NM 88240**

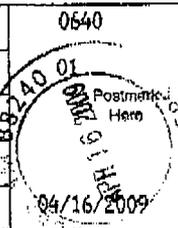
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**Tyler Family Trust**  
 Street, Apt. No. or PO Box No. **1027 W. Jicarilla**  
 City, State, ZIP+4 **Hobbs, NM 88240**

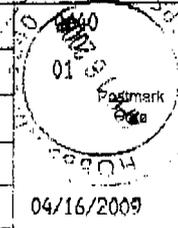
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 Street, Apt. No. or PO Box No. **16858 I-20**  
 City, State, ZIP+4 **Cisco, TX 76437**

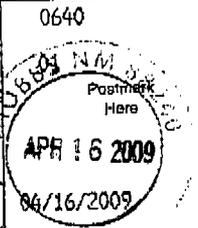
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**Chesapeake Energy Corp**  
 Street, Apt. No. or PO Box No. **P.O. Box 330**  
 City, State, ZIP+4 **Gainesville, TX 76241**

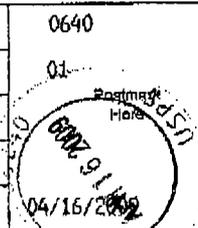
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<b>Total Postage &amp; Fees</b>	<b>\$</b>	<b>\$5.32</b>



Sent to  
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 Street, Apt. No. or PO Box No. **4107 Mescalero**  
 City, State, ZIP+4 **Hobbs, NM 88240**

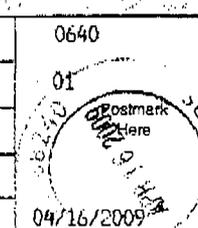
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Restricted Delivery Fee (Endorsement Required)		\$0.00
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Sent to  
**Hobbs Diesel Inc.**  
 Street, Apt. No. or PO Box No. **5900 Indian School Rd. N.E.**  
 City, State, ZIP+4 **Albuquerque, NM 87110**

PS Form 3800, August 2006 See Reverse for Instructions

7008 1140 0001 3094 8147

7008 1140 0001 3094 8086

## **Lowe, Leonard, EMNRD**

---

**From:** Lowe, Leonard, EMNRD  
**Sent:** Thursday, May 14, 2009 3:44 PM  
**To:** 'Payton Seck'  
**Cc:** Pratt Hayes; Joe Jurado; Paul Navarrete  
**Subject:** RE: Hobbs Discharge Permit  
**Attachments:** DP Request - Photos.pdf

Peyton,

Here is the Discharge Plan permit request.

As mentioned within our conversation this afternoon:

We are in the processing of this permit. Cudd does not need to address these concerns prior to getting permitted. We are in the technical review stage with all public notices running (OCD public notice, Cudd's public notice, Cudd's posting of signs, letters to landowners, etc.)

Once the 30 day periods are over for EACH of the notices the agency will more than likely issue the permit to Cudd. I will send the permit for SIGNATURE to Paul Navarrete for signature. Paul will send back ONE signed permit with the facility fee of \$1700.00.

Read the letter accompanying the permit, it tells what to do.

Once the permit is issued Cudd will have 5 YEARS to bring their facility to the discharge permit conditions. I will not that a time frame needs to be submitted along with the permit when issued so that Cudd is not waiting till the permit expires to commence work for the facility.

As far as the Acid tanks, if Cudd can show that these tanks have engineering controls to prevent one tank from flowing into the next that would comply with the permit conditions. If all the tanks are interconnected WITHOUT any engineering controls in place then the entire secondary containment shall be re-engineered to 133% of the ENTIRE VOLUME.

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](mailto:leonard.lowe@state.nm.us)  
Website: <http://www.emnrd.state.nm.us/ocd/>

---

**From:** Payton Seck [mailto:PSeck@cudd.com]  
**Sent:** Thursday, May 07, 2009 9:59 AM  
**To:** Lowe, Leonard, EMNRD  
**Cc:** Pratt Hayes; Joe Jurado; Paul Navarrete  
**Subject:** Hobbs Discharge Permit

Mr. Lowe,

I presented some of your questions to Joe and Paul out of the Hobbs yard; this is what they came up with:

- 1: The two large acid tanks are connected for a total of 19,000 gallons.
- 2: The sump in the wash bay only collects solids, there is no mechanical separator.
- 3: The sump is cleaned out an average of 6 times annually, that has decreased with the recent drop in jobs.
- 4: The dimensions that I forwarded earlier are the dimensions of the metal/coated containment around the main acid storage tanks.
- 5: The wash bay and acid storage are not connected and are located in different area of the yard.

I have also included attachments with the following requests you had:

- Photos of Washbay Sump and Acid Dock.
- Sump disposal manifest and lab analysis.
- Draft of Discharge Permit (For reference sake)
- Hobbs facility map to reference the photos provided.

Upon review of the Draft discharge permit (Section 8 "Process Maintenance and Yard Areas) I found that our yard does not meet the conditions within this section. The two acid tanks which are connected have a total capacity of 19000 gal; since our tanks are interconnected I calculate the following:

19000 gal would require approx. 25334 gal as secondary containment according to Sec 8 in the Discharge Permit.  
The Hobbs acid dock secondary containment is only capable of 20048 gal which is approx 5286 gal short of the NM State Permit requirement of 133%.

Feel free to give me a call after you get this. I will may not be available this morning, as I will be in meetings.

Thanks,

Peyton Seck  
Env. Engineer  
Cudd Energy  
(970) 623-0019 mobile

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- 4: The dimensions that I forwarded earlier are the dimensions of the metal/coated containment around the main acid storage tanks.
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Thanks,

Peyton Seck  
Env. Engineer  
Cudd Energy  
(970)623-0019 mobile

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## **Lowe, Leonard, EMNRD**

---

**From:** Payton Seck [PSeck@cudd.com]  
**Sent:** Thursday, May 14, 2009 3:03 PM  
**To:** Lowe, Leonard, EMNRD  
**Cc:** Paul Navarrete; Pratt Hayes  
**Subject:** RE: inquiry

Leonard,

All secondary containments and sump drainage catchments have been installed and no further modifications are in the plans. The only changes that need to be met in order to fulfill the permit requirements are to separate the two acid tanks in the acid dock area and make them independent of each other. Paul Navarrete is more than willing to begin this process. We are waiting to talk with you in order to confirm that this is exactly what needs to be done. Please call me at (970)244-5578 office, or cell (970)623-0019 to discuss.

Thanks,

Peyton

---

**From:** Lowe, Leonard, EMNRD [mailto:Leonard.Lowe@state.nm.us]  
**Sent:** Thursday, May 07, 2009 4:23 PM  
**To:** Payton Seck  
**Subject:** inquiry

Peyton,

What is the status of:

1. What is the status of the proposed modification of paved, curved secondary containment?
  - a. Paul Navarrete was not aware of any proposed secondary containment modifications.

This was noted in the application as it was submitted. Please clarify. You can view your submitted application here:

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](mailto:leonard.lowe@state.nm.us)  
Website: <http://www.emnrd.state.nm.us/ocd/>

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## **Lowe, Leonard, EMNRD**

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**From:** Payton Seck [PSeck@cudd.com]  
**Sent:** Thursday, May 07, 2009 4:05 PM  
**To:** Lowe, Leonard, EMNRD  
**Cc:** Paul Navarrete; Joe Jurado; Pratt Hayes  
**Subject:** FW: Hobbs Discharge Permit  
**Attachments:** 05-07-09\_1031.jpg; 05-07-09\_1032.jpg

Mr. Lowe,

The gel tank containment mentioned earlier in the email has dimensions of 25' x 16' x 4'4" deep. Which gives us a volume of 1900 cu ft or (14213 gal). The volume of the largest (only) tank is 6600gal. NM requirement for secondary containment would call for an 8800 gal secondary containment. Therefore the gel containment falls within the requirements of the discharge permit. Photos are provided.

A solution for the acid area would be to re-plumb the pipes to be independent of each other. We will be working with the facility management to do this as quickly as possible. We will also continue to advise you of any progress in these matters.

Thanks,

Peyton Seck

---

**From:** Joe Jurado  
**Sent:** Thursday, May 07, 2009 10:48 AM  
**To:** Payton Seck  
**Cc:** Paul Navarrete  
**Subject:** RE: Hobbs Discharge Permit

Peyton,

Attached are two photos of the gel tank and containment. The containment is 25' x 16' x 4'4" deep. The 25' section of the tank runs east and west while the 16' walls are oriented north and south.

Thanks,

Joe

---

**From:** Payton Seck  
**Sent:** Thursday, May 07, 2009 10:30 AM  
**To:** Paul Navarrete  
**Cc:** Joe Jurado  
**Subject:** RE: Hobbs Discharge Permit

Paul,

Here is the updated map showing the 6600gal tank and the other changes.

Thanks,  
Peyton

---

**From:** Paul Navarrete  
**Sent:** Thursday, May 07, 2009 10:23 AM  
**To:** Payton Seck  
**Subject:** RE: Hobbs Discharge Permit

I will have Joe get the dimensions and a photo of the setup to send to you.

Thanks

---

**From:** Payton Seck  
**Sent:** Thursday, May 07, 2009 11:22 AM  
**To:** Paul Navarrete  
**Subject:** RE: Hobbs Discharge Permit

6600 It is

---

**From:** Paul Navarrete  
**Sent:** Thursday, May 07, 2009 10:21 AM  
**To:** Payton Seck; Joe Jurado  
**Subject:** RE: Hobbs Discharge Permit

It should be a 6600 gal tank.

---

**From:** Payton Seck  
**Sent:** Thursday, May 07, 2009 11:20 AM  
**To:** Paul Navarrete; Joe Jurado  
**Subject:** RE: Hobbs Discharge Permit

What are the dimensions of the secondary containment for the 660Gal gel tank?

Thanks, Peyton

---

**From:** Paul Navarrete  
**Sent:** Thursday, May 07, 2009 10:07 AM  
**To:** Payton Seck  
**Subject:** RE: Hobbs Discharge Permit

Hi Payton,

I noticed that the changes have not been made to the Map. I sent the corrections with the Gel tank on the northeast corner of the yard.

Thanks,  
Paul

---

**From:** Payton Seck  
**Sent:** Thursday, May 07, 2009 10:59 AM  
**To:** leonard.lowe@state.nm.us  
**Cc:** Pratt Hayes; Joe Jurado; Paul Navarrete  
**Subject:** Hobbs Discharge Permit

Mr. Lowe,

05-07-09-1031.jpg



05-07-09-1032.jpg



## **Lowe, Leonard, EMNRD**

---

**From:** Payton Seck [PSeck@cudd.com]  
**Sent:** Thursday, May 07, 2009 10:29 AM  
**To:** Lowe, Leonard, EMNRD  
**Subject:** Hobbs Discharge Permit  
**Attachments:** Hobbs Facility Map 3\_5\_09.pdf

Mr. Lowe,

I recently found out that there is another secondary containment area for Gel located in the NE corner of the facility, as shown and updated in the map provided. I will have the dimensions and volume shortly.

Thanks, Peyton

Please disregard the other facility map that I provided.

---

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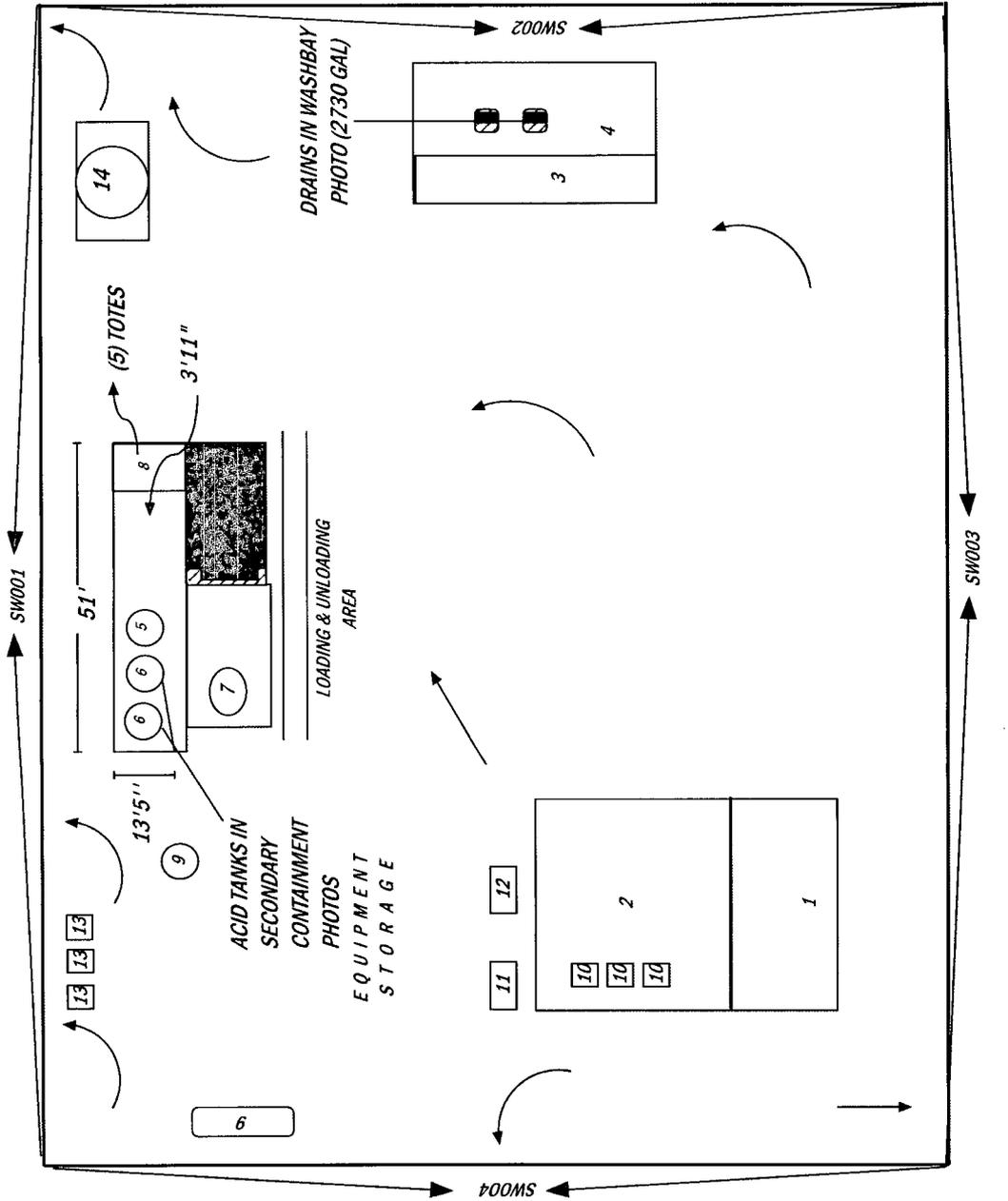
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CPS- HOBBS  
1908 WEST BENDER  
HOBBS, NM 88240

1. OFFICE
2. SHOP
3. DRY CHEMICAL-SALT STORAGE
4. WASH BAY
5. RECLAIM TANK 2500 GAL
6. ACID TANK 9500 GAL EA.  
(ACID TANKS ARE CONNECTED)
7. EMPTY TANK
8. CHEMICAL TOTES STORAGE  
AREA 200 Gal ea.
9. NON POTABLE WATER TANK
10. OIL & LUBRICANT TANK
11. USED OIL TANK
12. STORAGE
13. GEL TOTES-All Empties
14. Gel Tank-6600 Gal

CHESAPEAKE OIL & GAS CO.



Attachment A: Facility Plot Plan for Hobbs, N.M. Created by Peyton Seck on 3/5/09. Updated 5/4/09 Approved by Paul Navarrete.

*\* ATTACHED MAP \**

## **Lowe, Leonard, EMNRD**

---

**From:** Lowe, Leonard, EMNRD  
**Sent:** Monday, May 04, 2009 1:37 PM  
**To:** 'Payton Seck'  
**Cc:** Pratt Hayes; Paul Navarrete; Joe Jurado  
**Subject:** RE: GW-383, Cudd Energy, Hobbs NM

Ms. Peyton Seck  
Environmental Engineer  
Cudd Energy Service  
(970)244-5578 office  
(970)623-0019 cell\*\*  
(970)256-2112 fax

Please see responses below:

1. The application identified a two stage oil/water separator floor drain. What is the volume of this "drain"? Do you have any drawings of the separator? Does it contain fluids indefinitely?
  - a. The capacity of the drain (sump) is 65 Bbls or 2730 gal.  
What is drained into this "sump"? I would like a photo, since there are no drawings, of this drain and item b.
  - b. The Shop building that contains the washbay with the sump was installed prior to Cudd Energy moving in, no one is aware of any blue prints, however I do have the dimensions of the sump to be 3'11" X 13'5" X 51'=387809 cu ft.  
(My calculations conclude: 47" X 161" X 612" = 4,631,004 cubic inches = 2680 cubic foot = 20,048 gal.)
  - c. Contents of the sump are not held indefinitely, they are removed on a regular basis by CRI of Hobbs, NM.  
What is a regular basis? If not indefinitely I am asking if this "sump" is dry at times. Have the contents ever been tested? How often do you test?

From these volumes stated above I can say that there is a total of, 2730 gal. + 20,048 gal = 22,778 gallons (542.3 bbls) of fluids used within this two stage oil/water separator.

2. The application noted that water contained within a secondary containment is usually vacuumed out by a local pump company. Who is that pump company and where do they dispose of their water?
  - a. CRI takes the waste from CES Hobbs to an Oil Field Landfill located on Hwy 62/180 mile marker 66 between Carlsbad and Hobbs. Their address is 6601 Hobbs Hwy in Lea Co.  
Thank you. Do you have a manifest of material sent to CRI? May I have a copy.
2. What is the status of the proposed modification of paved, curved secondary containment?
  - a. Paul Navarrette was not aware of any proposed secondary containment modifications.

This was noted in the application as it was submitted. Please clarify. You can view your submitted application here:

To access the site click on the following link

(<http://ocdimage.emnrd.state.nm.us/imaging/default.aspx>)

Once you've accessed the website, look in the left hand column and click on,

**"Administrative & Environmental Orders"**

Once page is accessed find the **"Specific Information"** (near the top of the page) area and click on the Pull Down menu in **"Order Type"** window, in the menu select **"Discharge Plan Permit - (GW)"**. Find the **"Order Number/Amendment"** block, then type in the GW number (GW-XXX) in the block. Once typed in click on the **"Continue"** button. That'll take you to your file page.

You will now be at the **"Administrative/Environmental Order Search – Select Documents to View"** page.

Once on this page you will see a display of THUMBNAILS (labeled as Permits, Correspondence, Reports, etc.) Click on each thumbnail to view all information behind them. These Thumbnails may contain several pages behind them.

Recommendation:

As indicated within your application, the secondary containments for, secondary containments, are capable to contain 115% of the total volume. Permit conditions are specific on max volume capacity for a secondary containment to be **133%**. The OCD EB suggests that CUDD re-engineer the current volume capacity for their secondary containment areas that are not 133% of the total volume to contain.

To my knowledge CES had the Acid storage area secondary containment built according to 40CFR 112.8(c)(2) which states:

*2) Construct all bulk storage tank installations (except mobile refuelers) so that you provide a secondary means of containment for the entire capacity of the largest single container and sufficient freeboard to contain precipitation. You must ensure that diked areas are sufficiently impervious to contain discharged oil. Dikes, containment curbs, and pits are commonly employed for this purpose. You may also use an alternative system consisting of a drainage trench enclosure that must be arranged so that any discharge will terminate and be safely confined in a facility catchment basin or holding pond.*

Within the Acid Storage area (which does contain other oil field related chemicals) the largest single tank holds 9500 gal. The capacity of the secondary containment is equivalent to approx. 2048 gal or 2680 cu ft, which covers our largest container by 215% as volume. Cudd Energy uses the arbitrary number 115% as documented in their Environmental Policy and related procedures to quantify the terms outlines in 40CFR 112.8(c)(2). Would it be possible to look at a sample permit to further understand the 133% secondary requirements?

A discharge permit condition states:

*"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."*

In Cudd's case, Cudd will have 5 years to retrofit this, if the facility is not already at this capacity.

I don't understand your calculations for your 9500 gallon tank. If you're calculating 115% capacity for a 9500 gal tank, I figure, 10,925 gallons for a secondary containment.

Is this the only tank in this secondary containment area? If there are other tanks there, is it connected to the 9500 gallon tank?

Call me for discussion.

llowe

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