

GW - 2

**INSPECTIONS &
DATA**



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

June 5, 1997

CERTIFIED MAIL
RETURN RECEIPT NO. P-410-431-399

Mr. Scott Seeby
GPM Gas Corp.
4044 Penbrook
Odessa, Texas 79762

**RE: Renewal Inspection
Discharge Plan GW-002
GPM Lee Gas Plant**

Dear Mr. Seeby:

The New Mexico Oil Conservation Division (OCD) has completed this inspection report as part of the permit renewal process for discharge plan GW-002. The following OCD staff members were present during the renewal inspection on Monday April 7, 1997 - Mr. Wayne Price and Mr. Patricio Sanchez. The purpose of this report is to provide GPM with the information that is needed to comply with the terms and conditions of GW-002 as this permit was renewed on December 19, 1995 (see attachment no. 1 - discharge renewal letter with 12 conditions of approval dated December 19, 1995) . However, it will be GPM's responsibility to comply with the terms and conditions of GW-002.

1. GPM will submit a plan to pressure test all below grade lines (waste water) to 3 psig above normal working pressure of the line - see OCD "Discharge Plan Guidelines, Revised 12-95" page 9. **The testing plan must be approved by the Santa Fe OCD office.** Any below grade sump or tank (see photo no. 7, 12, and 13, contained in attachment no. 2) that is found not to have integrity shall be reported to the Santa Fe OCD office with a proposed corrective action plan to repair the sump or below grade tank and identify possible contamination.
2. Lube oil that appears to have pooled under the compressors (see compressor areas photos no. 2, 3, and 4, contained in attachment no. 2.) needs to be removed and recycled and/or disposed of properly. GPM should submit a work plan to investigate the integrity of the concrete pad(s) on which the lube oil/water mixture is contained for possible contamination of the vadose zone. The plan should also address remedial action to investigate/remediate possible hydrocarbon contamination at the facility that may be actively feeding the current plume at the facility from this area.

Mr. Scott Seeby
 GPM "GW-002"
 Inspection Report
 June 5, 1997
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- Any non-exempt waste(s) that are generated at the facility such as the "lube oil" contaminated soil and wash down water need to be properly characterized per 40 CFR Part 261. If the wastes are non-hazardous OCD will be the approving agency, if the wastes are hazardous then GPM must notify the NMED, HRMB at (505)-827-7156 for proper guidance in the collection, storage, and disposal of hazardous waste.

Note: Only Exploration and Production wastes that "Exempt from RCRA Subtitle C" may be disposed of in Class II UIC Salt Water Disposal wells.

- Attached for GPM's use in assuring compliance with GW-002 under attachment 1 is the permit renewal letter from OCD. GPM shall refer to the permit conditions and verify that all permit conditions have or will be complied with.

GPM will address the above mentioned issues as part of the renewal for GW-002, and will submit a follow-up response to the OCD by August 5, 1997. The response will contain time lines and documentation for complying with the above mentioned comments.

If GPM any questions with regards to this inspection report feel free to contact me at (505)-827-7156.

Sincerely,



Patricio W. Sanchez
 Petroleum Engineering Specialist
 Environmental Bureau - OCD

(Enclosure - Attachment no. 1 and Attachment no. 2)

c: OCD Hobbs District

P 410 431 399

US Postal Service
 Receipt for Certified Mail
 No Insurance Coverage Provided.
 Do not use for International Mail (See reverse)

Sent to GPM - Seeby	
Street & Number LEC - Gas Plant Plant	
Post Office, State, & ZIP Code GW-002	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date	

PS Form 3800, April 1995

ATTACHMENT NO. 1
GW-002 RENEWAL LETTER DATED DECEMBER 19, 1995



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

2040 S. PACHECO
SANTA FE, NEW MEXICO 87505
(505) 827-7131

December 19, 1995

CERTIFIED MAIL
RETURN RECEIPT NO. Z-765-962-992

Mr. Vincent B. Bernard
Safety and Environmental Supervisor
GPM Gas Corp.
4044 Penbrook
Odessa, Texas 79762

**RE: Approval of Discharge Plan GW-02
Renewal
Lee Gas Plant
Lea County, New Mexico**

Dear Mr. Bernard:

The discharge plan renewal GW-02 for the GPM Gas Corp. Lee Gas Plant located in SW/4 SE/4, Section 30, Township 17 South, Range 35 East, NMPM, Lea County, New Mexico, is hereby approved under the conditions contained in the enclosed attachment. The discharge plan renewal consists of the renewal application letter dated November 6, 1995 from GPM as well as the following OCD approvals; Discharge plan approval dated March 16, 1981, discharge plan renewals dated May 5, 1986, and March 18, 1991, and discharge plan modifications dated May 8, 1991 and April 26, 1993.

The discharge plan renewal application was submitted pursuant to Section 3106 of the New Mexico Water Quality Control Commission Regulations. Please note Sections 3109.E and 3109.F which provide for possible future amendments or modifications of the plan. Please be advised that the approval of this plan does not relieve GPM Gas Corp. of liability should the operations associated with this facility result in pollution of surface water, ground water, or the environment.

Please be advised that all exposed pits, including lined pits and open top tanks (tanks exceeding 16 feet in diameter), shall be screened, netted, or otherwise rendered nonhazardous to wildlife including migratory birds.

Mr. Vincent Bernard
GPM Gas Corp.
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Please note that Section 3104 of the regulations requires that "When a plan has been approved, discharges must be consistent with the terms and conditions of the plan." Pursuant to Section 3107.C you are required to notify the Director of any facility expansion, production increase, or process modification that would result in any change in the discharge of water quality or volume.

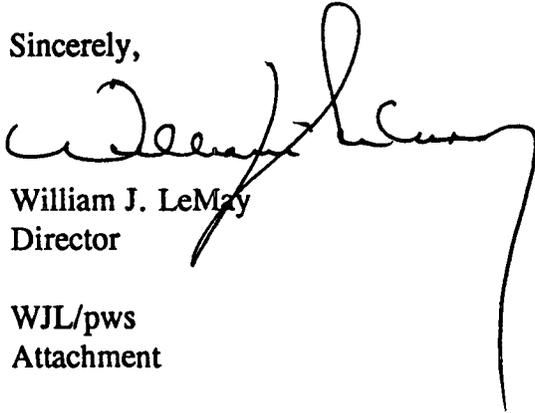
Pursuant to Section 3109.G.4, this plan is for a period of five (5) years. This approval will expire March 16, 2001, and you should submit an application for renewal six (6) months before this date.

The discharge plan renewal for the Lee Natural Gas Plant GW-02 is subject to the WQCC Regulation 3114 discharge plan fee. Every billable facility submitting a discharge plan will be assessed a fee equal to the filing fee of fifty dollars (\$50) plus the flat fee of one-thousand, six-hundred and sixty seven dollars and fifty cents (\$1667.50) for Gas Plants filing for renewal of existing discharge plans..

The \$50 filing fee has been received by the OCD. The flat fee for an approved discharge plan has also been received by the OCD.

On behalf of the staff of the Oil Conservation Division, I wish to thank you and your staff for your cooperation during this discharge plan review.

Sincerely,



William J. LeMay
Director

WJL/pws
Attachment

**XC: Mr. Scott Seeby - Environmental Engineer, GPM Gas Corp.
Certified Mail Return Receipt No. Z-765-962-993**

xc: Mr. Wayne Price and Mr. Jerry Sexton

Mr. Vincent Bernard
GPM Gas Corp.
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ATTACHMENT TO DISCHARGE PLAN GW-02 RENEWAL
GPM Gas Corp. - Lee Gas Plant
DISCHARGE PLAN REQUIREMENTS
(December 20, 1995)

1. **GPM Commitments:** GPM will abide by all commitments submitted in the Renewal application letter dated November 6, 1995 from GPM as well as the following OCD approvals; Discharge plan approval dated March 16, 1981, discharge plan renewals dated May 5, 1986, and March 18, 1991, and discharge plan modifications dated May 8, 1991 and April 26, 1993.
2. **Drum Storage:** All drums containing materials other than fresh water must be stored on an impermeable pad (i.e. concrete, asphalt, or other suitable containment) with curbing. All empty drums should be stored on their sides with the bungs in place and lined up on a horizontal plane. Chemicals in other containers such as sacks or buckets should also be stored on an impermeable pad with curbing.
3. **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 (i.e. drip pan) incorporated into the design.
4. **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.
5. **Above Ground Saddle Tanks:** Above ground saddle tanks must have impermeable type pad and curb containment unless they contain fresh water or fluids that are gases at atmospheric temperature and pressure. No berms are required for saddle tanks.
6. **Tank Labeling:** All tanks should be clearly labeled to identify their contents and other emergency information necessary if the tank were to rupture, spill, or ignite.
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 to 3 pounds per square inch above normal operating pressure and/or visual inspection of cleaned out tanks /or sumps.

Mr. Vincent Bernard
GPM Gas Corp.
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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 there after. Companies 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.
9. **Housekeeping:** All systems designed for spill collection/prevention should be inspected to ensure proper operation and to prevent overtopping or system failure.
10. **Spill Reporting:** All spills/releases shall be reported pursuant to OCD Rule 116 and WQCC 1203 to the Hobbs OCD District Office at (505)-393-6161.
11. **Transfer of Discharge Plan:** Prior to any transfer of ownership, control, or possession of the GPM Lee Gas Plant, the OCD will be notified. A written request must be submitted and approved by the OCD prior to the transaction.
12. **Closure:** The OCD will be notified when operations of the facility are discontinued for a period in excess of six months. Prior to closure of the facility a closure plan will be submitted for approval by the director. Closure and waste disposal will be in accordance with the statutes, rules and regulations in effect at the time of closure.

ATTACHMENT NO. 2
PHOTOGRAPHS TAKEN AT GW-002 BY OCD ON 4/07/97

GPM LEE G.P. GW-002
(PHOTOS BY OCD)



PHOTO NO. 1

DATE: 4/07 /97

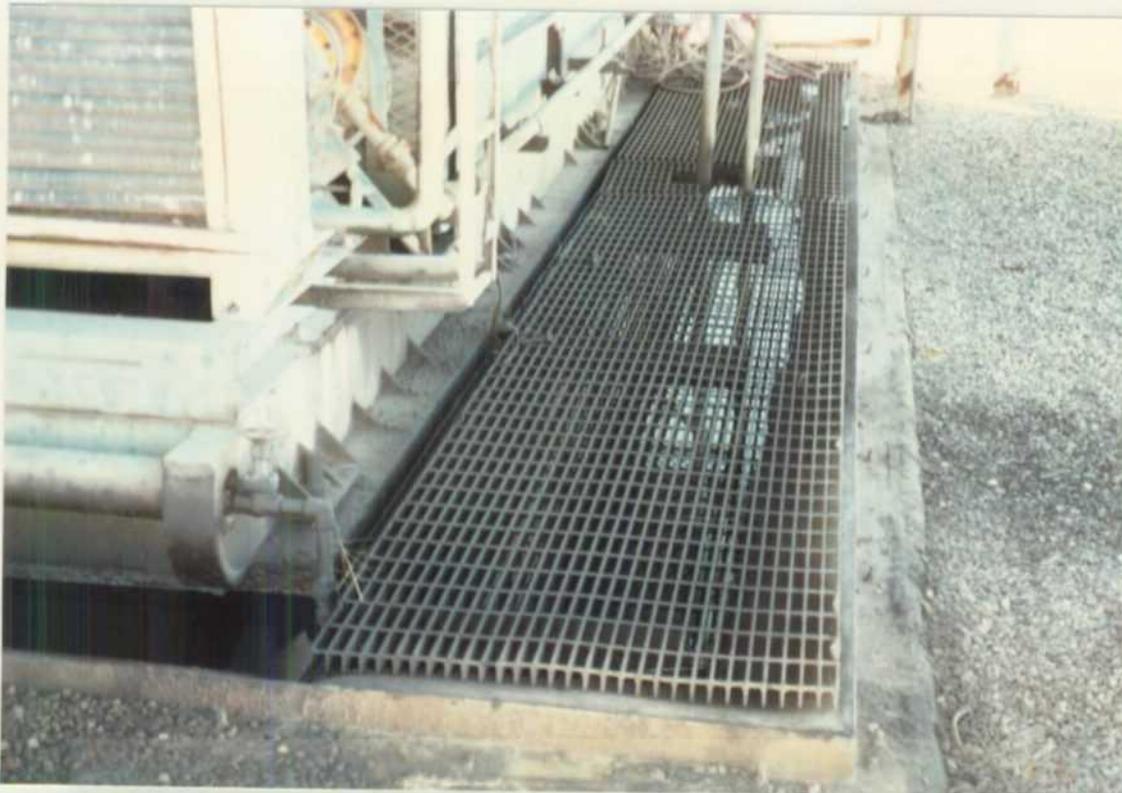


PHOTO NO. 2

DATE: 4/07 /97

GPM LEE G.P. GW-002
(PHOTOS BY OCD)



PHOTO NO. 3

DATE: 4/07 /97



PHOTO NO. 4

DATE: 4/07 /97

GPM LEE G.P. GW-002
(PHOTOS BY OCD)



PHOTO NO. 5

DATE: 4/07 /97



PHOTO NO. 6

DATE: 4/07 /97

GPM LEE G.P. GW-002
(PHOTOS BY OCD)



PHOTO NO. 7

DATE: 4/07 /97



PHOTO NO. 8

DATE: 4/07 /97

GPM LEE G.P. GW-002
(PHOTOS BY OCD)



PHOTO NO. 9

DATE: 4/07 /97



PHOTO NO. 10

DATE: 4/07 /97

GPM LEE G.P. GW-002
(PHOTOS BY OCD)



PHOTO NO. 11

DATE: 4/07 /97



PHOTO NO. 12

DATE: 4/07 /97

GPM LEE G.P. GW-002
(PHOTOS BY OCD)



PHOTO NO. 13

DATE: 4/07 /97



PHOTO NO. 14

DATE: 4/07 /97



Phillips Lee Plant

7/31/90

Old drain line



C T H N W 80 36 55E

Phillips Lee Plat

7/31/90

Old drain lines



PHILLIPS LEA BUCKEYE PLANT

Phillips Lea Buckeye Plant

9/31/90

Old Drain line



CENTRE N 80 26 530

Phillips Lee Plant

7/31/90

Old drain line



Phillips Lee Plant

7/31/90

Old drain line