

NM1 - 29

**INSPECTIONS &
DATA**



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

May 26, 2004

Mark Fesmire, P.E.

Director

Oil Conservation Division

Mr. Dan Watson
Watson Treating Plant
P.O. Box 75
Tatum, NM 88267

**RE: NMOCD Inspection
Original Watson Treating Plant
Section 34, Township 8 South, Range 35 East, NMPM
Lea County, New Mexico**

Dear Mr. Watson:

The New Mexico Oil Conservation Division (OCD) inspected the original Watson Treating Plant (Watson) location on April 19, 2004. The OCD found the facility to be non-operational. There were no tanks or equipment on site. There was evidence of former tank footprints and some past surface spills/leaks from the facility.

The nearest water wells (windmills) visible from the facility were located approximately two miles north and a second approximately three miles east. Research of the New Mexico State Engineers groundwater database (WATERS) found no water wells registered within four miles of the facility. Additional information gathered regarding depth to water between Crossroads and Milnesands New Mexico has water in excess of 100 feet most typically between 200 to 400 feet. Photos from the inspection are attached.

On February 17, 1988 a letter from the OCD to the Watson Treating Plant required that the above referenced location be cleared and inspected by the OCD Hobbs District personnel. OCD Santa Fe files do not have documentation regarding a final inspection. The financial assurance currently on file for the Watson Treating Plant is for the original legal location referenced above.

OCD guidelines for unsaturated contaminated soils are based on the depth to groundwater, wellhead protection and distance to a surface water body. This location has ground water in excess of 100 feet, there is no water wellhead within 1000 feet, and there is no surface body of water within 1000 feet. This site ranks a cleanup level of 5000 ppm of total petroleum hydrocarbons (TPH), 50 ppm benzene, ethylbenzene, toluene, and xylene (BTEX), 10 ppm benzene and 250 ppm chloride.

Watson must submit a report that documents the steps that were done during the 1988 cleanup of the facility and any written approval of the cleanup method that was received from the OCD at that time. In addition, Watson must submit a closure plan to complete the investigation and remediation of this former facility location. Please call me so that we may discuss the options that may be available to you.

Please be advised that OCD approval does not relieve Watson of liability should any remaining contaminants result in pollution of the ground water, surface water or the environment. In addition, OCD approval does not relieve Watson of the responsibility for compliance with other federal, state, or local laws and/or regulations.

Please give me a call at (505) 476-3488.

Sincerely



Martyne J. Kieling
Environmental Geologist

Xc: David Catanach
Gail MacQuesten
OCD Hobbs Office
File WM-01-029

Watson first Treating Plant Location
SE/4 NW/4, Section 34, T8S, R35E
Location is 6 miles north of Crossroads, NM
and .6 miles west on a ranch road.



Photo 1. Surface spill/leak. Looking northwest from former sales tank location.



Photo 2. Surface spill. Looking northwest from former sales tank location.



Photo 3. Sale tank foot prints. Looking east where two former sale tanks sat. Dry hole marker just to the right outside of the photo.



Photo 4. Foot print of the four former treatment tanks. Looking east. There is a former spill/leak area in the upper right of the photo.



Photo 5. Spill/leak area to the south of the 4 former treatment tanks. Looking southeast.



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Betty Rivera
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

December 6, 2002

Mr. Dan Watson
Watson Treating Plant
P.O. Box 75
Tatum, NM 88267

**RE: NMOCD Inspection
Watson Treating Plant
Section 12, Township 8 South, Range 34 East, NMPM
Lea County, New Mexico**

Dear Mr. Watson:

The New Mexico Oil Conservation Division (OCD) inspected the Watson Treating Plant (Watson) on November 19, 2002. The OCD found the facility to be non-operational and in the process of closing. A review of the financial assurance for the Watson Treating Plant shows that the OCD has a surety bond for your facility in the amount of \$25,000 is on file. Attached please find photos from the inspection and additional requirements for the closure of your facility. **The OCD hereby approves of the proposed closure plan with the following conditions:**

1. Additional wastes may not be disposed of or managed on the property.
2. At least one soil sample from each tank footprint location must be taken (see photo 2). The Soil samples should be taken between three and five feet below ground surface (bgs). If there is any visible contamination at the three to five foot sample depths additional samples must be taken at a minimum of five-foot sample intervals from the original sample point until there is no visible contamination detected. All soil samples taken must be stored on ice and analyzed for total petroleum hydrocarbons (TPH), benzene, toluene, ethyl benzene, and xylene (BTEX), and chloride.
3. All samples collected for OCD reporting purposes will be analyzed at an approved lab using appropriate EPA Test Methods.
4. Watson must remove any equipment that was associated with the treating plant but not currently used by the water station. (see photo 1)

5. Watson shall submit a final closure report for review and approval to the OCD Santa Fe office and a copy to the Hobbs District office when the closure is complete. The closure report must include all analytical reports and quality assurance and quality control documentation.

Please be advised that OCD approval does not relieve Watson of liability should any remaining contaminants result in pollution of the ground water, surface water or the environment. In addition, OCD approval does not relieve Watson of the responsibility for compliance with other federal, state, or local laws and/or regulations.

Please give me a call at (505) 476-3488 if you have any questions.

Sincerely



Martyne J. Kieling
Environmental Geologist

Xc: OCD Hobbs Office
File WM-01-029



Photo 1. Treating plant is closing. The three tanks on site are part of a water station. The treater and other equipment is all that remains of the treating plant.



Photo 2. Two tank footprints from the treating plant tanks.



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

July 29, 1997

CERTIFIED MAIL
RETURN RECEIPT NO. P-326-936-318

Mr. Dan Watson
Watson Treating Plant
P.O. Box 75
Tatum, NM 88267

**RE: Treating Plant Inspection
Watson Treating Plant
Section 12, Township 8 South, Range 34 East, NMPM
Lea County, New Mexico**

Dear Mr. Watson :

The New Mexico Oil Conservation Division (OCD), inspected Watson Treating Plant (Watson) located in the Section 12, Township 8 South, Range 34 East, NMPM, Lea County, New Mexico, on April 3, 1997.

The OCD inspection and current file review of Watson indicates some permit deficiencies. Attachment 1 lists the permit deficiencies found at Watson during the inspection and the new Rule 711 requirements that are not on file. Attachment 2 contains photographs taken during the inspection on April 3, 1997. Watson 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 Watson to these deficiencies by September 29, 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. Watson 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. Watson's current surety bond (bond No. BO1148) for \$25,000 will need to be replaced. The new bonded amount will be based upon the estimated closure costs that the State of New Mexico would incur

Mr. Dan Watson

July 29, 1997

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if a third party contractor were to remediate the facility (see Rule 711.B.1.i). Watson 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 3, 1997
WATSON TREATING PLANT
(Section 12, Township 8 South, Range 34 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 evidence of leaks and/or spills around the above grade tanks (see picture 1).

- 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.

A berm surrounding the above ground tanks needs to be constructed to contain one-third more than the total volume of all interconnected tanks (see picture 1).

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.

N/A There are no above ground saddle tanks located at this facility.

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 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.

N/A There are no below grade tanks, sumps, or pits located at this facility.

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 (see picture 1). The soil around the base of the tanks beneath tank valves indicate leaks or spills (see picture 1). Leaking valves should have secondary impermeable containment.

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 contaminated soil/tank bottoms south of the facility tanks should be remediated on sight and/or removed to a disposal facility (see picture 2).

12. **Berming** : An adequate berm will be constructed and maintained to prevent runoff and runoff for that portion of the facility containing contaminated soils.

If contaminated soils/tank bottoms are to be remediated on site a berm should be constructed to prevent runoff and runoff for that portion of the facility (see picture 2).

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.

Facility does not have a locking gate or locked valves.

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.

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;

Please submit with C-137 application.

- (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;

Please submit with C-137 application.

- (l) 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.

WATSON TREATING PLANT INSPECTION (PHOTOS BY OCD)



PHOTO NO. 1 DATE: 04/3/97



PHOTO NO. 2 DATE: 04/3/97



Watson Treating Plant

4-3-97



Watson Treating Plant

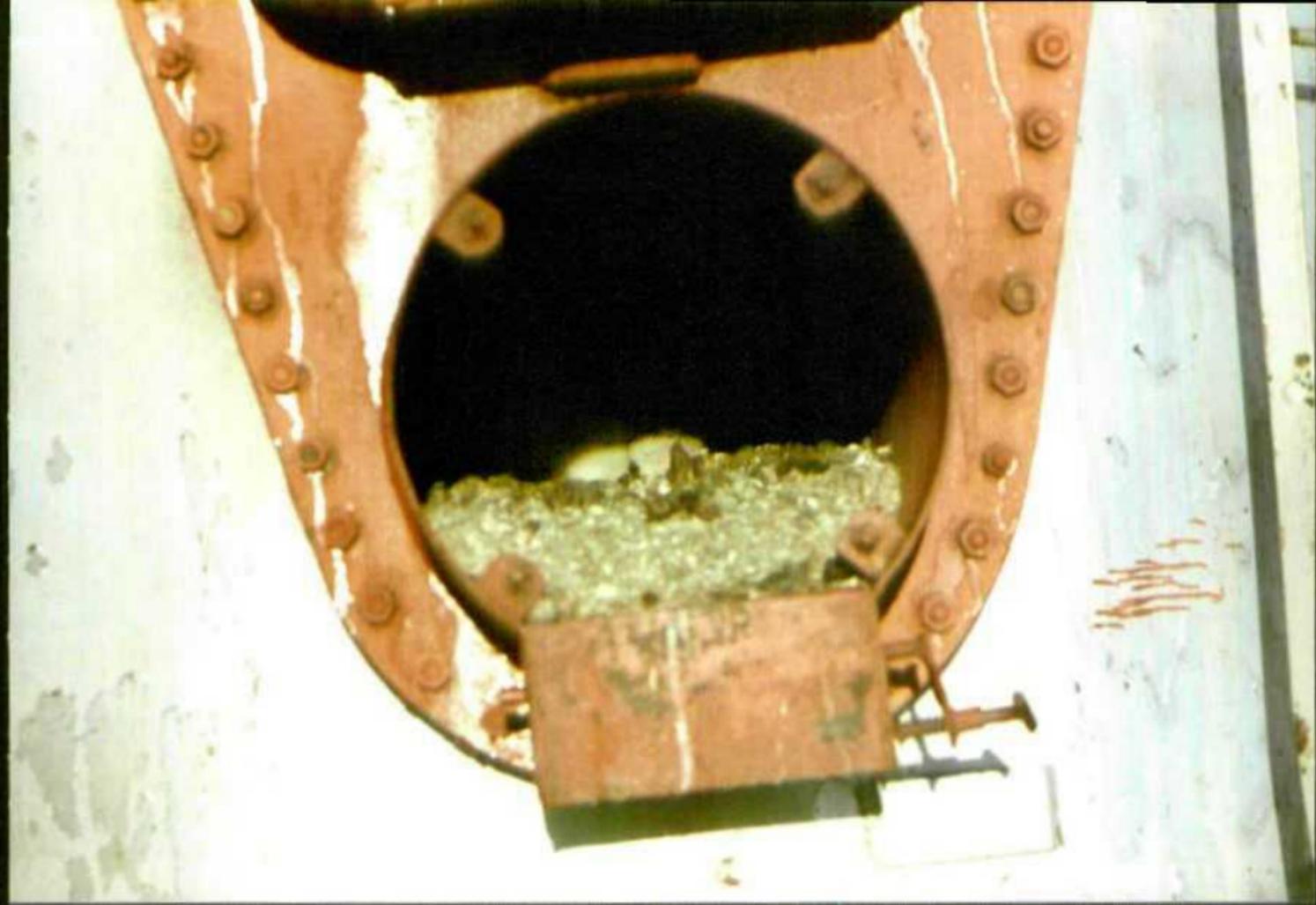
4-3-97



Watson Treating Plant

4-3-97

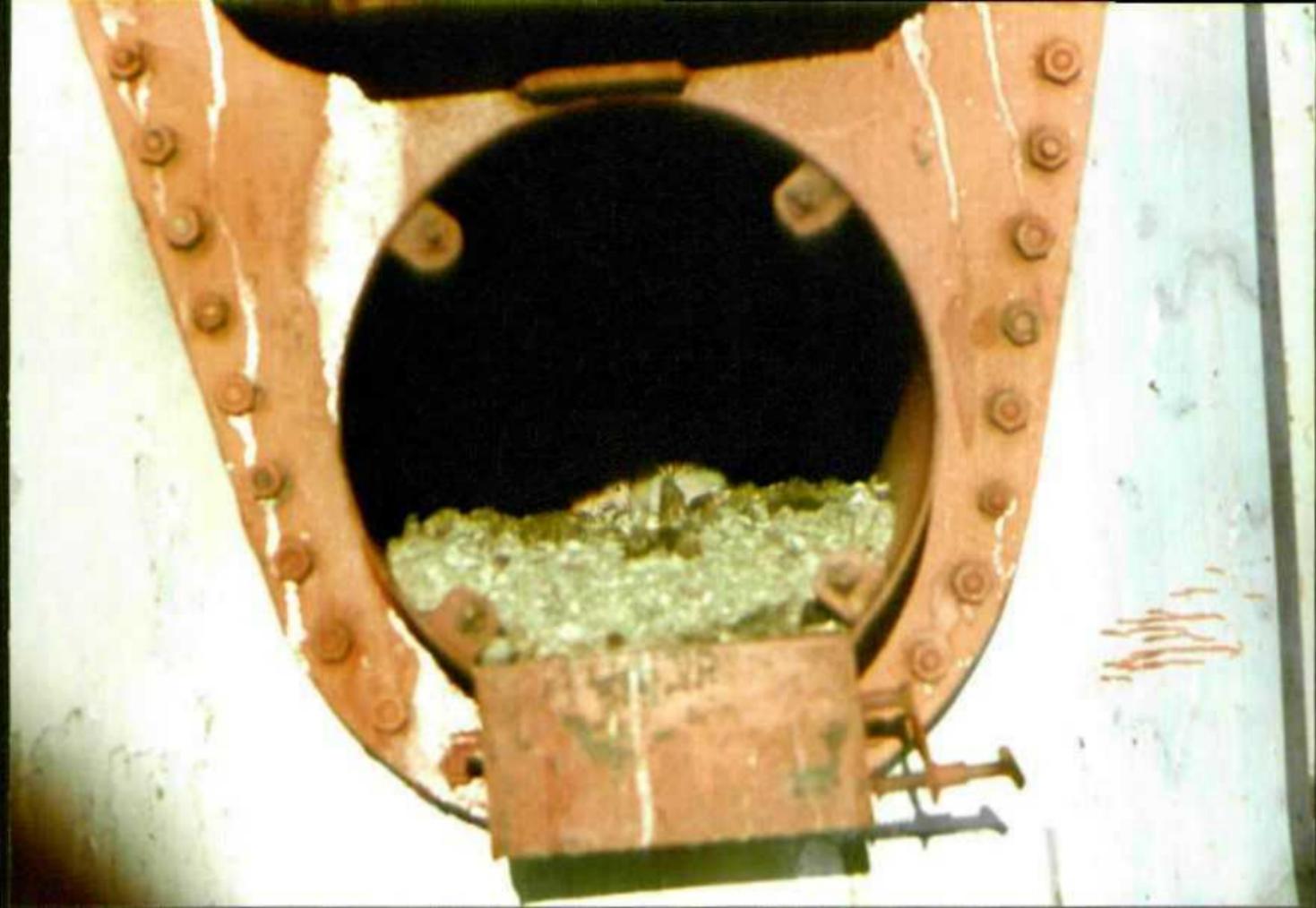
6 Barn Owl chicks



Watson Treating Plant

4-3-97

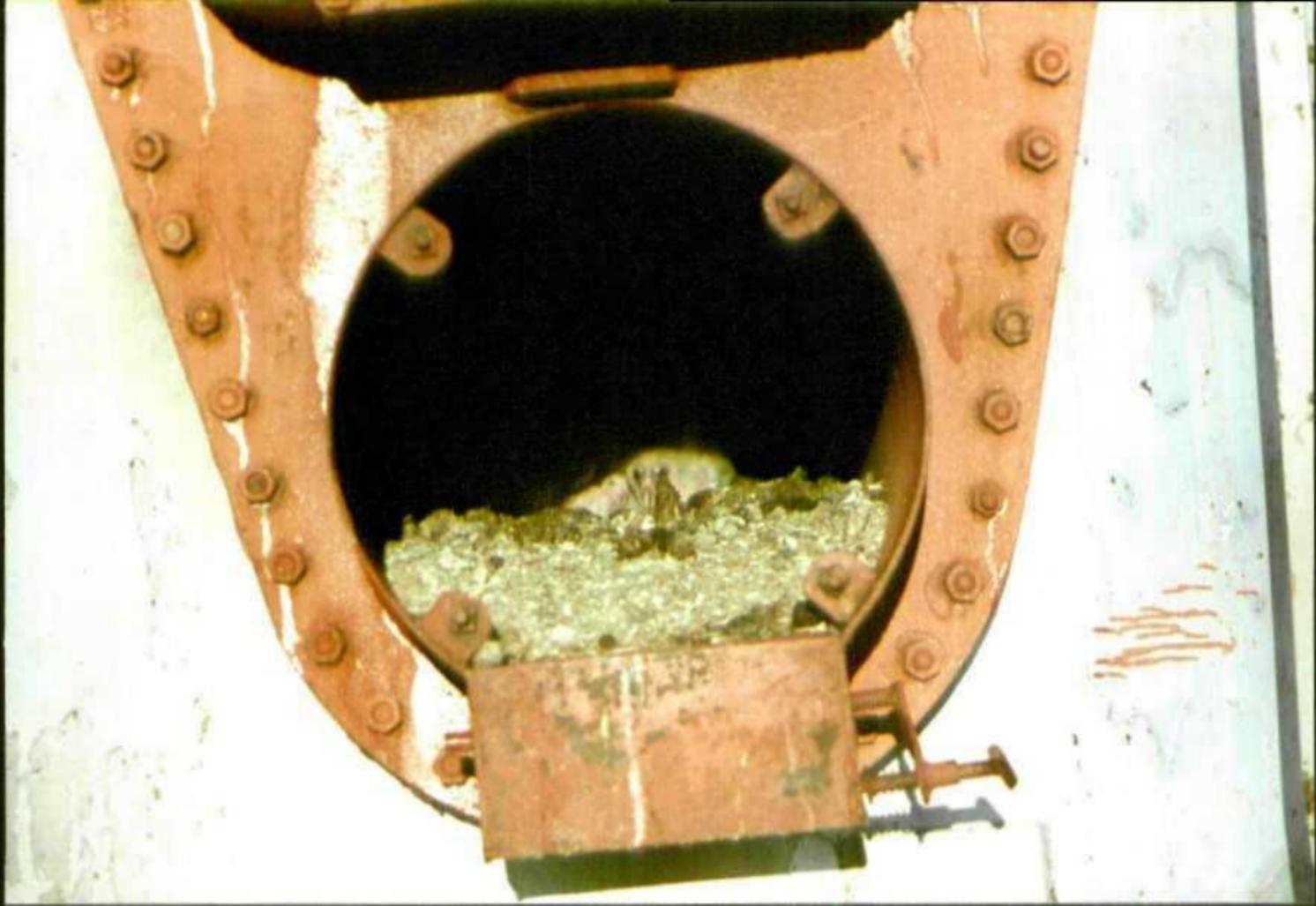
6 Barn owl chicks



Watson Treating Plant

4-3-97

6 Barn owl Chicks



Watson Treating Plant

4-3-97

6 Barn owl chicks