

GW -



**INSPECTIONS &
DATA**

OCD ENVIRONMENTAL BUREAU

SITE INSPECTION SHEET

DATE: 11/21/00 Time: 11 AM

Type of Facility: Refinery Gas Plant Compressor St. Brine St. Oilfield Service Co.
Surface Waste Mgt. Facility E&P Site Crude Oil Pump Station
Other _____

Discharge Plan: No Yes DP# GW-003

FACILITY NAME: DYNEGY KUNICE SOUTH PLANT (OLD TEXACO GAS PLANT)
PHYSICAL LOCATION: _____

Legal: QTR _____ QTR _____ Sec _____ TS _____ R _____ County _____

OWNER/OPERATOR (NAME) DYNEGY MIDSTREAM SERVICES
Contact Person: _____ Tele:# _____

MAILING
ADDRESS: _____ State _____ ZIP _____
Owner/Operator Rep's: CAL BRANHAM / JOHN PILCHER - EPI

OCD INSPECTORS: W PRICE

1. **Drum Storage:** All drums containing materials other than fresh water must be stored on an impermeable pad with curbing. All empty drums will 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 will also be stored on an impermeable pad and curb type containment.

2. **Process Areas:** 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.

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 tanks or existing tanks that undergo a major modification, as determined by the Division, must be placed within an impermeable bermed enclosure.

4. 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.

5. Labeling: All tanks, drums and containers will be clearly labeled to identify their contents and other emergency notification information.

6. 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 to 3 pounds per square inch above normal operating pressure and/or visual inspection of cleaned out tanks and/or sumps, or other OCD approved methods. The OCD will be notified at least 72 hours prior to all testing.

7. 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, or prior to discharge plan renewal. The permittee may propose various methods for testing such as pressure testing to 3 pounds per square inch above normal operating pressure or other means acceptable to the OCD. The OCD will be notified at least 72 hours prior to all testing.

8. Onsite/Offsite Waste Disposal and Storage Practices: Are all wastes properly characterized and disposed of correctly? Does the facility have an EPA hazardous waste number? _____ Yes _____ No

ARE ALL WASTE CHARACTERIZED AND DISPOSED OF PROPERLY? YES NO IF NO DETAIL BELOW.

9. Class V Wells: Leach fields and other wastewater disposal systems at OCD regulated facilities which inject non-hazardous fluid into or above an underground source of drinking water are considered Class V injection wells under the EPA UIC program. All Class V wells that inject non-hazardous industrial wastes or a mixture of industrial wastes and domestic wastes will be closed unless it can be demonstrated that groundwater will not be impacted in the reasonably foreseeable future. Closure of Class V wells must be in accordance with a plan approved by the Division's Santa Fe Office. The OCD allows industry to submit closure plans which are protective of human health, the environment and groundwater as defined by the WQCC, and are cost effective. Class V wells that inject domestic waste only must be permitted by the New Mexico Environment Department.

ANY CLASS V WELLS NO YES IF YES DESCRIBE BELOW! Undetermined

10. Housekeeping: All systems designed for spill collection/prevention will be inspected weekly and after each storm event to ensure proper operation and to prevent overtopping or system failure. A record of inspections will be retained on site for a period of five years.

11. Spill Reporting: All spills/releases will be reported pursuant to OCD Rule 116 and WQCC 1203 to the proper OCD District Office.

12. Does the facility have any other potential environmental concerns/issues?

GROUNDWATER CONTAMINATION BEING ADDRESSED BY TEXICO

13. Does the facility have any other environmental permits - i.e. SPCC, Stormwater Plan, etc.?

14. ANY WATER WELLS ON SITE? NO YES IF YES, HOW IS IT BEING USED?

Miscellaneous Comments:

PIC #2 - WASTE WATER RED-CLAY CAP SOUTH PIT
PIC #3 - NORTH EDGE OF WASTE WATER PIT
PIC #4 - NORTH PIT (LOOKING NORTH)

Number of Photos taken at this site: PIC # 1 - SIGN SEE ROOMS FILE
attachments-



STATE OF NEW MEXICO

DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

OIL CONSERVATION DIVISION
HOBBS DISTRICT OFFICE

'91 MAR 11 AM 10 20

BRUCE KING
GOVERNOR

March 8, 1991

POST OFFICE BOX 1980
HOBBS, NEW MEXICO 88241-1980
(505) 393-6161

Mr. William J. LeMay, Director
Oil Conservation Division
Box 2088
Santa Fe, NM 87504-2088

Dear Bill:

Recently when Roger Anderson was inspecting the Texaco Eunice Gasoline Plants, while the inspection was going on, the new plant superintendent released some oil onto a lined pit. After this, things apparently became confused and the Game and Fish Department somehow became involved. A Joel Lusk with Game and Fish stated that this pit would be required to be netted and that was the end of the situation.

This pit is well qualified for an exception to netting as it is checked daily, it is in an area which has 24-hour per day operations going on, and has not had oil on it, nor was there any evidence of dead birds.

As far as anyone knows the Game and Fish Department has not inspected the site, but apparently have taken the stance that any of the above is not relative to the operation.

If you would look into this situation and see what caused this change in the Game and Fish Department's attitude of not working with industry it would be appreciated.

To date I thought our rule had been accepted by all parties but this apparently is not the case.

Very truly yours,

OIL CONSERVATION DIVISION

Jerry Sexton
Supervisor, District I

cc: Tom Lane - Game & Fish Dept.
Roger Anderson - OCD

Encl.



Texaco

DATE: March 5, 1991

TO: Mr. Jerry Sexton
New Mexico Oil Conservation Division

FROM: Jerry Brittain
Texaco Exploration and Production Inc.
Eunice Gas Plants

SUBJECT: MFG - PLANTS
Pit No. 4 Inspection by OCD

February 6 three members of an inspection team from New Mexico Oil Conservation Division, led by Roger Anderson, toured Eunice No. 1 and No. 2 plants. During the inspection, I demonstrated how our oil-water skimmer sump system separates the two liquids for proper disposition. I did not realize that by operating a float switch on the water phase pump that a balance between water and oil had been disturbed to the extent that oil was sent to Pit No. 4. Normally oil is separated and recovered for storage prior to pipeline shipment.

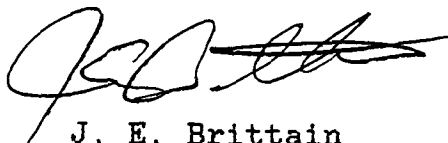
I had personally inspected all the Eunice No. 1 pits two days earlier and all were oil free. Each day the Gas Treater Operator observes the condition of the pits during his chemical treating rounds. It is standard procedure to report oil on pit surfaces to his immediate supervisor.

During the course of each week myself, the Assistant Superintendent, and our Lab Technician will check the pits also.

The occurrence of oil on Pit No. 4 is an isolated incident very likely caused by my operating the skimmer float switch.

The oil observed was vacuumed off the water and disposed of properly the next morning.

If I can be of further assistance, please contact me.



J. E. Brittain

JEB/ps
xc: CRA
JEB
File



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

BRUCE KING
GOVERNOR

March 1, 1991

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

CERTIFIED MAIL
RETURN RECEIPT NO. P-327-278-093

Mr. C. Ray Russell
Texaco USA
P. O. Box 1650
Tulsa, Oklahoma 74102

**RE: Discharge Plan GW-3
Eunice #1 Processing Plant
Lea County, New Mexico**

Dear Mr. Russell:

During Oil Conservation Division's (OCD) field inspection of Texaco's Eunice #1 processing plant on February 8, 1991, it was noted that free oil was floating on the process water pond. Although discussion with you indicates that the oil may have been a result of equipment malfunction, you are reminded that you are subject to the requirements of Division Order R-8952 requiring protection of migratory birds. To comply with that order, ponds are required to be netted or screened unless an exception to the order has been approved. Your facility has been granted an exception based on the commitment by Texaco to visually check the pit at least twice daily for floating hydrocarbons and to remove such within four hours (copy enclosed).

Based on our discovery of hydrocarbons we request that you provide our office with information on the incident and what additional measures, if any, Texaco proposes to take to prevent reoccurrence.

I also am enclosing a copy of a letter to OCD from the US Fish and Wildlife Service recommending that we require the pond be screened or netted or that a mitigation plan be developed to compensate for losses. OCD's response is enclosed.


Mr. C. Ray Russell

March 1, 1991

Page -2-

Please contact me at (505) 827-5812 if you have any question regarding this request.

Sincerely,



David G. Boyer, Hydrogeologist
Environmental Bureau Chief

Enclosure

DGB/sl

cc: OCD Hobbs Office



UNITED STATES
DEPARTMENT OF THE INTERIOR
FISH AND WILDLIFE SERVICE
Ecological Services
Suite D, 3530 Pan American Highway, NE
Albuquerque, New Mexico 87107

February 11, 1991

Cons. #2-22-91-I-075

Mr. William J. Lemay, Director
New Mexico Energy, Minerals and
Natural Resources Department
Oil Conservation Division
P.O. Box 2088
Santa Fe, New Mexico 87504-2008

Dear Mr. Lemay:

This responds to your public notice published on January 25, 1991, in which three injection well permit renewals and one permit modification for landfarm application were described. Our comments refer to the following permits:

(GW-53) - Enron Gas Pipeline Operating Company, Yates Processing Plant located in Section 25, Township 18 South, Range 25 East, NMPM, Eddy County, New Mexico.

(GW-29) - Texaco USA, Buckeye Gas Processing Plant located in Section 1, Township 18 South, Range 34 East, NMPM, Lea County, New Mexico.

(GW-3) - Texaco USA, Eunice #1 Gas Plant located in Section 27, Township 22 South, Range 37 East, NMPM, Lea County, New Mexico.

(GW-4) - Texaco USA, Eunice #2 Gas Plant located in Section 28, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico.

Wetlands, riparian vegetation, and other sensitive wildlife habitat on or near the sites should be protected. Our concern with injection wells (GW-29, 3, and 4) is the potential impact to fish and wildlife through leakage and other discharges. We recommend that the evaporation pond utilized for GW-3 be covered or screened to prevent migratory bird use. If impacts cannot be avoided, a mitigation plan should be developed to compensate for fish, wildlife and habitat losses.

The landfarm application technique for remediating hydrocarbon contaminated wastes (GW-53) should specifically address the migration of contaminants into the Rio Penasco. We recommend that an alternative technique that is physically contained and involves less land area also be considered. Land application can lead to degradation of the soil through compaction and has limited use. Reusable remediation technology such as contained, rock-filtered

systems, infused with hydrocarbon metabolizing bacteria and fungi, can treat hydrocarbon contaminated soil and wastewater without the potential aquifer contamination associated with well injection, or potential soil degradation associated with landfarm application.

If you have any questions concerning our comments, please contact Thomas O'Brien or Joel Lusk at (505) 883-7877 or FTS 474-7877.

Sincerely,

A handwritten signature in black ink, appearing to read "Jennifer Fowler-Propst", written in a cursive style with a large loop at the end.

Jennifer Fowler-Propst
Field Supervisor

cc:

Director, New Mexico Department of Game and Fish, Santa Fe, New Mexico
Director, New Mexico Energy, Minerals and Natural Resources Department,
Forestry and Resources Conservation Division, Santa Fe, New Mexico
Regional Administrator, U.S. Environmental Protection Agency, Dallas, Texas
Regional Director, U.S. Fish and Wildlife Service, Fish and Wildlife
Enhancement, Albuquerque, New Mexico



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

BRUCE KING
GOVERNOR

March 1, 1991

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

CERTIFIED MAIL
RETURN RECEIPT NO. P-327-278-087

Ms. Jennifer Fowler-Propst
Field Supervisor
U. S. Fish and Wildlife Service
Suite D
3530 Pan American Highway, N.E.
Albuquerque, New Mexico 87107

Dear Ms. Fowler-Propst:

The Oil Conservation Division (OCD) has received your comments, dated February 11, 1991, concerning the renewals and/or modifications of the following discharge plans:

(GW-53) - Enron Gas Pipeline Operating Company, Yates Processing Plant located in Section 25, Township 18 South, Range 25 East, NMPM, Eddy County, New Mexico.

(GW-29) - Texaco USA, Buckeye Gas Processing Plant located in Section 1, Township 18 South, Range 34 East, NMPM, Lea County, New Mexico.

(GW-3) - Texaco USA, Eunice #1 Gas Plant located in Section 27, Township 22 South, Range 37 East, NMPM, Lea County, New Mexico.

(GW-4) - Texaco USA, Eunice #2 Gas Plant located in Section 28, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico.

The permitting of the Class II injection wells at the Texaco facilities (GW-3, GW-4 and GW-29) are not within the scope of the advertised discharge plan renewal applications. However, all Class II injection wells are permitted under the EPA-approved Underground Injection Control (UIC) program pursuant to Rules 701, 702, 703 and 704 of the OCD Rules and Regulations (enclosed). Any other discharges from a facility are regulated and controlled by a permit known as a "Ground Water Discharge Plan" issued pursuant to Part 3 of the New Mexico Water Quality Control Commission Regulations (enclosed). A discharge plan authorizes specific methods for disposal of wastes generated at the facility including disposal at another OCD permitted site.

Ms. Jennifer Flower-Propst

March 1, 1991

Page -2-

Although the process water evaporation pond at Texaco's Eunice #1 Gas Plant is not screened or netted it is subject to OCD's Rule 8 (enclosed), and has been approved for exception to Division Order R-8952 requiring protection for migratory birds. A copy of the exception form and Texaco's protective measures are enclosed with this letter. OCD is evaluating whether the existing mitigation efforts are sufficiently effective.

The land farm application is a specific modification requested for a previously approved discharge plan (GW-53). As with new discharge plan applications, modification requests are reviewed very carefully to afford maximum protection to surface water, ground water and the environment. I am enclosing a copy of the modification application. In addition to the requirements committed to in the application, the OCD will not allow any fluids to be introduced to the land farm without prior approval and after complete review of proposed application techniques. This requirement will dramatically reduce the possibility of migration of contaminants by limiting any hydrostatic head available to move contaminants downward into soils or groundwater.

If you have further concerns or comments, please do not hesitate to contact me.

Sincerely,



Roger C. Anderson
Environmental Engineer

RCA/sl

Enclosures

cc: Artesia OCD Office
Hobbs OCD Office