

**GW - 71-0**

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**INSPECTIONS &  
DATA**

## **Lowe, Leonard, EMNRD**

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**From:** Lowe, Leonard, EMNRD  
**Sent:** Friday, September 25, 2009 2:40 PM  
**To:** 'bhebert@eprod.com'  
**Cc:** Powell, Brandon, EMNRD; 'dfernald@epco.com'; Seale, Runell; VonGonten, Glenn, EMNRD  
**Subject:** GW-071 Permit OCD response

OCD has reviewed the submitted response letter dated September 1, 2009.

All items are considered closed except for the following:

1. Ballard ponds: OCD will be waiting on the work plan submittal in 2010.
5. Secondary containment sealing: OCD shall be notified once work is completed.
6. Air compressor BGT: The Previous Discharge permit (dated 08.28.09) noted that OCD approval was required prior to installation of any new BGT. Please submit to the OCD the engineering drawing of the NEW below-grade tank. Were there any signs of leaking from the secondary containment of the old below-grade tank?
8. Filter staging area: "Reconstructed", meaning what was viewed at the time of inspection was removed and replaced? Were there any signs of leaking underneath the containment area?
10. Closure of ponds: OCD will be waiting on the work plan to close these unused ponds.

EPCO's replies (referenced within this e-mail) will be scanned in to the Online viewing for this discharge permit.

Please keep the OCD updated on these open items

llowe

### **Leonard Lowe**

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Oil Conservation Division/EMNRD  
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September 1, 2009

Certified Mail  
7008 3230 0002 4442 8845

Mr. Glenn von Gonten, Acting Environmental Bureau Chief  
New Mexico Energy, Minerals and Natural Resources Department  
New Mexico Oil Conservation Division  
1220 St. Frances Drive  
Santa Fe, NM 87505

**Re: Enterprise Field Services, LLC  
Chaco Gas Plant  
New Mexico Oil Conservation Division Discharge Permit Renewal, GW-071  
SE/4 Section 16, Township 26 North, Range 12 West, NMPM  
San Juan County, NM**

Dear Mr. von Gonten:

Enterprise Field Services, LLC (Enterprise) is submitting this response to concerns noted at the Chaco Gas Plant in the July 14, 2009 New Mexico Oil Conservation Division (NMOCD) Discharge Permit Renewal (GW-071). These concerns were based on NMOCD findings during an onsite inspection of the facility on June 11, 2009.

If you have questions or require additional information, please contact Don Fernald, Environmental Scientist at (505) 599-2141 or me directly at (713) 381-6518.

Yours truly,

Mary E. Hebert  
Director, Environmental Compliance

Attachments  
- As Stated

/sjn

RECEIVED OGD  
2009 SEP -14 P 1:22

**Enterprise Field Services, LLC**  
**Chaco Gas Plant**  
**New Mexico Oil Conservation Division Inspection Report, GW-071**

Enterprise offers the following response for concerns (bold text) for the July 11, 2009 Discharge Permit Renewal, Attachment – Discharge Permit Approval Condition, Item 16.

- 1. Photos 1 – 4: Two lined produced water ponds are located on the east side of the facility grounds and were found to have fluids within their leak detection system. Owner/Operator shall immediately investigate the cause of the fluids within the system. The second pond, (photo 3) has oil present. Owner/operator shall remove any oil from the pond immediately and properly dispose of.**

Response: The two lined ponds (called the Ballard Ponds) have been scheduled for removal in early 2010. A closure plan will be submitted to the NMOCD prior to initiating removal of the Ballard Ponds. The oil noted in Ballard Pond Number Two (See Attachment 1, Photo 1) has been removed for recycling.

- 2. Photo 5-6: An unusual below-grade tank is empty and it's leak detection system was verified dry. The owner/operator shall identify tank as not in use.**

Response: The tank identified in photo 5-6 has never been in use and has been removed (See Photo 2).

- 3. Photo 7: Owner/Operator shall identify this conduit and its purpose. At the time of the inspection, it was unidentifiable.**

Response: The conduit or PVC piping identified in photo 7 is a riser for a sub-grade drain line. The riser is an access clean out point for this portion of the drain line. This drain line was last tested in 2007.

- 4. Photo 8 – 13: Several sumps were holding liquids and had sediment. This was previously noted in the July 17, 2002 OCD inspection. All sumps are meant to catch fluids and must be drained within 72 hours. Owner/Operator shall keep these sumps cleaned.**

Response: The sumps have been cleaned and removal of liquids within 72 hours has been discussed with operations personnel.

- 5. Photo 14-15: The secondary corner sealants were deteriorating. Owner/Operator shall fix all breaches within the containment.**

Response: The gap in the secondary containment joints are larger than when constructed due to shifting wall or foundation. Enterprise is reviewing engineering options to repair the joints in this secondary containment and will complete repairs in 2009.

- 6. Photo 16-17: This air compressor below-grade tank had fluids within its leak detection system. Owner/Operator shall determine why fluids are collecting in the leak detection**

system and verify tank integrity. The discharge plan application noted in section 10 (Inspection, Maintenance and Reporting) that all tanks were to be inspected on a monthly basis. At the time of the inspection OCD determines that these leak detection systems had not been inspected. Owner/Operator shall, record and report any releases of these below grade tanks on a routine basis.

Response: The air compressor below-grade tank has been removed and replaced (See Photos 3 & 4). During removal, it was discovered that the primary containment had physically been breached (likely during installation). The secondary containment remained in-tact and no releases of hydrocarbons were noted (Photo 4). Monthly inspections of below-grade tanks have been initiated and are being documented.

✓  
NEED  
DRAWINGS

7. **Photo 18-22:** These below-grade tanks were verified to have no fluids within its leak detection system. BGT, (Photo 19) had no covering. Owner/Operator shall properly cover all below grade tanks as to prevent unnecessary accumulation of fluids and overflow.

✓

Response: The BGT, (Photo 19) removable cover has been replaced (See Photo 5 & 6).

8. **Photo 23-26:** The staging area for the used filter drainage had standing fluids and containment problems. Photo 26 shows fluids from the containment area seeping through the blocks. Owner/Operator shall remove the fluids and clean the containment and then investigate the failed integrity of the containment. Owner/Operator shall submit all findings and conclusions to the OCD.

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Response: The staging area for the used filters has been reconstructed and will be sprayed with a liner in the coming month to prevent migration of oil through the wall (See Photo 7). The prior construction design was flawed in that fluids could permeate the cinder block containment design. Fluids from this containment have been designed to flow directly into the Oil Classifier Sump (Photos 20, 21, 22). Dry filters are placed into the Waste Management dumpster for disposal as industrial waste.

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9. **Photo 27-31:** There were several areas with visible stained soils within the facility's yard. Owner/Operator shall follow best management practices to prevent such future discharges. When such discharges occur owner/operator shall address them in accordance with the discharge plan application. These stained soils were noted in the July 17, 2002 inspection.

Response: Photos 27-31 depict the areas around two, skid-mounted Caterpillar Compressor engines. The area around these two compressors has been cleaned and a secondary containment structure has been constructed with concrete and sealed around both of these compressors (See Photo 8 & 9). The containment has been designed to capture incidental leaks, spills and splashing of water/oil that commonly accumulate on the skid of these compressors.

✓

10. **Photo 33-38:** There are two unlined ponds on the north part of the facility and an unused lined pond adjacent to the two. After the July 17, 2002 inspection, OCD required the owner/operator to submit a closure plan for the contact water pond, but we have not received it. Owner/Operator will submit a closure plan for the unused lined pond in photo 35-37.

Response: A closure plan is currently being developed for the contact water pond (Photo 35-37) and will schedule removal of this pond in 2010. The closure plan will be submitted to the NMOCD prior to initiating closure activities. ○

**11: Photo 38-39: There were several piles of spent carbon filter media lying on the ground. OCD was informed that they have been there for an extended period of time. Condition 6.B indicates that no waste shall be on site greater than 180 days unless granted permission by the OCD. Owner/Operator shall dispose of all waste in accordance with this permit.**

Response: The spent carbon filter media noted in Photo 38-39 has been manifested for disposal at the Transit Waste Landfill located in Bondad, Colorado. Operations is currently scheduling removal of this spent media. ✓

**Attachment 1 – Recent Site Photographs**

**Enterprise Field Services, LLC  
Chaco Gas Plant  
New Mexico Oil Conservation Division Discharge Permit Renewal, GW-071**

Photo 1 – Ballard Ponds with surface oil removed.



Photo 2 – Area where above and below grade tank have been removed.



Photo 3 – New sub-grade compressor oil tank.



Photo 4 – View of removed sub-grade compressor oil tank.



Photo 5 – BGTs with covers.

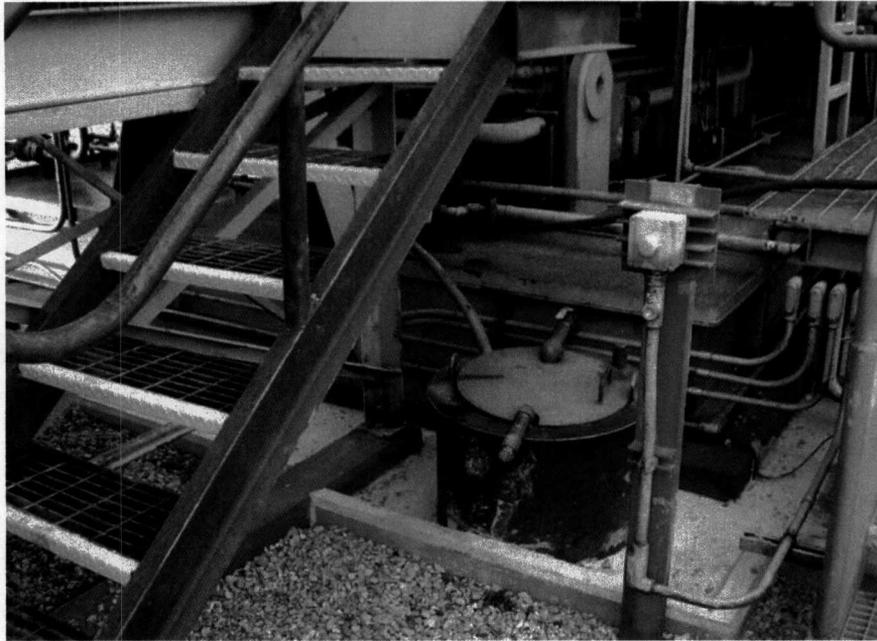


Photo 6 – BGTs with covers.



Photo 7 – Reconstructed Filter Drain Staging Area.

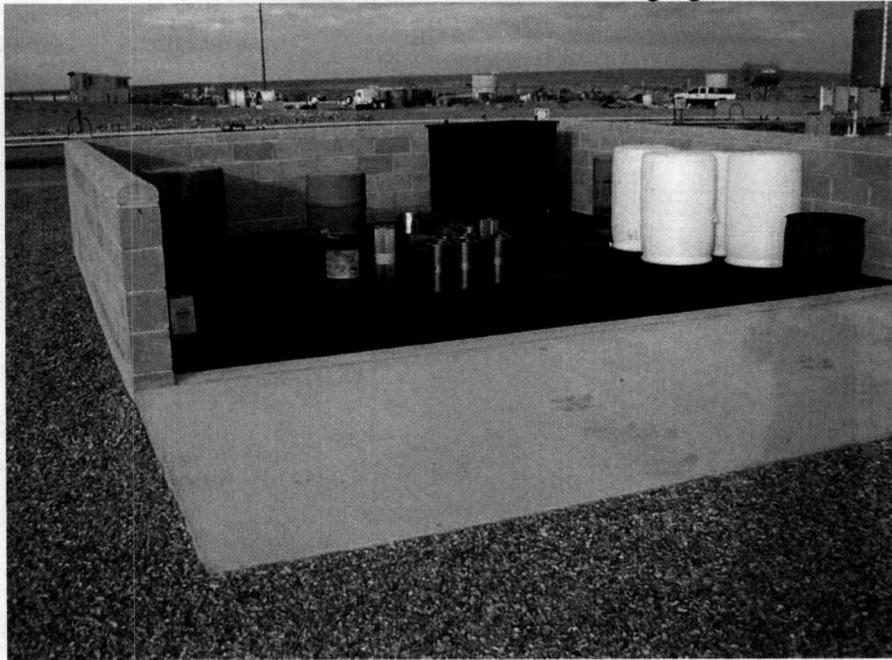
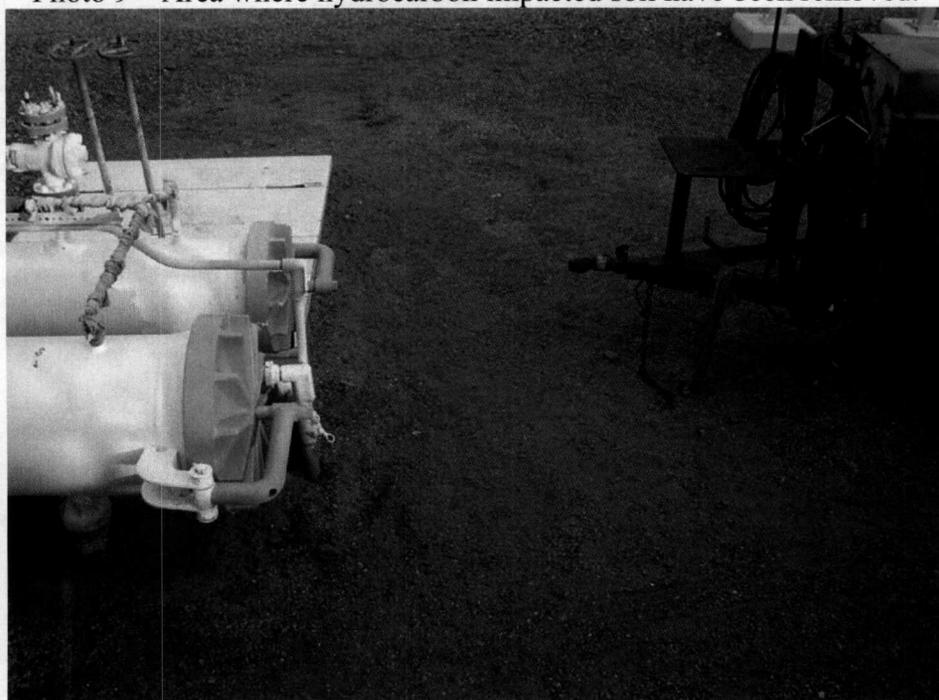


Photo 8 – Newly constructed secondary containment around Compressor Engines.



Photo 9 – Area where hydrocarbon impacted soil have been removed.



**OCD ENVIRONMENTAL BUREAU**  
**FACILITY INSPECTION SHEET**

Date: 7/17/02 Time In: 1400 Time Out: 1700

Latitude:

Longitude:

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  Description:

Discharge Plan GW# 071

Facility Name: Chaco Gas Plant

Owner/Operator: El Paso

Contact Person: David Bays

Telephone#

Inspector(s): Ed Martin and Denny Foust

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.

**Comments: Drums were stored in containment. Number of empty chemical drums should be kept to a minimum.**

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.

**Comments: Spills from these areas are reaching the ground. All of the spills were small and proper housekeeping procedures could be utilized to remediate the areas. Raking out of the gravel or soil, and application of "Simple Green" or some similar material will allow the sunlight and air to clean up these areas for you.**

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.

**Comments: OK**

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.

**Comments: Containment at these tanks was found to be adequate, however several tanks need to be moved back several inches so that the inlet/outlet valve is within the containment, thereby reducing the chances that material being loaded into tanks will spill. Specific tanks: 1) methanol storage tank in the OCS area, 2) caterpillar lube oil storage tank.**

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

**Comments:** This needs to be generally addressed. Most labels were faded and not readable from a distance. Particular areas of concern were: 1. R-O water tanks not labeled, 2. tanks managed by Unichem were labeled as to Unichem product name, but should be prominently labeled with common name of base chemical, i.e. potassium hydroxide, not "Unichem 1705", 3. lube oil storage for A-compressor and B-compressor.

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.

**Comments:** Several containment areas have small areas within that are used to vacuum liquids from the containment area. These are deep enough to constitute below-grade sumps. Most were filled partially with dirt and debris making visual inspection impossible. These should all be cleaned so that the bottoms may be inspected for possible leaks.

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.

**Comments:** OCD should be advised when testing of these lines takes place.

Does the facility have an EPA hazardous waste number? Yes Number

Are all wastes characterized and disposed of properly? Yes

**Comments:**

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.

Class V wells on site? No

**Comments:**

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.

**Comments:** See note above under "Process Areas". Additional areas noted were: 1) amine sump - amine staining on ground, 2) lube oil area for caterpillar - oil staining on ground, 3) Bisti compressor area - needs housekeeping, 4) OCS used oil storage area - needs housekeeping. Generally, housekeeping throughout the plant was mediocre. More emphasis should be placed upon general clean-up of problem areas on a daily basis. With a little daily work, the concerns in this area would be alleviated.

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

**Comments:** OK

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

**Comments:**

Does the facility have any other environmental permits - i.e. SPCC, storm water plan, etc.? Yes, SPCC

Water wells on site? No

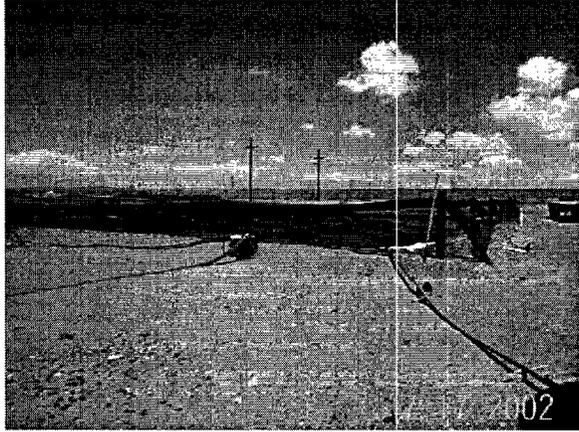
**Comments:**

Documents reviewed: None

Number of photos taken at this site: 3

**Miscellaneous Comments:** OCD needs to know the schedule for the shut-down of the A Plant. We also need a schedule for closure of the contact water pond shown in the attached photo. Netting at Ballard Separator pond will be replaced according to discussions with plant management. Please advise OCD as to completion of replacement operation. Overall, a very good site considering the staffing cutbacks and the age of the plant.

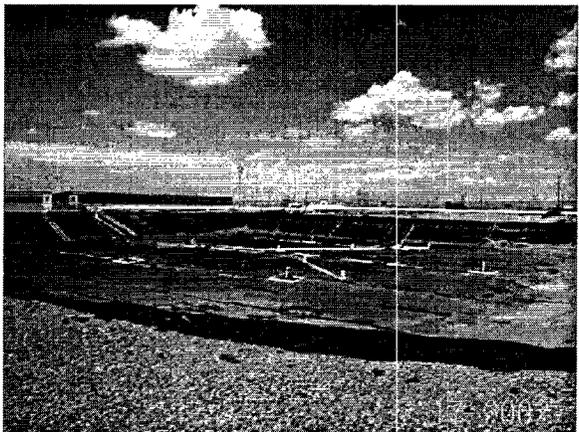
El Paso Natural Gas Chaco Gas Plant Inspection. July 17, 2002



Ballard Separator pond. El Paso is in the process of replacing this netting.



Non-contact (cooling tower) water pond.



Contact water pond. This pond will be closed.