

GW - 106

**GENERAL
CORRESPONDENCE**

YEAR(S):

1993 - 1992



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



February 23, 1993

BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

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

CERTIFIED MAIL

RETURN RECEIPT NO. P-667-242-321

Mr. Mike McElrath
Phelps Dodge Mining Company
2600 N. Central Avenue
Phoenix, Arizona 85004-3014

**RE: FINAL CLOSURE REPORT - SOIL REMEDIATION
GAVILAN PROCESSING PLANT
GAVILAN, NEW MEXICO**

Dear Mr. McElrath:

The New Mexico Oil Conservation Division (OCD) has completed a review of the Phelps Dodge Mining Company's December 1992 "SITE REMEDIATION AND CLOSURE REPORT, PHELPS DODGE REFINING CORP., GAVILAN NATURAL GAS PROCESSING PLANT, GAVILAN, NEW MEXICO" and January 22, 1993 correspondence. These documents contain the results of the site closure actions performed to remediate soil contamination at the Gavilan Gas Processing Plant.

The closure actions as described in the above referenced report meet the applicable state standards in effect at the time of closure and are hereby approved. Please be advised that OCD approval does not relieve Phelps Dodge of liability should any remaining contaminants result in actual contamination of ground waters or surface waters which may be actionable under other laws and/or regulations.

The OCD commends Phelps Dodge for their initiative in investigating and remediating contamination related to their activities at the Gavilan Gas Processing Plant.

If you have any questions, please contact me at (505) 827-5885.

Sincerely,

William C. Olson
Hydrogeologist
Environmental Bureau

xc: Denny Foust, OCD Aztec Office



2600 N. Central Avenue, Phoenix, AZ 85004-3014 • (602) 234-8100

OIL CONSERVATION DIVISION
RECEIVED

'93 JAN 25 AM 10 23

January 22, 1993

CERTIFIED MAIL RETURN RECEIPT #P 989 832 890

Mr. William C. Olson
Hydrogeologist
Environmental Bureau
New Mexico Oil Conservation Division
P.O. Box 2088
Santa Fe, NM 87504

RE: Final Closure Report - Soil Remediation
Phelps Dodge Refining Corporation Gavilan Processing Plant
Lindrith, New Mexico

Dear Mr. Olson:

Phelps Dodge Refining Corporation retained Envirotech Inc of Farmington, New Mexico to perform the "Remedial Action Plan" for the above referenced facility as approved pursuant to your letter of October 6, 1992.

The site remediation was initiated on October 13, 1992, and completed on December 23, 1992.

Enclosed for your review please find Part A and Part B of the "Site Remediation and Closure Report" which contains the detail of actual activities and the results of confirmation sampling conducted in the completion of the project.

Should this leave you with questions please contact me at 602/234-8361.

Sincerely,

Mike McElrath
Senior Buyer - Fuels

c: Mr. Bruce Taylor
Mr. Verl Farnsworth
Envirotech Inc



2600 N. Central Avenue, Phoenix, AZ 85004-3014 • (602) 234-8100

OIL CONSERVATION DIVISION
RECEIVED

'92 NOV 2 AM 10 04

October 29, 1992

Mr. William J. LeMay, Director
Oil Conservation Division
P.O. Box 2088
State Land Office Building
Santa Fe, NM 87504

Re: Phelps Dodge Refining Corporation
Discharge Plan Requirement
Gavilan Gas Processing Plant
Rio Arriba County, New Mexico

Dear Mr. LeMay:

Pursuant to your letter of May 8, 1992, Phelps Dodge is hereby providing notification of sale of the Gavilan Plant effective October 16, 1992. Gavilan was sold to Mallon Oil Company of Denver, Colorado. Attached is a copy of the letter agreement between Phelps Dodge and Mallon which on page 3 advises Mallon of the discharge plan requirement.

Should this leave you with questions, please contact me at 602/234-8361.

Sincerely,

Mike McElrath
Senior Buyer - Fuels



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

October 6, 1992

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

CERTIFIED MAIL
RETURN RECEIPT NO. P-667-242-301

Mr. Mike McElrath
Phelps Dodge Mining Company
2600 N. Central Avenue
Phoenix, Arizona 85004-3014

**RE: SOIL REMEDIATION
GAVILAN PROCESSING PLANT
LINDRITH, NEW MEXICO**

Dear Mr. McElrath:

The New Mexico Oil Conservation Division (OCD) has completed a review of Phelps Dodge's September 1992 "PHASE II ENVIRONMENTAL AUDIT AND PROPOSED REMEDIAL ACTION PLAN, GAVILAN PROCESSING PLANT, W/2, SE/4, S/11, T25N, R2W, NMPM, RIO ARRIBA COUNTY, NEW MEXICO" and October 1, 1992 correspondence. These documents detail existing contamination at the Gavilan Gas Processing Plant and Phelps Dodge's proposed remediation plan for these contaminants.

The proposed remedial actions as described in the above documents are hereby approved with the following conditions:

1. Confirmation sampling will include laboratory analysis of soils for benzene, toluene, ethylbenzene and xylene (BTEX) using EPA method 8020.
2. Phelps Dodge will notify Denny Foust of the OCD Aztec Office at (505) 334-6178 prior to initiation of the project such that OCD may have the opportunity to witness the remedial activities and/or split samples.
3. A final remedial report containing the details of actual activities and the results of confirmation sampling will be submitted to OCD within 60 days of completion of the project.

Mr. Mike McElrath
October 6, 1992
Page 2

The OCD commends Phelps Dodge for their initiative in investigating and remediating contamination related to their activities at the Gavilan Gas Processing Plant. The OCD looks forward to working with you on implementation of this project.

Please be advised that OCD approval does not limit you to the work proposed should the remedial activities fail to eliminate potential impacts on ground water. In addition, OCD approval does not relieve Phelps Dodge of liability for compliance with any other laws and/or regulations.

If you have any questions, please contact me at (505) 827-5885.

Sincerely

A handwritten signature in black ink that reads "Will C. Olson". The signature is written in a cursive, flowing style with a long horizontal stroke at the end.

William C. Olson
Hydrogeologist
Environmental Bureau

xc: Denny Foust, OCD Aztec Office



2600 N. Central Avenue, Phoenix, AZ 85004-3014 • (602) 234-8100

OIL CONSERVATION DIVISION
RECEIVED

October 1, 1992

'92 OCT 6 PM 8 57

New Mexico Oil Conservation Division
Mr. William Olson
Environment Bureau
P.O. Box 2088
Santa Fe, NM 87504-2088

Re: Gavilan Processing Plant
Lindrith, New Mexico
Proposed Remedial Action Plan

Dear Mr. Olson:

Having visited with you several times over the phone, it was a pleasure to meet you in person at our September 29 meeting. Thank you for making yourself available to visit with us.

Pursuant to our discussions, the following is the proposed Confirmation Sampling Program Envirotech Inc. would perform on behalf of Phelps Dodge at the Gavilan site as a condition of NMOCD acceptance of the proposed site remediation.

As stated in the Envirotech Inc. remediation proposal, Project No. 92194, all excavation will be field screened with an Organic Vapor Meter (OVM). Confirmation that all highly contaminated soils have been removed will be by laboratory analysis for Total Petroleum Hydrocarbon (TPH) by USEPA method 418.1.

Specifically it is purposed to perform confirmation sampling of each separate plume excavation by collecting a minimum of two (2) sidewall samples and one (1) bottom sample at the excavation interface. At least one of the sidewall samples will be from the down-gradient side of the excavation. In larger excavation areas, this sample program will be expanded to perform a minimum of one (1) sample for every thirty (30) linear feet of sidewall and one (1) bottom sample for every one thousand (1000) square feet of bottom area.

Should this level of confirmation sampling provide adequate data to document the Gavilan site clean-up please provide verbal, followed by written, confirmation of NMOCD acceptance and authority to proceed with the Gavilan site remediation as proposed. You may contact me at (602) 234-8361 or by FAX at (602) 234-8010.

Sincerely,

Mike McElrath
Senior Buyer - Fuels

cc: Mr. Morris Young - Envirotech Inc.

DIVISION OF PHELPS DODGE CORPORATION



2600 N. Central Avenue, Phoenix, AZ 85004-3014 • (602) 234-8100

September 29, 1992

RECEIVED

SEP 29 1992

OIL CONSERVATION DIV.
SANTA FE

New Mexico Oil Conservation Division
Mr. Bill Oleson
Environment Bureau
P.O. Box 2088
Santa Fe, NM 87504-2088

Re: Gavilan Processing Plant
Lindrith, New Mexico
Proposed Remedial Action Plan

Dear Mr. Oleson:

Phelps Dodge Refining Corporation ("Phelps Dodge"), as you may recall, terminated operations at Gavilan on April 24, 1992. All facilities have been sold to third parties. The enclosed Environmental Audit and Proposed Remedial Action Plan was prepared by Envirotech Inc under contract to Phelps Dodge.

Should this Remedial Action Plan meet with the approval of the New Mexico Oil Conservation Division ("NMOCD"), Phelps Dodge is prepared to proceed with implementation of the Plan upon notification of such NMOCD approval.

Upon completion of the remediation work a Closure Report will be prepared to document the remedial activity as performed. Should this leave you with questions please contact me by phone at (602) 234-8361 or by FAX at (602) 234-8010.

Sincerely,

Mike McElrath
Senior Buyer - Fuels

1:40 pm 9/29/92 OCD/Phelps Dodge Meeting on Cuilan Compressor

participants - Bill Olson }
- Roy Anderson } OCD
- Penny Faust }
- Morris Young - Envirotech
- Mike Koranda - Phelps Dodge
- Mike McDerath

EX-4

MY - handapt Phase II Envir Audit
gyleral spills in process area
Old unlined pit (now lined)
Compressor

bedrock at 2-4'
want to - excavate contaminated soils
remediate to TPH criteria

BTEX all below OCD action levels

STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



BRUCE KING
GOVERNOR

May 8, 1992

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

CERTIFIED MAIL
RETURN RECEIPT NO. P-670-683-589

Mr. Jerry D. Worsham, II
Phelps Dodge Refining Corporation
2600 N. Central Avenue
Phoenix, Arizona 85004-3014

**RE: DISCHARGE PLAN REQUIREMENT
GAVILAN GAS PROCESSING PLANT
RIO ARRIBA COUNTY, NEW MEXICO**

Dear Mr. Worsham:

The Oil Conservation Division (OCD) has received your April 28, 1992 letter advising the OCD that Phelps Dodge Refining Corporation (PDRC) discontinued operations at the Gavilan Gas Processing Plant on April 24, 1992. The OCD required a discharge plan for this facility pursuant to Part 3-104 and Part 3-106 of the New Mexico Water Quality Control Commission Regulations in a letter dated February 3, 1992.

The OCD no longer requires PDRC to submit a discharge plan for the referenced facility since it is no longer in operation. Please note, if PDRC wishes to reactivate the facility in the future then a discharge plan is required prior to start-up of operations. If PDRC sells the facility to another party then that party must be notified of the discharge plan is required prior to reactivation. If the facility is sold then PDRC must provide the OCD with documentation of the sale and notification of the discharge plan requirement to the third party.

If you have any questions on this matter, please feel free to contact me at (505) 827-5884.

Sincerely,

A handwritten signature in black ink, appearing to read "William J. LeMay". The signature is written in a cursive style with a long, sweeping tail that extends downwards and to the right.

William J. LeMay
Director

xc: Denny Foust, OCD Aztec Office



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REF
92 III

IN DIVISION
REF
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MM 8 24

2600 N. Central Avenue, Phoenix, AZ 85004-3014 • (602) 234-8100

Jerry D. Worsham, II
Assistant Counsel

April 28, 1992

New Mexico Oil Conservation Division
Ms. Kathy Brown
State Land Office Building
Environmental Bureau
P.O. Box 2088
Santa Fe, NM 87504-2088

Re: Gavilan Compressor Station
Lindrith, New Mexico
Discharge Plan Requirement

Dear Ms. Brown:

Phelps Dodge Mining Company (PDMC) received a notice issued by the New Mexico Oil Conservation Division (NMOCD) dated February 3, 1992, concerning a Discharge Plan requirement pursuant to Part 3-104 and Part 3-106 of the New Mexico Water Quality Control Commission (NMWQCC) regulations. Please be advised that the captioned facility is owned by Phelps Dodge Refining Corporation (PDRC) and that PDRC discontinued operations at the captioned facility on April 24, 1992. PDRC asserts that no Discharge Plan should be required for this facility.

In accordance with our discussion on April 27, 1992, PDRC provides you with this notice of the operational status of the captioned facility. Please confirm that no Discharge Plan, as defined in Part 1.101 F of the NMWQCC regulations, is required.

Very truly yours,


Jerry D. Worsham, II

JDW:jf

STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



BRUCE KING
GOVERNOR

February 3, 1992

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

CERTIFIED MAIL
RETURN RECEIPT NO. P-670-683-488

Mr. Mike McElrath
Phelps Dodge Mining Company
2600 N. Central Avenue
Phoenix, Arizona 85004-3014

**RE: DISCHARGE PLAN REQUIREMENT
GAVILAN GAS PROCESSING PLANT
RIO ARriba COUNTY, NEW MEXICO**

Dear Mr. McElrath:

Under the provisions of the New Mexico Water Quality Control Commission (WQCC) Regulations, you are hereby notified that the filing of a discharge plan is required for your Gavilan Gas Processing Plant located near Lindrith, New Mexico.

This notification of discharge plan requirement is pursuant to Part 3-104 and Part 3-106 of the WQCC Regulations. The discharge plan, defined in Part 1.101.P. of the WQCC Regulations, should cover all discharges of effluent or leachate at the facility or adjacent to the facility site. Included in the application should be plans for controlling spills and accidental discharges at the facility (including detection of leaks in below grade sumps, buried underground process tanks and/or piping), and closure plans for any pits or ponds whose use will be discontinued.

A copy of the regulations is enclosed for your convenience. Also enclosed is a copy of OCD Guidelines for the Preparation of Ground Water Discharge Plans at Natural Gas Processing Plants. Three copies of your discharge plan should be submitted for review purposes.

Section 3-106.A. of the regulations requires a submittal of the discharge plan within 120 days of receipt of this notice unless an extension of this time period is sought and approved for good cause. Part 3-106.A. also allows the discharge to continue without an approved discharge plan until 240 days after written notification by the Director of the OCD that a discharge plan is required. An extension of this time may be sought and approved for good cause.

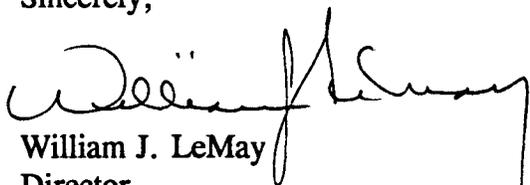
Mr. Mike Mc Elrath
February 3, 1992
Page - 2

Pursuant to the New Mexico Water Quality Control Commission (WQCC) Regulation 3-114 "every billable facility submitting a discharge plan for approval, modification or renewal shall pay the fees specified in this section to the Water Quality Management Fund". WQCC Rule 3-114 became effective as of August 18, 1991, and is found on page 33.1 of the enclosed WQCC Rules and Regulations.

Every billable facility submitting a new discharge plan will be assessed a fee equal to the filing fee plus either a flat fee or discharge fee. The filing fee is fifty (50) dollars and shall be submitted with the discharge plan application (nonrefundable). The remainder of the "total fee" for gas processing plants falls under the "flat fee" category and is three-thousand, three-hundred and thirty-five (3335) dollars. The flat fee for an approved discharge plan may be paid in a single payment due at the time of approval, or in equal annual installments over the duration of the discharge plan, with the first payment due at the time of approval. Please make all checks out to the **NMED - Water Quality Management**.

If there are any questions on this matter, please feel free to contact Roger Anderson at (505) 827-5812 or Kathy Brown at (505) 827-5884 as they have the assigned responsibility for review of all discharge plans.

Sincerely,



William J. LeMay
Director

WJL/kmb

xc: Denny Foust - OCD Aztec Office

State of New Mexico
ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT
Santa Fe, New Mexico 87505

OIL CONSERVATION DIVISION



December 17, 1991

BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

MATTHEW BACA
DEPUTY SECRETARY

CERTIFIED MAIL
RETURN RECEIPT NO. P-690-155-040

Mr. Mike McElrath
Phelps Dodge Mining Company
2600 N. Central Avenue
Phoenix, Az 85004-3014

Re: Below Grade Tank Installation
Gavilan Gas Processing Plant
Rio Arriba County, New Mexico

Dear Mr. McElrath:

The Oil Conservation Division (OCD) has received your letter, dated November 3, 1991, requesting a regulatory determination on the jurisdiction of a proposed below grade waste water storage tank for the Gavilon Gas Processing Plant. The below grade tank will store, prior to disposal, waste water produced in conjunction with the production of natural gas.

Pursuant to 74-4-3.R.(5) NMSA 1978, and in discussions with the Underground Storage Tank Bureau of the Environment Department, a storm water or wastewater collection system is specifically excluded from the definition of an "Underground Storage Tank" (UST). These types of installations are under the jurisdiction of the OCD as a constituent agency of the Water Quality Control Commission (WQCC). The OCD permits gas processing plants through the discharge plan program pursuant to Section 3 of the WQCC Regulations. Plans for all below grade installations, pits, ponds and/or lagoons must be submitted to and approved by the OCD prior to construction.

VILLAGRA BUILDING - 408 Galisteo

Forestry and Resources Conservation Division
P.O. Box 1948 87504-1948
827-5830

Park and Recreation Division
P.O. Box 1147 87504-1147
827-7465

2040 South Pacheco

Office of the Secretary
827-5950

Administrative Services
827-5925

Energy Conservation & Management
827-5900

Mining and Minerals
827-5970

LAND OFFICE BUILDING - 310 Old Santa Fe Trail

Oil Conservation Division
P.O. Box 2088 87504-2088
827-5800

Mr. Mike McElrath
December 17, 1991
Page -2-

I am enclosing a copy of the discharge plan application form, a copy of the WQCC regulations and a copy of the OCD Guidelines For Selection and Installation of Below-Grade Tanks for your information.

If you have any questions, please call me at (505) 827-5812.

Sincerely:



Roger C. Anderson
Environmental Engineer
Acting Environmental Bureau Chief

xc: Denny Foust- OCD Aztec
Tito Madrid- UST Bureau Chief



2600 N. Central Avenue, Phoenix, AZ 85004-3014 • (602) 234-8100

OIL CONSERVATION DIVISION
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'91 NOV 6 AM 8 48

November 3, 1991

Mr. Roger Anderson
Energy, Minerals and Natural Resources Department
Oil Conservation Division
PO Box 2088
State Land Office Building
Santa Fe, NM 87504

RE: Guidelines for the Selection and Installation of
Below-Grade Produced Water Tanks

Dear Mr. Anderson:

Phelps Dodge Refining Corporation owns the Gavilan Gas Processing Plant near Lindrith, New Mexico. The above referenced guidelines meet our needs for holding produced water at the Gavilan site as a gravity fed below-grade tank is required to gather produced water due to facility design.

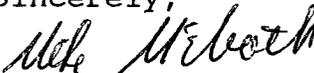
Concerns about underground storage tanks in general prompted a phone call to the State of New Mexico Environment Department UST Bureau with regard to the proposed installation of a below-grade tank to collect produced water. The UST advised if ANY new tank was installed with more than 10% of its height below ground level it would be subject to UST regulations regardless of whether it held produced water or some petroleum product. The UST advised a produced water tank would be subject to these UST regulations even when the sidewalls of the tank are exposed on all sides with the bottom resting on a gravel pad.

Phelps Dodge does not wish to be subject to UST regulations and is concerned the OCD would endorse guidelines which would unknowingly force below-grade tank owners to be subject to UST regulations.

Should the information provided by the UST Bureau be in error, please so advise in writing that Phelps Dodge may submit the permit application and installation design drawings for a below-grade tank to the OCD for review.

Should the above leave you with questions, please contact me at (602) 234-8361 or by FAX at (602) 234-8010.

Sincerely,


Mike McElrath
Senior Buyer - Fuels

DIVISION OF PHELPS DODGE CORPORATION



MEMORANDUM OF MEETING OR CONVERSATION

<input checked="" type="checkbox"/> Telephone <input type="checkbox"/> Personal	Time 1000	Date 9/12/90
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<u>Originating Party</u>	<u>Other Parties</u>
Jerry Warsham - Phelps Dodge Corp 2600 N. Central Ave	Bill Olson - OCD Santa Fe
<u>Subject</u> Phoenix, AZ 85004-3014 Gavilan Compressor Station	

Discussion

Want to replace unlined pit at station with either tank or lined pit.

Told him needs OCD approval, could consider tanking wastes for off-site disposal (ie. waters to TNT)

Told him plant does not currently need a D.P. but will be required in future

Conclusions or Agreements

~~and~~ I will send him copies of OCD guidelines for gas plant D.P.'s, below grade tanks,

Distribution

Signed Bill Olson

STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



GARREY CARRUTHERS
GOVERNOR

September 8, 1989

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

Mr. Charly Olson
GAVILAN GAS PLANT
P. O. Box 55
Lyndrith, new Mexico 87029

Dear Mr. Olson:

Enclosed are New Mexico Oil Conservation Division Guidelines for disposal pits, below grade tanks and for preparation of ground water discharge plans at natural gas processing plants. Included with the guidelines are new requirements to keep oil off of pit surfaces and large open tanks to protect migratory waterfowl. Also, your location within the Gavilan Wash is within an area that is being studied for inclusion in an expansion of existing declared vulnerable ground water areas. In the future the area within Gavilan Wash and other areas could be declared areas of vulnerable ground water and surface disposal may be restricted to lined pits or other type impermeable storage facility, with leak detection.

At this time we are not requiring a submittal of a detailed discharge plan application for your facility. However, as an operator, you are required at all times to protect fresh water from contamination. Your proposal to line your disposal pit will accomplish this for liquid wastes at your site.

Prior to construction or reconstruction of surface waste disposal pits, submit a plan, detailing construction materials and a completion schedule, for approval to this office. For your facility, you need only address and complete items I and V of the waste storage/disposal pit guidelines.

If you have any questions please call me at 827-5885.

Sincerely,

A handwritten signature in cursive script that reads "Dave Englert".

Dave Englert
Geologist

DE/sl

Enclosures

GAULIAN Gas Plant

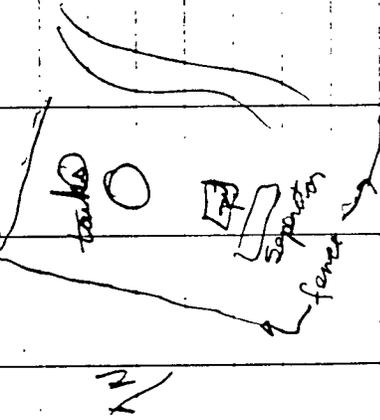
Center of S half Sect 11

- All units on sheds,
- Tank, receives drip gas, some purifier from treatment process.
- Pit at S.E. cor of site, little water in pit - presently building berm around tank & pit. (pit unlined)
- Glycol tanks & chemical barrels free standing
- Charles Olson, plant supervisor (visited for awhile)

Back to separator that burned, burn seen under separator, in pit.

little evidence of damage tested separator to 250 psi although being removed and tested by P.M. in Farmington

Tanks 50' to NE



wanga area sage brush, forested to N.

fire description of pit - 30' flames in pit start of fire undetermined, close sky (no lightning), separator looked OK, some burn under tank but doesn't look like cause of fire - grass & weeds had grown up around separator