

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

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JUL 21 2009
HOBBSON

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 - Targa Midstream Services, L.P.		Contact - Cal Wrangham	
Address - P.O. Box 1909, Eunice, NM 88231		Telephone No. - 432.688.0542	
Facility Name - Eunice South Compressor Station		Facility Type - Gas Compressor Station	
Surface Owner - Versado Gas Processors, LLC	Mineral Owner	Lease No.	

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
M	27	22 South	37 East					Lea

Latitude N 32.362832° Longitude W-103.159165° MEAREY TARGA VERSADO AUL 001
API # 30.025.39254.00.00

NATURE OF RELEASE

Type of Release - produced water and condensate	Volume of Release - unknown	Volume Recovered - N/A
Source of Release - floor drain from #30 and #31 compressor buildings	Date and Hour of Occurrence April 21, 2009	Date and Hour of Discovery April 21, 2009
Was Immediate Notice Given? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Discovered during OCD Inspection	
By Whom? Mr. Leonard Lowe	Date and Hour April 21, 2009	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse. Not Applicable	

If a Watercourse was Impacted, Describe Fully.*
Not Applicable

WATER @ 60'

Describe Cause of Problem and Remedial Action Taken.*

Release most likely from overflow of sumps accepting liquid via floor drain lines and scrubber liquids from the compressor buildings #30 and #31, to two 620-gallon capacity below-grade tanks (sumps) associated with each compressor.

Describe Area Affected and Cleanup Action Taken.*

The impacted areas are located below tanks which are under process lines. Impacted soil is being excavated by hand. Investigation will be performed to assess releases and soil samples will be collected for the appropriate laboratory chemical analyses.

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	
Printed Name: Cal Wrangham	Approved by <u>ENV ENGINEER: District Supervisor: </u>	
Title: Environmental, Safety and Health Manager	Approval Date: 07/28/09	Expiration Date: 09/28/09
E-mail Address: cwrangham@targaresources.com	Conditions of Approval: DELINEATE TO CLEANUP. SUBMIT FINAL C-141 BY	
Date: 7-20-09 Phone: 432 6880542	Attached <input type="checkbox"/> IRP-09.7.2237	

* Attach Additional Sheets If Necessary

FGRL0920952679



TARGA

Targa Midstream Services Limited Partnership
6 Desta Drive, Suite 3300
Midland, TX 79705
432 688 0555
www.targaresources.com

July 20, 2009

Mr. Glenn von Gonten
Acting Environmental Bureau Chief
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87505

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JUL 21 2009

HOBBSOCD

**Re: *Inspection Report – GW-344
Versado Gas Processors LLC
Eunice South Compressor Station
Lea County, New Mexico***

Dear Mr. von Gonten:

Releases from the Compressor Buildings #30 and #31 below-grade tanks (BGTs) were identified during the Oil Conservation Division (OCD) inspection of the Targa Resources LLP (Targa) Eunice South Compressor Station (GW-344) on April 21, 2009. This facility is located in Section 27, Township 22 South, Range 37 East, NMPM, Lea County, New Mexico. A *Release Notification and Corrective Action* form C-141 is attached that describes the nature and known details of the release. Floor drains and piping from the compressor building convey liquids (i.e. condensate, produced water and engine oils) to the BGTs.

As indicated in Targa's inspection response dated June 30, 2009, Targa will permanently close the two existing BGTs (#30 and #31 Compressor). Targa requests approval for the installation of a single BGT permitted and constructed in compliance with NMAC §19.15.17 *et seq.* to accept the fluids from the compressor buildings.

The proposed closure of the current BGTs includes excavating impacted soil and disposal at an OCD-approved facility listed in the GW-344 permit, confirmation soil sampling, and site reclamation. Because the two BGTs are located beneath an overhead pipe-rack, excavation is being performed by hand-digging around the tanks until removal can be accomplished. A minimum of one five-part confirmation sample will be collected from the perimeter and beneath each tank. These sample aliquots will be submitted for benzene, toluene, ethylbenzene, and total-xylenes (BTEX), total petroleum hydrocarbons (TPH), and chlorides using OCD-approved laboratory analytical methodologies.

Excavated soils will be disposed using an OCD-approved facility listed in the GW-344 permit; most likely the Sundance Services, Inc. facility (Order/Permit No. R-6940/711-01-0003). Clean fill soil will be returned to the excavation. The surface will be matched to the existing grade. The site will not be proposed to be reseeded since it is within an active natural gas compressor station, and could be a hazard for fires and operations personnel.

Targa requests approval to install a single replacement BGT. The replacement BGT is an approximate 1,350 gallon steel tank currently used as a transfer tank receiving liquids from the two aforementioned tanks. This BGT tank will be emptied of liquids, removed from its service location, tested to ensure the tank walls are not degraded, repainted, and then placed in a concrete secondary containment. The concrete containment will be 8' wide by 8' deep and 19' long, with 9½-inch thick rebar reinforced walls. The top of the secondary containment will extend approximately one-foot above the ground surface. A single inlet will be installed on the north wall approximately 4½-feet from the west corner,

and approximately two feet bgs. The inlet piping will be a 4-inch diameter buried poly-flowline that will operate under gravity pressure. Fluids within the tank will be monitored by a level sensor which will trip a top mounted pump, raising the fluid into overhead steel piping where it will be commingled with scrubber liquids and ultimately discharged into a disposal well. The replacement tank's secondary containment has an approximately capacity of 9,100 gallons, exceeding the 1.33-times volume requirement. A final as-built drawing will be incorporated into GW-344 Discharge Permit renewal.

According to the NM State Engineer's Office iWATERS database, the average depth to groundwater is 57 feet below ground surface (bgs) for an approximate one-mile radius of the facility; however the GW-003 groundwater investigation indicates the depth to groundwater in the vicinity of the facility is between 50 and 55 feet bgs. Because the replacement tank's bottom may be less than 50 feet to the top of the aquifer, Targa would like a variance from the requirements in NMAC §19.15.17.10(1)(a).

The nearest watercourse, the ephemeral Monument Draw is greater than a mile from the facility. The site is not within 500 feet of a wetland, does not overlie a subsurface mine, is not within an unstable area, nor is it within a 100-year floodplain. The nearest off-facility building or well is more than 500 feet from the facility.

Please contact me at (432) 425-7072 or by email at cwrangham@targaresources.com , or James Lingnau, Eunice area Manager at (575) 394-2534 ext 226 or by email at jlingnau@targaresources.com if you have any questions or require additional information. Thank You.

Sincerely,
Targa Midstream Services Limited Partnership



Cal Wrangham
ES&H Manager

Attachments

Cc: Mr. Leonard Lowe, OCD
Mr. Larry Johnson, Environmental Engineer, District I Hobbs
Ms. Rebecca Woodell, Targa – Eunice Compliance Technician
Mr. James Lingnau, Targa – Eunice Area Manager
Ms. Jessica L. Keiser, Targa – Assistant VP ES&H