

NM1 - 24

**INSPECTIONS &
DATA**



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor
Joanna Prukop
Cabinet Secretary

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

March 7, 2005

Mr. Paul D. Prather
Chaparral Treating Plant
P.O. Box 1769
Eunice, NM 88231

Re: NMOCD Rule 711 Permit WM-1-024
Chaparral Treating Plant
NW/4 NE/4, Section 17, Township 23 South, Range 37 East,
NMPM Lea County New Mexico

Dear Mr. Prather:

The surface waste management facility shown above was inspected by Ed Martin of the New Mexico Oil Conservation Division (NMOCD) on February 10, 2005. Results of that inspection follow. Condition number shown refers to the condition placed on the approval of the permit dated February 2, 2001, under the heading "TREATING PLANT OPERATION".

1. Condition #2 states, in pertinent part, that "the facility must be secured when no attendant is present." On the date of the inspection, no attendant was present and the facility was not secured.
2. Numerous leaks and spills were noted at the time of the inspection.
3. NMOCD regulation 19.15.2.7 NMAC states, in pertinent part, "Sump shall mean any impermeable single wall vessel with a capacity less than 500 gallons, where any portion of the sidewalls of the reservoir is below the surface of the ground and not visible which vessel remains predominantly empty...". At the time of the inspection, the sumps at the facility shown above had not been pumped out and were in danger of overflowing.

Please take action to correct the above problems and institute procedures to prevent them in the future. Photographs taken during the inspection are attached.

If you have any questions, contact me at (505) 476-3492 or emartin@state.nm.us

NEW MEXICO OIL CONSERVATION DIVISION

Edwin E. Martin
Environmental Bureau

Cc: NMOCD, Hobbs

Chaparral Treating Plant
NMOCD permit WM-1-024
Inspection Date: February 10, 2005



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NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

July 30, 1997

CERTIFIED MAIL
RETURN RECEIPT NO. P-326-936-319

Mr. Paul D. Prather
Chaparral Treating Plant
P.O. Box 1769
Eunice, NM 88231

**RE: Treating Plant Inspection
Chaparral Treating Plant
NW/4, NE/4, Section 17, Township 23 South, Range 37 East, NMPM
Lea County, New Mexico**

Dear Mr. Prather:

The New Mexico Oil Conservation Division (OCD), inspected Chaparral Treating Plant (Chaparral) located in the NW/4, NE/4, Section 17, Township 23 South, Range 37 East, NMPM, Lea County, New Mexico, on April 4, 1997.

Overall the OCD found Chaparral to have a well maintained yard. The OCD inspection and current file review of Chaparral indicates some permit deficiencies. Attachment 1 lists the permit deficiencies found at Chaparral during the inspection and the new Rule 711 requirements that are not on file. Attachment 2 contains photographs taken during the inspection on April 4, 1997. Chaparral shall provide the OCD with a detailed description of how the corrections will be made and a time table of when each of the corrections will be completed. A response is required by Chaparral to these deficiencies by September 30, 1997.

Pursuant to Order R-10411-B the OCD General Rule 711 has been revised. The OCD is currently in the process of re-permitting all surface waste management facilities under the new Rule 711. Chaparral treating plant is included under the new Rule 711. A copy of Order R-10411-B along with the new bond forms are included with this report. A permit application, Form C-137 (attachment 3), shall be filed with the OCD according to the instructions in Attachment 1, Section 15.

Please be advised that the bonding requirements have changed under the new Rule 711. Chaparral's current surety bond (bond No. BO5260) for \$25,000 will need to be replaced. The

Mr. Paul D. Prather

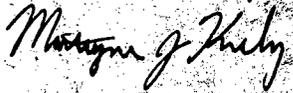
July 30, 1997

Page 2

new bonded amount will be based upon the estimated closure costs that the State of New Mexico would incur if a third party contractor were to remediate the facility (see Rule 711.B.1.i). Chaparral must have a new bond in place for the approved estimated closure amount prior to receiving a new waste management facility permit.

If you have any questions please do not hesitate to contact me at (505) 827-7153.

Sincerely,



Martyne J. Kieling
Environmental Geologist

Attachments

xc: Hobbs OCD Office

ATTACHMENT 1
INSPECTION REPORT
APRIL 4, 1997
CHAPARRAL TREATING PLANT
(NW/4, NE/4, Section 17, Township 23 South, Range 37 East, NMPM)
LEA COUNTY, NEW MEXICO

1. **Drum Storage:** All drums containing materials other than fresh water must be stored on an impermeable pad with curbing. All empty drums should be stored on their sides with the bungs in and lined up on a horizontal plane. Chemicals in other containers such as sacks or buckets should also be stored on an impermeable pad and curb type containment. All drums and chemical containers should be clearly labeled to identify their contents and other emergency information necessary if they were to rupture, spill or ignite.

N/A There are no drums located at this facility.

2. **Process Area:** All process and maintenance areas which show evidence that leaks and spills are reaching the ground surface must be either paved and curbed or have some type of spill collection device incorporated into the design.

There was stained soil around the pump and saddle tank/barrel (see picture 6). The drip pan should be checked at regular intervals and the pan emptied so as not be allowed to overflow. In addition, the barrel should have additional curb and pad containment. Stained soil was noted around some of the above ground tanks (see pictures 3, 6, 7, and 8).

3. **Above Ground Tanks:** All above ground tanks which contain fluids other than fresh water must be bermed to contain a volume of one-third more than the total volume of the largest tank or of all interconnected tanks. All new facilities or modifications to existing facilities must place the tank on an impermeable type pad within the berm so that leaks can be identified.

The volume contained within the berms surrounding the above ground tanks does not appear to be adequate (see pictures 1, 2, 4, 5, 6, 7, and 8).

4. **Open Top Tanks and Pits:** To protect migratory birds, all tanks exceeding 16 feet in diameter, and exposed pits and ponds shall be screened, netted or covered unless rendered non hazardous.

N/A There are no open top tanks, pits, or ponds located at this facility.

5. Above Ground Saddle Tanks: Above ground saddle tanks must have impermeable pad and curb type containment unless they contain fresh water or fluids that are gases at atmospheric temperature and pressure.

The above ground saddle tanks located at this facility must have impermeable pad and curb type containment (see pictures 1 and 3).

6. Tank Labeling: All tanks, drums and containers should be clearly labeled to identify their contents and other emergency information necessary if the tank were to rupture, spill or ignite.

The tanks are not labeled as to their contents and hazards (see pictures 2, 3, 4, 5, 6, 7, and 8). Some of the saddle tanks have labels that are wearing off and must be replaced (see picture 1).

7. Below Grade Tanks/Sumps: All below grade tanks, sumps, and pits must be approved by the OCD prior to installation or upon modification and must incorporate secondary containment and leak detection into the design. All pre-existing sumps and below grade tanks must demonstrate integrity on an annual basis. Integrity tests include pressure testing and/or visual inspection of cleaned out tanks or sumps, or other OCD approved methods.

All below grade sumps located at each tank and/or pipe valve should be kept empty and regular visual inspections should be performed (see pictures 2, 3, 4 and 8).

8. Underground Process/Wastewater Lines: All underground process/wastewater pipelines must be tested to demonstrate their mechanical integrity at present and then every 5 years thereafter. Companies may propose various methods for testing such as pressure testing or other OCD approved methods.

Any underground process/wastewater lines must have a mechanical integrity testing proposal.

9. Housekeeping: All systems designed for spill collection/prevention should be inspected frequently to ensure proper operation and to prevent overtopping or system failure.

Adequate berms are needed to ensure that any spills or overflows stay within the facility. The stained soil around the base of some of the tanks and/or beneath tank valves indicate leaks or spills (see picture 3, 6 and 7).

10. Spill Reporting: All spills/releases shall be reported pursuant to OCD Rule 116.

At the time of inspection there were no spills evident at this facility.

11. Trash and Potentially Hazardous Materials: All trash and potentially hazardous materials should be properly disposed of.

The trash containment bin is a great idea (see picture 2).

12. Pit Closure Plans and Reports: All pits to be closed must submit a pit closure plan followed by a pit closure report to the Oil Conservation Division.

A pit closure report must be submitted for the former pit located at the Northeast corner of the facility outside the current fence (see picture 9). The closure report must document how the pit was closed and where the waste was taken. Prior to final closure, an assessment must be made to determine the extent to which soils and/or ground water may have been impacted by the pit operation.

13. Security: The facility shall be secured when no attendant is present, to prevent any unauthorized dumping. Securing the facility may include locks on tank valves, a perimeter fence and locked gate or other similar security measures.

The facility is fenced but it requires a locking gate (see picture 4).

14. Signs: The facility shall have a sign in a conspicuous place at the facility. The sign shall be maintained in legible condition and shall be legible from at least fifty (50) feet and contain the following information: a) name of facility, b) location by quarter-quarter section, township and range, and c) emergency phone number.

The facility is lacking a sign at the entrance that includes all of the above information.

15. Application Requirements for Permit Under the New Rule 711: An application, Form C-137, for a permit renewal shall be filed in DUPLICATE with the Santa Fe Office of the Division and ONE COPY with the Hobbs OCD district office. The application shall comply with Division guidelines and shall include:

- (a) The names and addresses of the applicant and all principal officers of the business if different from the applicant;

Please submit with C-137 application.

- (b) A plat and topographic map showing the location of the facility in relation to governmental surveys (1/4 1/4 section, township, and range), highways or roads giving access to the facility site, watercourses, water sources, and dwellings within one (1) mile of the site;

This is already on file with the OCD.

- (c) The names and addresses of the surface owners of the real property on which the management facility is sited and surface owners of the real property of record within one mile of the site;

Please submit with C-137 application.

- (d) A description of the facility with a diagram indicating location of fences and cattle guards, and detailed construction/installation diagrams of any pits, liner, dikes, piping, sprayers, and tanks on the facility;

Attached is a copy of what is currently on file with the OCD. Please submit an updated facility maps that reflects any changes that have been made.

- (e) A plan for management of approved wastes;

Please submit with C-137 application.

- (f) A contingency plan for reporting a cleanup of spills or releases;

Please submit with C-137 application.

- (g) A routine inspection and maintenance plan to ensure permit compliance;

Please submit with C-137 application.

- (h) A Hydrogen Sulfide (H₂S) Prevention and Contingency Plan to protect public health;

Please submit with C-137 application.

- (i) A closure Plan including a cost estimate sufficient to close the facility to protect public health and the environment; said estimate to be based upon the use of equipment normally available to a third party contractor;

Please submit with C-137 application.

- (j) Geological/hydrological evidence, including depth to and quality of groundwater beneath the site, demonstrating that disposal of oil field wastes will not adversely impact fresh water;

This is already on file with the OCD.

- (1) Certification by an authorized representative of the applicant that information submitted in the application is true, accurate and complete to the best of the applicant's knowledge.

Please submit with C-137 application.

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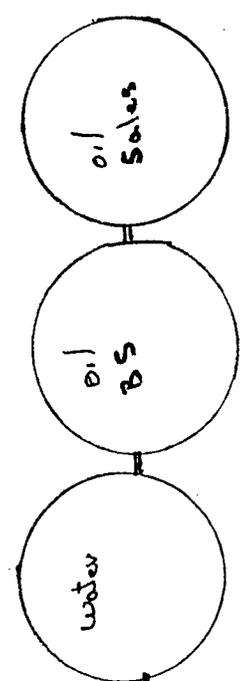
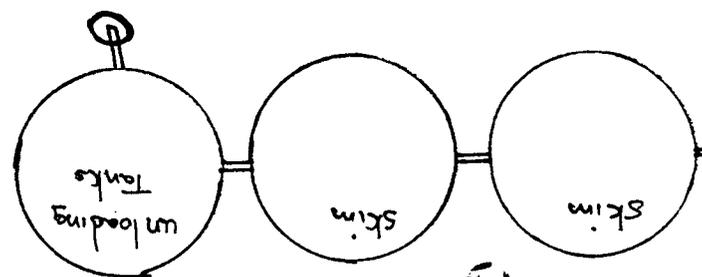
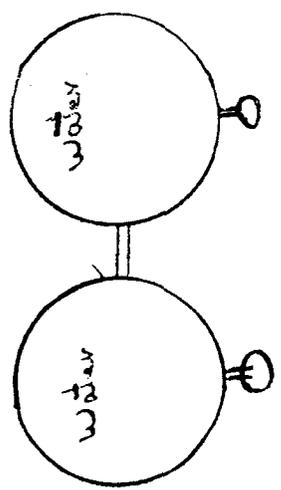
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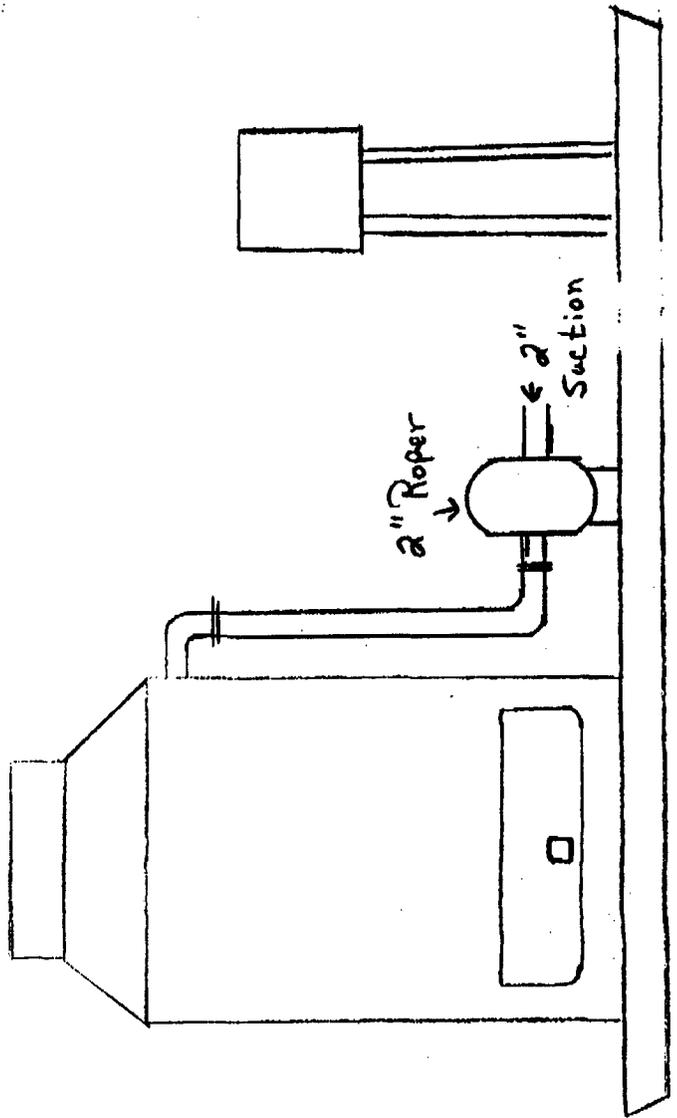
off

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Chaparral SWD #1



Field

- 1 Used Fire Box & Coil on 6" I Beam Skid
 - 2 2" Roper Pump w/ 7/2 Motor w/ Allen Pressure
 - 3 Auto Fire Control
 - 4 Electronic Ignition
 - 5 Control Panel
 - 6 Painted White
- Price # 10,541.00



CHAPARRAL SERVICE, INC. TREATING PLANT INSPECTION (PHOTOS BY OCD)

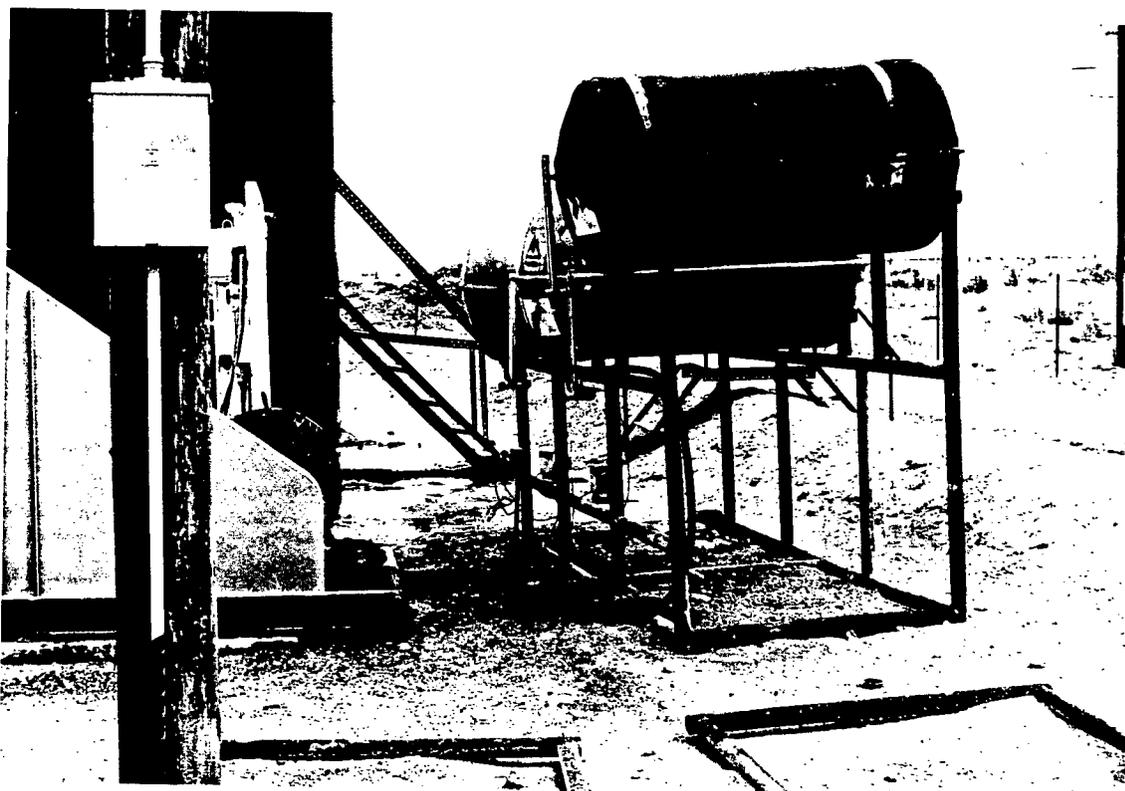


PHOTO NO. 1 DATE: 04/4/97

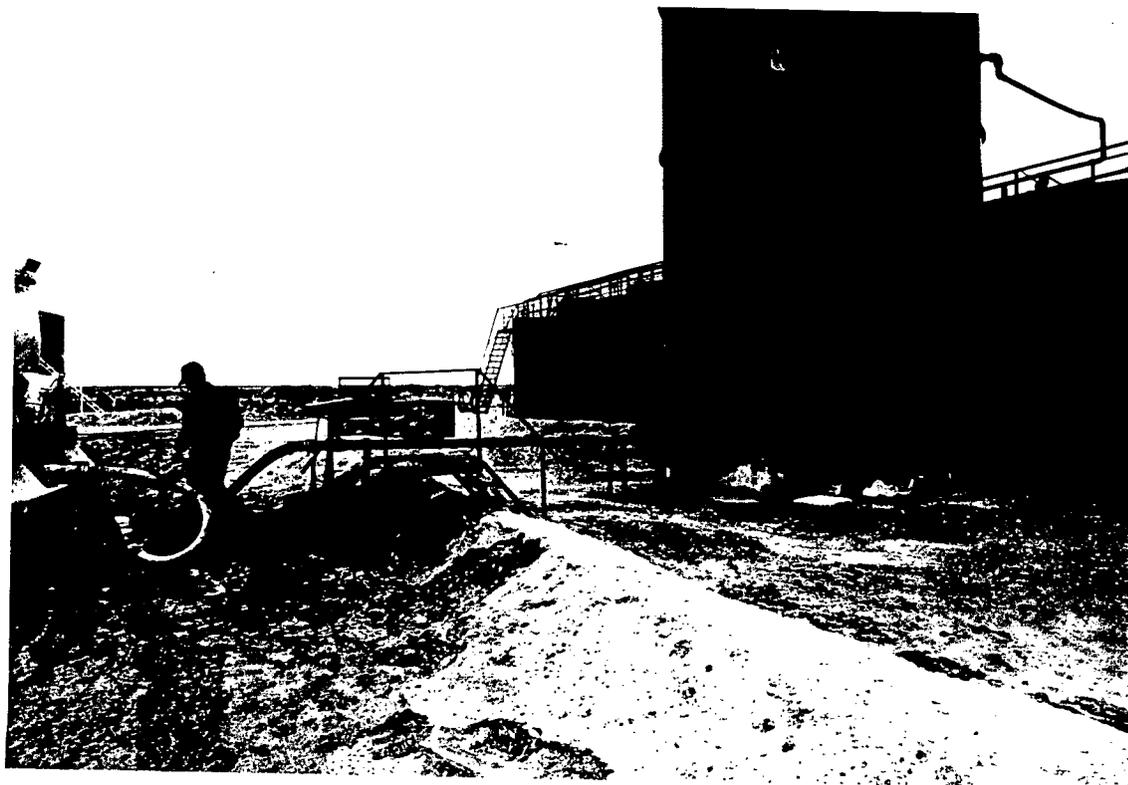


PHOTO NO. 2 DATE: 04/4/97

CHAPARRAL SERVICE, INC. TREATING PLANT INSPECTION (PHOTOS BY OCD)

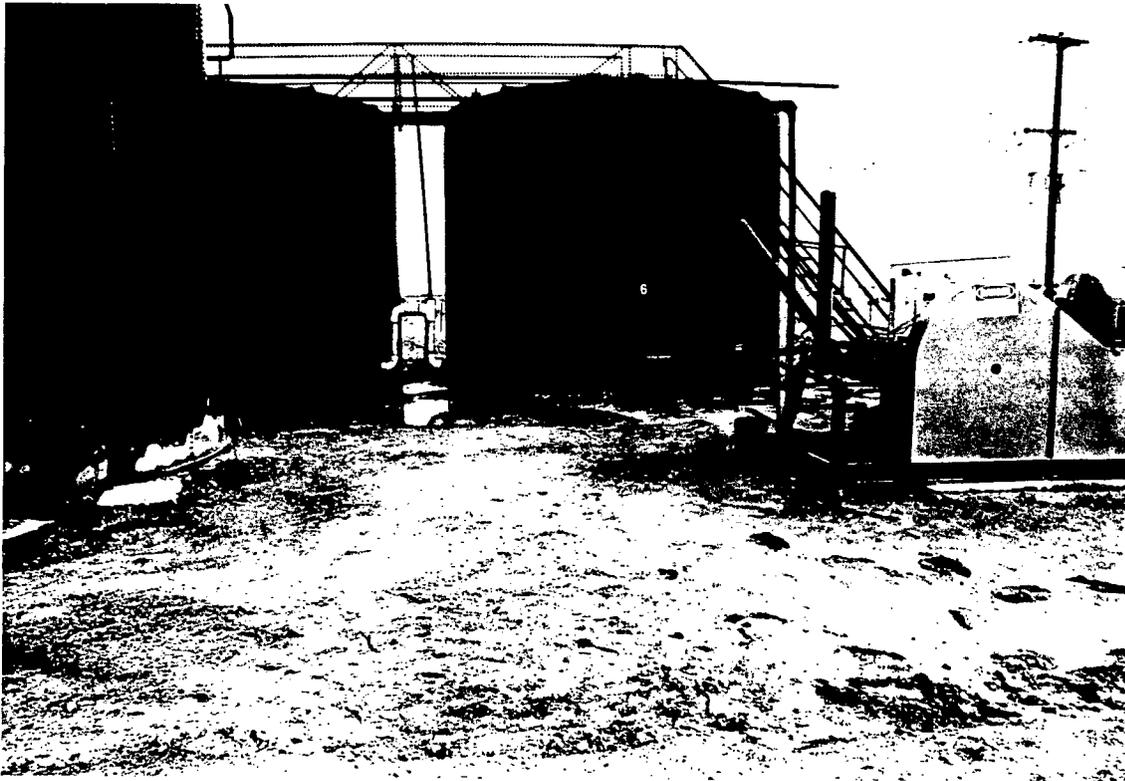


PHOTO NO. 3 DATE: 04/4/97



PHOTO NO. 4 DATE: 04/4/97

CHAPARRAL SERVICE, INC. TREATING PLANT INSPECTION (PHOTOS BY OCD)



PHOTO NO. 5 DATE: 04/4/97

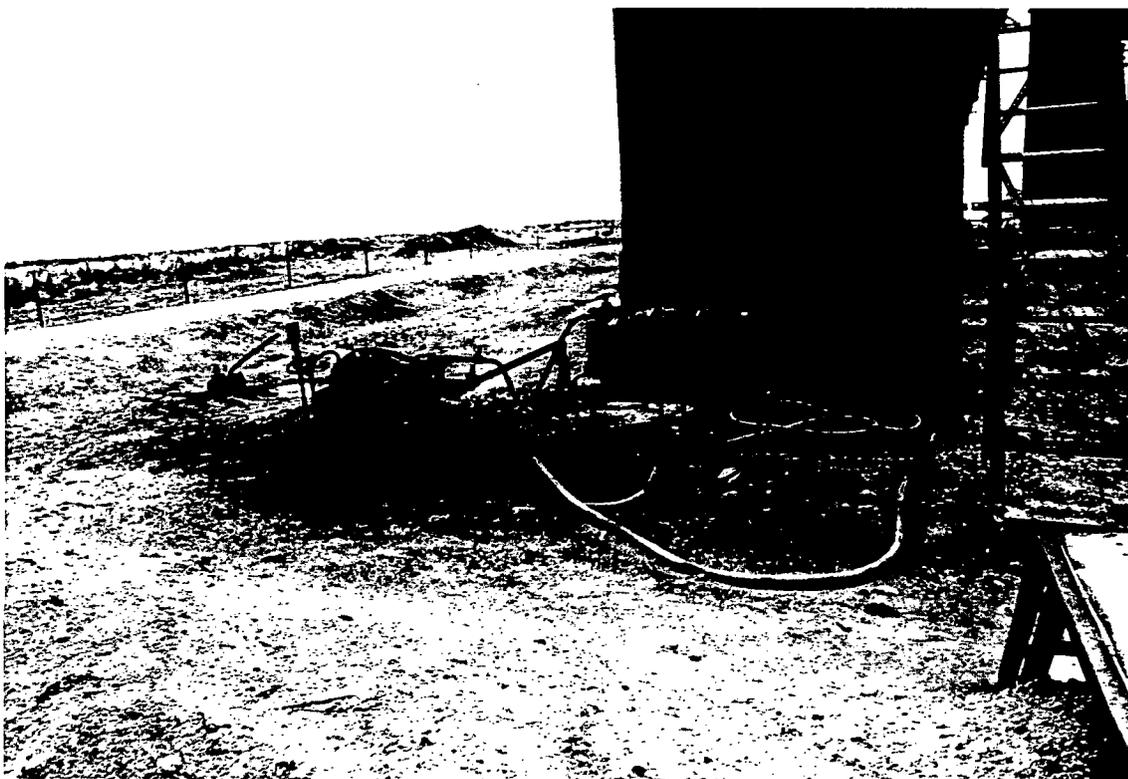


PHOTO NO. 6 DATE: 04/4/97

CHAPARRAL SERVICE, INC. TREATING PLANT INSPECTION (PHOTOS BY OCD)

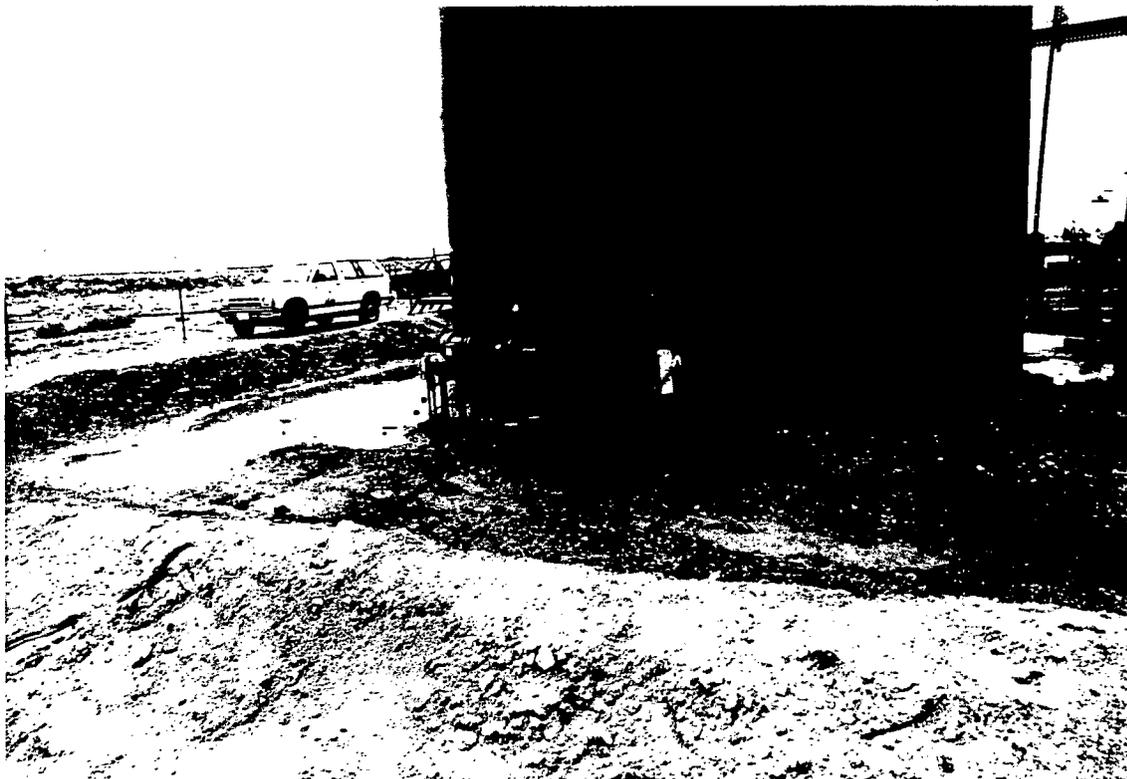


PHOTO NO.7 DATE: 04/4/97

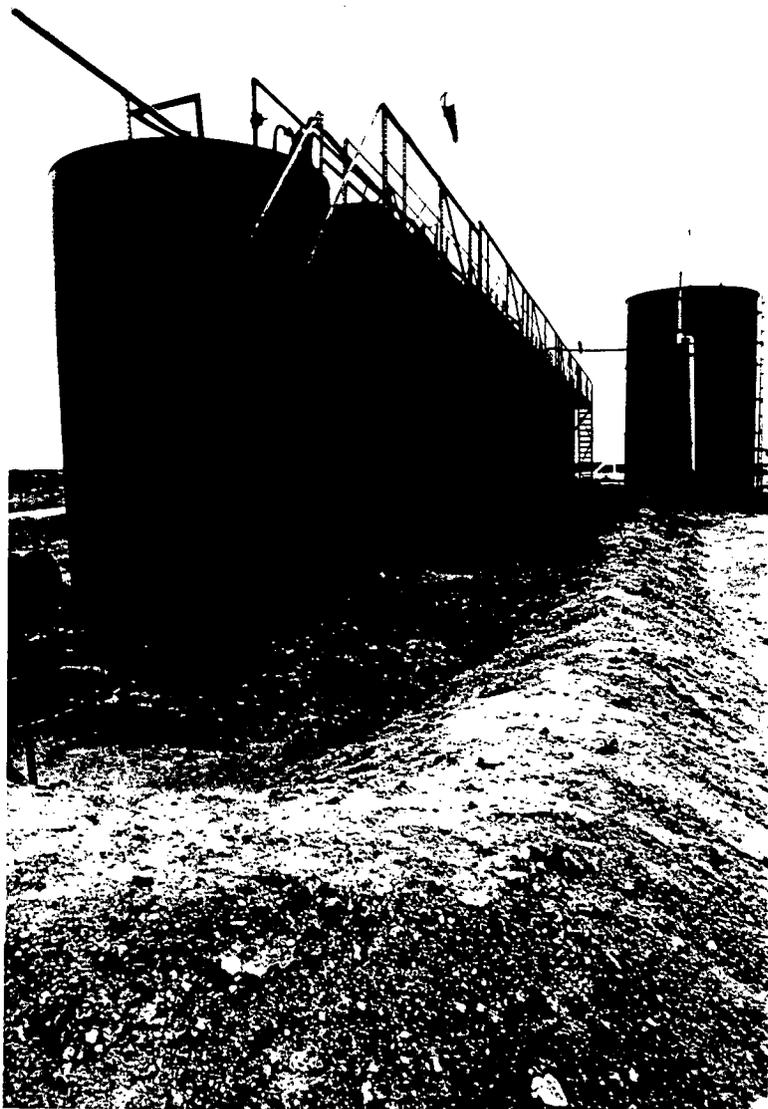


PHOTO NO. 8 DATE: 04/4/97

CHAPARRAL SERVICE, INC. TREATING PLANT INSPECTION (PHOTOS BY OCD)

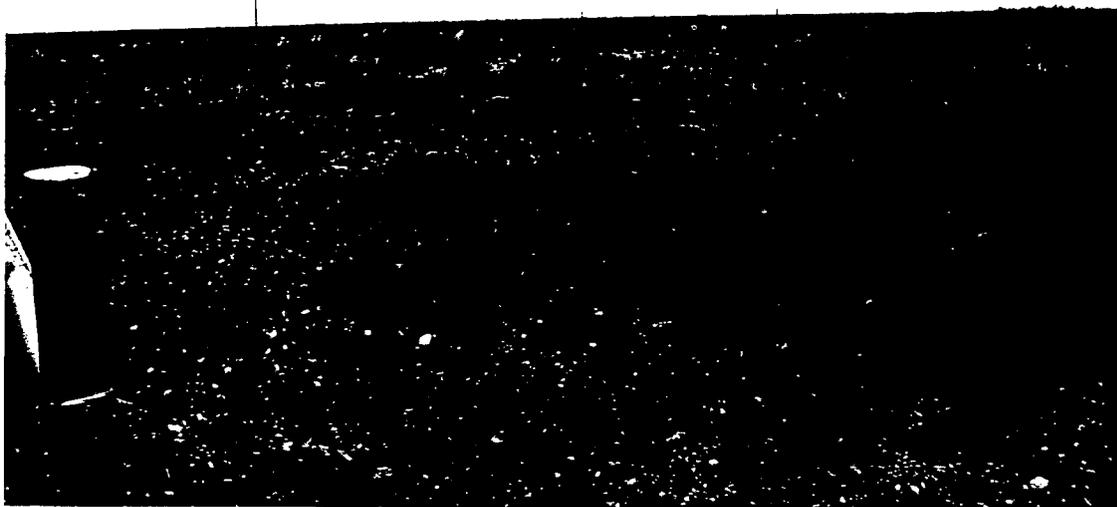
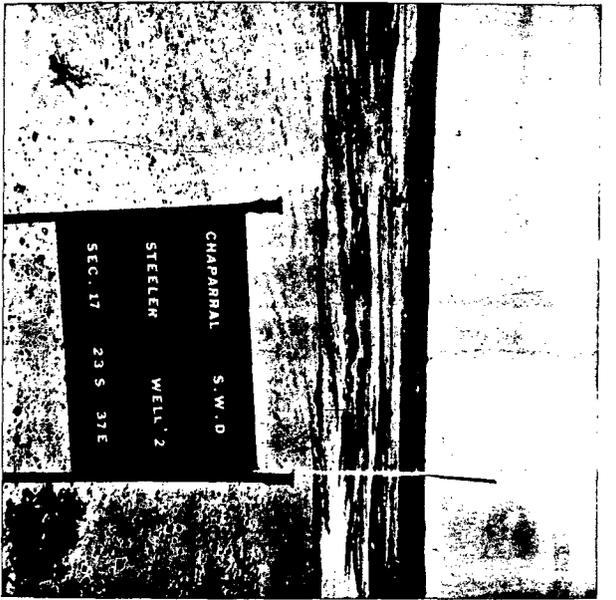


PHOTO NO. 9

DATE: 04/4/97



10-5-92

11:00 A.M.



2-23-93 4:35 P.M.
CHAPARRAL S.W.D.
STEELER #1
SEC 17 23S 37E



2-23-93 4:35 P.M.
CHAPARRAL S.W.D.
STEELER #1
SEC 17 23S 37E



10-5-92

11:00 A.M.



10-5-92

11:00 A.M.



10-5-92

11:00 A.M.



J. 23-93 4:35 P.M.
CHAPARRAL S.W.D.
STICKLER #1
SEC. 17 | 23.5 37-E

ye









2. 23-93

Ad.





A photograph of a desert landscape. In the foreground, a blue sign is mounted on two vertical posts. The sign has three lines of white text. The background features a sandy, arid plain with several large, blue and white industrial structures, including a tall black cylindrical tank and several large spherical tanks. The sky is clear and blue.

CHAPARRAL S.W.D

STEELER WELL 1

SEC. 17 23 S 37 E



CHAPARRAL S.W.D

STEELEK WELL ' 2

SEC. 17 23 S 37 E



Chaparral Treating Plant

4-4-97



Chaparral Treating Plant

4-4-97



Chaparral Treating Plant

4-4-97



Chaparral Treating Plant

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