

GW - 156

**PERMITS,
RENEWALS,
& MODS
Application**



Key Energy Services
1301 McKinney
Suite 1800
Houston, Texas 77010

RECEIVED

2009 FEB 9 AM 9 28

February 6, 2009

Mr. Jim Griswold
Environmental Bureau
ENMRD/Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Dear Mr. Griswold,

Please find the enclosed cashier's check made payable to Water Quality Management Fund NM Oil Conservation Division in the amount of One Thousand Seven Hundred Dollars. The cashier's check replaces Key Energy Service's check number 0328201. This payment is in reference to Key Energy Services discharge permit fee for the Farmington facility (GW-156) located at 5651 US Highway 64.

I apologize for this inconvenience and hope this issue has been fully resolved.

Sincerely,

Joseph Cue
Manager of Treasury Services
Key Energy Services

Griswold, Jim, EMNRD

From: Griswold, Jim, EMNRD
Sent: Wednesday, February 04, 2009 3:54 PM
To: 'Philly, Ted'
Cc: Romero, Lawrence S., EMNRD
Subject: Discharge Permit GW-156, Farmington Yard

Ted,

On 1/26/09 OCD received your cover letter dated 1/22/09 over the signed discharge permit conditions for Key's Farmington facility (GW-156) located at 5651 US Highway 64 along with a corporate check in the amount of \$1,700.00 to cover the required permit fee (check #0328201 drawn on Wells Fargo account #9600063587). I was informed this afternoon that the check was returned to OCD because of insufficient funds. Could you please remit the required amount by either cashier's check or money order before 2/13/09 or formal compliance actions may be required. Thank you.

Jim Griswold
Hydrologist
Environmental Bureau
ENMRD/Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505
direct: 505.476.3465
email: jim.griswold@state.nm.us



Key Energy Services

6 Desta Drive

Suite 4400

Midland, Texas 79705

Telephone: 432.571.7141

Facsimile: 432.571.7173

www.keyenergy.com

2009 JAN 26 PM 2 11

January 22, 2009

Mr. Jim Griswold
New Mexico Oil Conservation District
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Re: Renewal of Discharge Permit GW-156

Dear Mr. Griswold:

Enclosed please find the signed renewal of Discharge Permit GW-156 for Key's Farmington Yard. Key's check in the amount of \$1,700.00 is also enclosed for your fee.

Thank you so much with your assistance in obtaining this renewal. If you have any questions, please call me at (432) 571-7141 or email me at tphilley@keyenergy.com.

Yours truly,

Key Energy Services, Inc.

A handwritten signature in black ink, appearing to read "Ed D. Philley", is written over a horizontal line.

Edward D. "Ted" Philley
Corporate Environmental Specialist II

Enclosures

cc: Mr. Wesley Herrera
Mr. Ray Fuller

ATTACHMENT- DISCHARGE PERMIT APPROVAL CONDITIONS

- 1. Payment of Discharge Plan Fees:** All discharge permits are subject to WQCC Regulations. Every billable facility that submits a discharge permit application will be assessed a filing fee of \$100.00, plus a flat fee (*see* WQCC Regulation 20.6.2.3114 NMAC). The flat fee for an oil and gas service facility is \$1,700.00. The Oil Conservation Division (OCD) has previously received the required filing fee and now requires payment of the associated flat fee. Please forward to the OCD a signed copy of these permit conditions along with a check in the amount of \$1,700.00 made payable to the "Water Quality Management Fund".
- 2. Permit Expiration, Renewal Conditions and Penalties:** Pursuant to WQCC Regulation 20.6.2.3109.H.4 NMAC, this permit is valid for a period of five years. **The permit will expire on April 18, 2013** and an application for renewal should be submitted no later than 120 days before the expiration date. Pursuant to WQCC Regulation 20.6.2.3106.F NMAC, if a discharger submits a discharge permit renewal application at least 120 days before the discharge permit expires and is in compliance with the approved permit, then the existing discharge permit will not expire until the application for renewal has been approved or disapproved. *Expired permits are a violation of the Water Quality Act {Chapter 74, Article 6, NMSA 1978} and civil penalties may be assessed accordingly.*
- 3. Permit Terms and Conditions:** Pursuant to WQCC Regulation 20.6.2.3104 NMAC, when a permit has been issued, the owner/operator must ensure all discharges be consistent with the terms and conditions of the permit. In addition, all facilities shall abide by the applicable rules and regulations administered by the OCD pursuant to the Oil and Gas Act, NMSA 1978, Sections 70-2-1 through 70-2-38.
- 4. Owner/Operator Commitments:** The owner/operator shall abide by all commitments submitted in its May 21, 2008 discharge plan application, including attachments and subsequent amendments and these conditions for approval. Permit applications that reference previously approved plans on file with the division shall be incorporated in this permit and the owner/operator shall abide by all previous commitments of such plans and these conditions for approval.
- 5. Modifications:** WQCC Regulation 20.6.2.3107.C and 20.6.2.3109 NMAC addresses possible future modifications of a permit. The owner/operator (discharger) shall notify the OCD of any facility expansion, production increase, or process modification that would result in any significant modification in the potential discharge of water contaminants. The Division Director may require a permit modification if any water quality standard specified in 20.6.2.3103 NMAC is being or will be exceeded, or if a toxic pollutant as defined in WQCC Regulation 20.6.2.7 NMAC is present in ground water at any place of withdrawal for present or reasonably foreseeable future use, or that the Water Quality Standards for Interstate and Intrastate streams as specified in 20.6.4 NMAC are being or may be violated in surface water in New Mexico.
- 6. Waste Disposal and Storage:** The owner/operator shall dispose of all wastes at an OCD-approved facility. Only oilfield RCRA-exempt wastes may be disposed of by injection in a Class II well. RCRA non-hazardous, non-exempt oilfield wastes may be disposed of at an OCD-approved facility upon proper waste determination pursuant to 40 CFR Part 261. Any waste stream that is not listed in the discharge permit application must be approved by the OCD on a case-by-case basis.

A. OCD Rule 712 Waste: Pursuant to OCD Rule 712 (19.15.9.712 NMAC) disposal of certain non-domestic waste without notification to the OCD is allowed at NMED permitted solid waste facilities if the waste stream has been identified in the discharge permit and existing process knowledge of the waste stream does not change.

B. Waste Storage: The owner/operator shall store all waste in an impermeable bermed area, except waste generated during emergency response operations for up to 72 hours. All waste storage areas shall be identified in the discharge permit application. Any waste storage area not identified in the permit shall be approved on a case-by-case basis only. The owner/operator shall not store oil field waste on-site for more than 180 days unless approved by the OCD.

7. Drum Storage: The owner/operator must store all drums, including empty drums, containing materials other than fresh water on an impermeable pad with curbing. The owner/operator must store empty drums on their sides with the bungs in place and lined up on a horizontal plane. The owner/operator must store chemicals in other containers, such as tote tanks, sacks, or buckets on an impermeable pad with curbing.

8. Process, Maintenance and Yard Areas: The owner/operator shall either pave and curb or have some type of spill collection device incorporated into the design at all process, maintenance, and yard areas which show evidence that water contaminants from releases, leaks and spills have reached the ground surface.

9. Above Ground Tanks: The owner/operator shall ensure that all aboveground tanks have impermeable secondary containment (e.g., liners and berms), which will contain a volume of at least one-third greater than the total volume of the largest tank or all interconnected tanks. The owner/operator shall retrofit all existing tanks before discharge permit renewal. Tanks that contain fresh water or fluids that are gases at atmospheric temperature and pressure are exempt from this condition.

10. Labeling: The owner/operator shall clearly label all tanks, drums, and containers to identify their contents and other emergency notification information. The owner/operator may use a tank code numbering system, which is incorporated into their emergency response plans.

11. Below-Grade Tanks/Sumps and Pits/Ponds.

A. All below-grade tanks and sumps must be approved by the OCD prior to installation and must incorporate secondary containment with leak detection into the design. The owner/operator shall retrofit all existing systems without secondary containment and leak detection before discharge permit renewal. All existing below-grade tanks and sumps without secondary containment and leak detection must be tested annually or as specified herein. Systems that have secondary containment with leak detection shall have a monthly inspection of the leak detection system to determine if the primary containment is leaking. Small sumps or depressions in secondary containment systems used to facilitate fluid removal are exempt from these requirements if fluids are removed within 72 hours.

B. All pits and ponds, including modifications and retrofits, shall be designed by a certified registered professional engineer and approved by the OCD prior to installation. In general, all pits or ponds shall have approved hydrologic and geologic reports, location,

foundation, liners, and secondary containment with leak detection, monitoring and closure plans. All pits or ponds shall be designed, constructed, and operated so as to contain liquids and solids in a manner that will protect fresh water, public health, safety, and the environment for the foreseeable future. The owner/operator shall retrofit all existing systems without secondary containment and leak detection before discharge permit renewal.

C. The owner/operator shall ensure that all exposed pits, including lined pits and open top tanks (8 feet in diameter or larger) shall be fenced, screened, netted, or otherwise rendered non-hazardous to wildlife, including migratory birds.

D. The owner/operator shall maintain the results of tests and inspections at the facility covered by this discharge permit and available for OCD inspection. The owner/operator shall report the discovery of any system which is found to be leaking or has lost integrity to the OCD within 15 days. The owner/operator may propose various methods for testing such as pressure testing to 3 pounds per square inch greater than normal operating pressure and/or visual inspection of cleaned tanks and/or sumps, or other OCD-approved methods. The owner/operator shall notify the OCD at least 72 hours prior to all testing.

12. Underground Process/Wastewater Lines:

A. The owner/operator shall test all underground process/wastewater pipelines at least once every five (5) years to demonstrate their mechanical integrity, except lines containing fresh water or fluids that are gases at atmospheric temperature and pressure. Pressure rated pipe shall be tested by pressuring up to one and one-half times the normal operating pressure, if possible, or for atmospheric drain systems, to 3 pounds per square inch greater than normal operating pressure, and pressure held for a minimum of 30 minutes with no more than a 1% loss/gain in pressure. The owner/operator may use other methods for testing if approved by the OCD.

B. The owner/operator shall maintain underground process and wastewater pipeline schematic diagrams or plans showing all drains, vents, risers, valves, underground piping, pipe type, rating, size, and approximate location. All new underground piping must be approved by the OCD prior to installation. The owner/operator shall report any leaks or loss of integrity to the OCD within 15 days of discovery. The owner/operator shall maintain the results of all tests at the facility covered by this discharge permit and they shall be available for OCD inspection. The owner/operator shall notify the OCD at least 72 hours prior to all testing.

13. Class V Wells: The owner/operator shall close all Class V wells (e.g., septic systems, leach fields, dry wells, etc.) that inject non-hazardous industrial wastes or a mixture of industrial wastes and domestic wastes unless it can be demonstrated that ground water will not be impacted in the reasonably foreseeable future. Leach fields and other wastewater disposal systems at OCD-regulated facilities that inject non-hazardous fluid into or above an underground source of drinking water are considered Class V injection wells under the EPA UIC program. Class V wells that inject domestic waste only must be permitted by the New Mexico Environment Department (NMED).

14. Housekeeping: The owner/operator shall inspect all systems designed for spill collection/prevention and leak detection at least monthly to ensure proper operation and to prevent over-topping or system failure. All spill collection and/or secondary containment devices shall be

emptied of fluids within 72 hours of discovery. The owner/operator shall maintain all records at the facility and make them available for OCD inspection.

15. Spill Reporting: The owner/operator shall report all unauthorized discharges, spills, leaks and releases and conduct corrective action pursuant to WQCC Regulation 20.6.2.1203 NMAC and OCD Part 29 (19.15.29 NMAC). The owner/operator shall notify both the OCD District Office and the Santa Fe Office within 24 hours and file a written report within 15 days.

16. OCD Inspections: The OCD may place additional requirements on the facility and modify the permit conditions based on OCD inspections.

17. Storm Water: The owner/operator shall implement and maintain run-on and runoff plans and controls. The owner/operator shall not discharge any water contaminant that exceeds the WQCC standards specified in 20.6.2.3101 NMAC or 20.6.4 NMAC (Water Quality Standards for Interstate and Intrastate Streams) including any oil sheen in any stormwater runoff. The owner/operator shall notify the OCD within 24 hours of discovery of any releases and shall take immediate corrective action(s) to stop the discharge.

18. Unauthorized Discharges: The owner/operator shall not allow or cause water pollution, discharge or release of any water contaminant that exceeds the WQCC standards listed in 20.6.2.3101 NMAC or 20.6.4 NMAC (Water Quality Standards for Interstate and Intrastate Streams) unless specifically listed in the permit application and approved herein. **An unauthorized discharge is a violation of this permit.**

19. Vadose Zone and Water Pollution: The owner/operator shall address any contamination through the discharge permit process or pursuant to WQCC 20.6.2.4000-.4116 NMAC (Prevention and Abatement of Water Pollution). The OCD may require the owner/operator to modify its permit for investigation, remediation, abatement, and monitoring requirements for any vadose zone or water pollution. Failure to perform any required investigation, remediation, abatement and submit subsequent reports will be a violation of the permit.

20. Additional Site Specific Conditions: None at this time.

21. Transfer of Discharge Permit: Pursuant to WQCC 20.6.2.3111 NMAC, prior to any transfer of ownership, control, or possession (whether by lease, conveyance or otherwise) of a facility with a discharge permit, the transferor shall notify the transferee in writing of the existence of the discharge permit, and shall deliver or send by certified mail to the department a copy of such written notification, together with a certification or other proof that such notification has in fact been received by the transferee.

Upon receipt of such notification, the transferee shall have the duty to inquire into all of the provisions and requirements contained in such discharge permit, and the transferee shall be charged with notice of all such provisions and requirements as they appear of record in the department's file or files concerning such discharge permit. The transferee (new owner/operator) shall sign and return an original copy of these permit conditions and provide a written commitment to comply with the terms and conditions of the previously approved discharge permit.

22. Closure Plan and Financial Assurance: Pursuant to 20.6.2.3107 NMAC an owner/operator shall notify the OCD when any operations of the facility are to be discontinued for a period in excess of six months. Prior to closure, or as a condition of this permit, or request from the OCD, the operator will submit an approved closure plan, modified plan, and/or provide adequate financial assurance.

23. Certification: (Owner/Operator), by the officer whose signature appears below, accepts this permit and agrees to comply with all submitted commitments, including these terms and conditions contained here. **Owner/Operator** further acknowledges the OCD may, for good cause shown, as necessary to protect fresh water, public health, safety, and the environment, change the conditions and requirements of this permit administratively.

Conditions accepted by: "I certify under penalty of law that I have personally examined and am familiar with the information submitted in this document and all attachments and that, based on my inquiry of those individuals immediately responsible for obtaining the information, I believe that the information is true, accurate, and complete. I am aware that there are significant penalties for submitting false information including the possibility of fine and imprisonment."

Key Energy Services, LLC

Company Name - print name above

Lonnie Hobbs

Company Representative - print name



Company Representative - Signature

Title: VP Fluid Services

Date: 1-15-09



New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson

Governor
Joanna Prukop
Cabinet Secretary
Reese Fullerton
Deputy Cabinet Secretary

Mark Fesmire
Director
Oil Conservation Division



January 5, 2009

Mr. Edward D. "Ted" Philley
Key Energy Services
6 Desta Drive, Suite 4400
Midland, Texas 79705

Re: Renewal of Discharge Permit GW-156
Key Energy Services Yard
5651 US Highway 64 (Unit A of Section 29, Township 29 North, Range 12 West, NMPM)
Farmington, New Mexico

Mr. Philley:

Pursuant to Water Quality Control Commission (WQCC) Regulations 20.6.2.3104 - 20.6.2.3114 NMAC, the Oil Conservation Division (OCD) hereby approves the discharge permit for Key Energy Services (operator) for the above referenced site contingent upon the conditions specified in the enclosed **Attachment to the Discharge Permit**. Enclosed are two copies of the conditions of approval. **Please sign and return one copy to the New Mexico Oil Conservation Division (OCD) Santa Fe Office within 30 days of receipt of this letter along with a check made payable to "Water Quality Management Fund" in the amount of \$1,700.00 for the associated flat fee.**

Please be advised that approval of this permit does not relieve the owner/operator of responsibility should operations result in pollution of surface water, ground water or the environment. Nor does approval of the permit relieve the owner/operator of its responsibility to comply with any other applicable governmental authority's rules and regulations.

If you have any questions, please feel free to contact Jim Griswold at (505) 476-3465 or by email at jim.griswold@state.nm.us. On behalf of the staff at the OCD, I wish to thank you and your staff for your cooperation during this discharge permit review.

Sincerely,

Wayne Price
Environmental Bureau Chief

Attachment

LWP/jg
xc: OCD District 3 Office, Aztec



Griswold, Jim, EMNRD

From: Griswold, Jim, EMNRD
Sent: Thursday, September 25, 2008 4:50 PM
To: 'Philly, Ted'
Subject: Discharge Plan GW-156 Key Energy/Farmington

Ted,

While the application is administratively complete and the public notice requirements appear to have been met, there are still some "technical" questions that need to be resolved.

You state in the application that the nearest water well is more than one mile from the facility. What is typically required is identification of any water wells within ¼ mile of the facility perimeter. I did a quick check of the online database of the NM Office of the State Engineer and was able to find within Sections 20, 21, 28, and 29 of Township 29 North, Range 12 West a total of 48 water wells. Only 4 of these wells were installed with a stated intended use for irrigation. 1 appears to be a stock well and 2 are industrial wells. The remaining 41 well appear to have been installed for single family domestic use. Could you please avail yourself of this database and determine which wells, if any, are situated within the requisite distance of the property boundaries.

Could you also address the flooding potential at the facility and any protection measures in place. Thanks.

Jim Griswold
Hydrologist
Environmental Bureau
ENMRD/Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505
direct: 505.476.3465
email: jim.griswold@state.nm.us



Key Energy Services
6 Desta Drive
Suite 4400
Midland, Texas 79705

Telephone: 432.571.7141
Facsimile: 432.571.7173
www.keyenergy.com

August 6, 2008

Mr. Jim Griswold
New Mexico Oil Conservation District
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Re: Key Energy Services Yard in Farmington, New Mexico

Dear Mr. Griswold:

Enclosed you will find the following:

1. Original Affidavit of Publication from The Daily Times;
2. Copies of the certified green card receipts sent as notification to the landowners; and
3. Photos of the posted signs.

If you have any questions, please call me at (432) 571-7141 or email me at tphilley@keyenergy.com.

Yours truly,

Key Energy Services, Inc.

A handwritten signature in black ink that reads "E. D. Philley". The signature is written in a cursive style with a large, sweeping flourish at the end.

Edward D. "Ted" Philley
Corporate Environmental Specialist II

Enclosures

2008 AUG 12 PM 2 36
RECEIVED

AFFIDAVIT OF PUBLICATION

COPY OF PUBLICATION

Ad No. 587801

STATE OF NEW MEXICO
County of San Juan:

CONNIE PRUITT, being duly sworn
That she is the ADVERTISING DIRECTOR
THE DAILY TIMES, a daily newspaper
general circulation published in English
Farmington, said county and state, and
the hereto attached Legal Notice
published in a regular and entire issue of
said DAILY TIMES, a daily newspaper
qualified for the purpose within the meaning
Chapter 167 of the 1937 Session Laws of
State of New Mexico for publication
appeared in The Daily Times on the following
June 26, 2008

And the cost of the publication is \$ 38

ON 6/30/08 CONNIE PRUITT
appeared before me, whom I know personally
to be the person who signed the attached
document:

Christine Sellers
My Commission Expires 11/05/11

PUBLIC NOTICE
GW-156: Key Energy Services, 6 Desta Drive, Suite 4400, Midland, Texas 79705, has submitted a new Discharge Plan application to the New Mexico Energy, Minerals and Natural Resources Department, Oil Conservation Division for their Oil and Gas Service company located in NE/4 of the NE/4 of Section 29, T-29-N, R-12-W in San Juan County, New Mexico. The physical address of the facility is 5651 US Highway 64, Farmington, NM 87499 and is located approximately one-half of a mile west of McGee Park, San Juan County Fairgrounds.
The facility is a dispatch and maintenance facility for petroleum exploration and production fluids logistics and work-over rigs. Approximately 360 gallons/month of motor/gear oil, 175 filters/month, are generated and properly stored onsite prior to recycling or disposal at an NMOCD approved facility. Groundwater most likely to be affected by a spill, leak or accidental discharge is at a depth of approximately 8-23 feet, with a total dissolved solids concentration of between 1,500 mg/L and 8,500 mg/L.
Any interested person or persons may obtain information, submit comments or request to be placed on a facility-specific mailing list for future notices by contacting Jim Griswold at the New Mexico OCD at 1220 South St. Francis Drive, Santa Fe, New Mexico 87505, Telephone (505) 476-3465. The OCD will accept comments and statements of interest regarding the renewal and will create a facility-specific mailing list for persons who wish to receive future notices.

AVISO PÚBLICO
GW-156: Key Energy Services, 6 Desta Drive, Suite 4400, Midland, Texas 79705 EE.UU., ha presentado una nueva aplicación para un Plan de Descarga ante el Departamento de Energía, Minerales y Recursos Naturales de Nuevo México, División de Conservación del Petróleo, para su Compañía de petróleo y servicio de gas, ubicada en el cuadrante noreste de la sección 29, T-29-N, R-12-W en el Condado de San Juan, Nuevo México. La dirección física de la Compañía es 5651 Highway 64, Farmington, NM 87499, EE.UU. Ubicada aproximadamente a media milla al oeste del Parque McGee, en el Centro de Exposiciones del condado de San Juan.
Esta instalación es un área de despacho y mantenimiento de servicios de exploración petrolera, producción de fluidos y logística de trabajo en plataformas. Esta instalación generará y almacenará de manera apropiada aproximadamente 360 galones mensuales de aceite de motor o engranaje y 175 filtros mensuales. Todos los productos estarán en las instalaciones antes de ser reciclados o eliminados en un sitio aprobado por la División de Conservación del Petróleo de Nuevo México (NMOCD, por su sigla en inglés). El agua subterránea que pudiera verse afectada por un derrame, fuga o una descarga accidental, se encuentra a una profundidad de 8 a 23 pies aproximadamente, con una concentración total de sólidos disueltos de 1500 mg/L y los 8500 mg/L.
Cualquier persona o personas interesadas pueden obtener información, enviar comentarios o pedir que se le incluya en la lista de correo para futuras notificaciones acerca de estas instalaciones. Poniéndose en contacto con Jim Griswold en la División de Conservación del Petróleo (OCD, por su sigla en inglés) de Nuevo México. La información de contacto es 1220 South St. Francis Drive, Santa Fe, Nuevo México 87505, EE.UU., o al teléfono (505) 476-3465. La OCD aceptará comentarios y declaraciones de interés respecto de la renovación y creará una lista específica para cada instalación de las personas que deseen recibir futuras notificaciones por correo.

7006 3450 0001 6917 7563

U.S. Postal Service™
CERTIFIED MAIL™ RECEIPT
 (Domestic Mail Only; No Insurance Coverage)
 For delivery information visit our website at www.usps.gov

OFFICIAL USE

| | |
|--|----|
| Postage | \$ |
| Certified Fee | |
| Return Receipt Fee (Endorsement Required) | |
| Restricted Delivery Fee (Endorsement Required) | |
| Total Postage & Fees | \$ |

Sent To: Bassett
 Street, Apt. No., or PO Box No.:
 City, State, ZIP+4:

PS Form 3800, August 2006 See Reverse

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

BASSETT DAVID L ET UX
 2 RD 5756
 FARMINGTON, NM 87401

2. Article Number (Transfer from service label): 7006 3450 0001 6917 7563

PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-154

COMPLETE THIS SECTION ON DELIVERY

A. Signature
 X Deborah Bassett Agent Addressee

B. Received by (Printed Name): Deborah Bassett C. Date of Delivery: 6-30

D. Is delivery address different from item 1? Yes
 If YES, enter delivery address below: No

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

7006 3450 0001 6917 7570

U.S. Postal Service™
CERTIFIED MAIL™ RECEIPT
 (Domestic Mail Only; No Insurance Coverage)
 For delivery information visit our website at www.usps.gov

OFFICIAL USE

| | |
|--|----|
| Postage | \$ |
| Certified Fee | |
| Return Receipt Fee (Endorsement Required) | |
| Restricted Delivery Fee (Endorsement Required) | |
| Total Postage & Fees | \$ |

Sent To: Animas
 Street, Apt. No., or PO Box No.:
 City, State, ZIP+4:

PS Form 3800, August 2006 See Reverse

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

ANIMAS VALLEY LAND AND WATER CO LLC
 500 N MICHIGAN AVE STE 600
 CHICAGO, IL 60611-3754
 ATTN HD PARTNERS LLC

2. Article Number (Transfer from service label): 7006 3450 0001 6917 7570

PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-154

COMPLETE THIS SECTION ON DELIVERY

A. Signature
 X Animas Agent Addressee

B. Received by (Printed Name): Animas Rocha C. Date of Delivery:

D. Is delivery address different from item 1? Yes
 If YES, enter delivery address below: No

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

7631 7617 6919 3450 0000 0546 9002

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only; No Insurance Coverage)
For delivery information visit our website at www.usps.gov

| | |
|--|----|
| Postage | \$ |
| Certified Fee | |
| Return Receipt Fee (Endorsement Required) | |
| Restricted Delivery Fee (Endorsement Required) | |
| Total Postage & Fees | \$ |

Sent To Blue Horizon
Street, Apt. No., or PO Box No.
City, State, ZIP+4

PS Form 3800, August 2006 See Reverse

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

BLUE HORIZONS PTNSHP ET AL
BOX 1067
FARMINGTON, NM 87499

2. Article Number (Transfer from service label)

7006 3450 0001 6917 7631

PS Form 3811, February 2004

Domestic Return Receipt

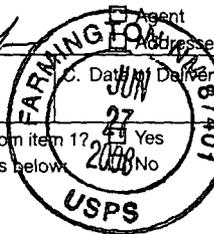
102595-02-M-1540

COMPLETE THIS SECTION ON DELIVERY

A. Signature [Signature] Agent Addressee

B. Received by (Printed Name) Rh Ardes C. Date of Delivery JUN 27 2008

D. Is delivery address different from item 1? Yes No
If YES, enter delivery address below



3. Service Type

- Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee)

Yes

7624 7617 6919 3450 0000 1000

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only; No Insurance Coverage)
For delivery information visit our website at www.usps.gov

| | |
|--|----|
| Postage | \$ |
| Certified Fee | |
| Return Receipt Fee (Endorsement Required) | |
| Restricted Delivery Fee (Endorsement Required) | |
| Total Postage & Fees | \$ |

Sent To Blue Hor
Street, Apt. No., or PO Box No.
City, State, ZIP+4

PS Form 3800, August 2006 See Reverse

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

BLUE HORIZONS PARTNERSHIP ET AL
P O BOX 1067
FARMINGTON, NM 87499

2. Article Number (Transfer from service label)

7006 3450 0001 6917 7624

PS Form 3811, February 2004

Domestic Return Receipt

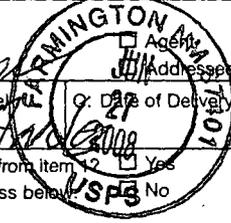
102595-02-M-1540

COMPLETE THIS SECTION ON DELIVERY

A. Signature [Signature] Agent Addressee

B. Received by (Printed Name) Robert Ardes C. Date of Delivery JUL 21 2008

D. Is delivery address different from item 1? Yes No
If YES, enter delivery address below



3. Service Type

- Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee)

Yes

7600 7617 6919 3450 0000 1000

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only; No Insurance Coverage)
For delivery information visit our website at www.usps.gov

| | |
|--|----|
| Postage | \$ |
| Certified Fee | |
| Return Receipt Fee (Endorsement Required) | |
| Restricted Delivery Fee (Endorsement Required) | |
| Total Postage & Fees | \$ |

Sent To BBT
Street, Apt. No., or PO Box No.
City, State, ZIP+4

PS Form 3800, August 2006 See Reverse

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

BBT MANAGEMENT
3109 N MESA DR
FARMINGTON, NM 87401-2029

2. Article Number (Transfer from service label)

7006 3450 0001 6917 7600

PS Form 3811, February 2004

Domestic Return Receipt

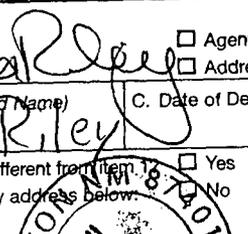
102595-02-M-1540

COMPLETE THIS SECTION ON DELIVERY

A. Signature [Signature] Agent Addressee

B. Received by (Printed Name) Brenda Riley C. Date of Delivery JUL 10 2008

D. Is delivery address different from item 1? Yes No
If YES, enter delivery address below



3. Service Type

- Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee)

Yes

7006 3450 0001 6917 7662

U.S. Postal Service
CERTIFIED MAIL RECEIPT
 (Domestic Mail Only, No Insurance Coverage)
 For delivery information visit our website at www.usps.gov

OFFICIAL USE

| | |
|--|----|
| Postage | \$ |
| Certified Fee | |
| Return Receipt Fee (Endorsement Required) | |
| Restricted Delivery Fee (Endorsement Required) | |
| Total Postage & Fees | \$ |

Sent To: Carroll

Street, Apt. No., or PO Box No.
 City, State, ZIP+4

PS Form 3800, August 2006 See Reverse

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

CARROLL BILLY W AND
 EARLEEN TRUST
 P O BOX 3410
 FARMINGTON, NM 87400

2. Article Number
 (Transfer from service label)

7006 3450 0001 6917 7662

PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-11

COMPLETE THIS SECTION ON DELIVERY

A. Signature
 X Billy Carroll Agent Address

B. Received by (Printed Name) C. Date of Delivery

D. Is delivery address different from item 1? Yes
 If YES, enter delivery address below: No

Billy Carroll

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.
 Restricted Delivery? (Extra Fee) Yes

7006 3450 0001 6917 7655

U.S. Postal Service
CERTIFIED MAIL RECEIPT
 (Domestic Mail Only, No Insurance Coverage)
 For delivery information visit our website at www.usps.gov

OFFICIAL USE

| | |
|--|----|
| Postage | \$ |
| Certified Fee | |
| Return Receipt Fee (Endorsement Required) | |
| Restricted Delivery Fee (Endorsement Required) | |
| Total Postage & Fees | \$ |

Sent To: Bolack, Tom

Street, Apt. No., or PO Box No.
 City, State, ZIP+4

PS Form 3800, August 2006 See Reverse

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

BOLACK TOMMY
 3901 BLOOMFIELD HWY
 FARMINGTON, NM 87401

2. Article Number
 (Transfer from service label)

7006 3450 0001 6917 7655

PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-154C

COMPLETE THIS SECTION ON DELIVERY

A. Signature
 X Rosa P. Cavazos Agent Addressee

B. Received by (Printed Name) C. Date of Delivery
ROSA P. CAVAZOS

D. Is delivery address different from item 1? Yes
 If YES, enter delivery address below: No

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.
 Restricted Delivery? (Extra Fee) Yes

7006 3450 0001 6917 7648

U.S. Postal Service
CERTIFIED MAIL RECEIPT
 (Domestic Mail Only, No Insurance Coverage)
 For delivery information visit our website at www.usps.gov

OFFICIAL USE

| | |
|--|----|
| Postage | \$ |
| Certified Fee | |
| Return Receipt Fee (Endorsement Required) | |
| Restricted Delivery Fee (Endorsement Required) | |
| Total Postage & Fees | \$ |

Sent To: Bolack

Street, Apt. No., or PO Box No.
 City, State, ZIP+4

PS Form 3800, August 2006 See Reverse

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

BOLACK LAND AND CATTLE
 CO LTD
 3901 BLOOMFIELD HWY
 FARMINGTON, NM 87401

2. Article Number
 (Transfer from service label)

7006 3450 0001 6917 7648

PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-154C

COMPLETE THIS SECTION ON DELIVERY

A. Signature
 X Rosa P. Cavazos Agent Addressee

B. Received by (Printed Name) C. Date of Delivery
ROSA P. CAVAZOS

D. Is delivery address different from item 1? Yes
 If YES, enter delivery address below: No

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.
 Restricted Delivery? (Extra Fee) Yes

7006 3450 0001 6917 7696

U.S. Postal Service
CERTIFIED MAIL RECEIPT
 (Domestic Mail Only, No Insurance Coverage Provided)

For delivery information visit our website at www.usps.com

OFFICIAL USE

| | |
|--|----|
| Postage | \$ |
| Certified Fee | |
| Return Receipt Fee (Endorsement Required) | |
| Restricted Delivery Fee (Endorsement Required) | |
| Total Postage & Fees | \$ |

Postmark Here
6-24-08

Sent To DAB

Street, Apt. No., or PO Box No.
City, State, ZIP+4

PS Form 3800, August 2006 See Reverse for Instructions

Unclaimed

7006 3450 0001 6917 7686

U.S. Postal Service
CERTIFIED MAIL RECEIPT
 (Domestic Mail Only, No Insurance Coverage Provided)

For delivery information visit our website at www.usps.com

OFFICIAL USE

| | |
|--|----|
| Postage | \$ |
| Certified Fee | |
| Return Receipt Fee (Endorsement Required) | |
| Restricted Delivery Fee (Endorsement Required) | |
| Total Postage & Fees | \$ |

Postmark Here

Sent To Cook

Street, Apt. No., or PO Box No.
City, State, ZIP+4

PS Form 3800, August 2006 See Reverse for Instructions

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:
 COOK DALE G AND KATHY A
 1 RD 5760
 FARMINGTON, NM 87401-9546

2. Article Number (Transfer from service label)
 7006 3450 0001 6917 7686

PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540

COMPLETE THIS SECTION ON DELIVERY

A. Signature Kathy Cook Agent Addressee

B. Received by (Printed Name) C. Date of Delivery

D. Is delivery address different from item 1? Yes
 If YES, enter delivery address below: No

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

7006 3450 0001 6917 7679

U.S. Postal Service
CERTIFIED MAIL RECEIPT
 (Domestic Mail Only, No Insurance Coverage Provided)

For delivery information visit our website at www.usps.com

OFFICIAL USE

| | |
|--|----|
| Postage | \$ |
| Certified Fee | |
| Return Receipt Fee (Endorsement Required) | |
| Restricted Delivery Fee (Endorsement Required) | |
| Total Postage & Fees | \$ |

Postmark Here
6-24-08

Sent To Cook

Street, Apt. No., or PO Box No.
City, State, ZIP+4

PS Form 3800, August 2006 See Reverse for Instructions

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:
 COOK DALE ET UX
 1 RD 5760
 FARMINGTON, NM 87401

2. Article Number (Transfer from service label)
 7006 3450 0001 6917 7679

PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540

COMPLETE THIS SECTION ON DELIVERY

A. Signature Kathy Cook Agent Addressee

B. Received by (Printed Name) C. Date of Delivery

D. Is delivery address different from item 1? Yes
 If YES, enter delivery address below: No

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Me.
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

7006 3450 0001 6917 7723

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only, No Insurance Coverage)
For delivery information visit our website at www.usps.gov

| | |
|--|----|
| Postage | \$ |
| Certified Fee | |
| Return Receipt Fee (Endorsement Required) | |
| Restricted Delivery Fee (Endorsement Required) | |
| Total Postage & Fees | \$ |

Sent To *Huish*
Street, Apt. No., or PO Box No.
City, State, ZIP+4

PS Form 3800, August 2006 See Reverse

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

HUISH CARL S
5615 US 64
FARMINGTON, NM 87401

2. Article Number (Transfer from service label) 7006 3450 0001 6917 7723

PS Form 3811, February 2004 Domestic Return Receipt

COMPLETE THIS SECTION ON DELIVERY

A. Signature
X *Carl S. Huish* Agent Addressee

B. Received by (Printed Name) *CARL S. HUISH* C. Date of Delivery *6-27-08*

D. Is delivery address different from item 1? Yes
If YES, enter delivery address below: No

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

7006 3450 0001 6917 7716

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only, No Insurance Coverage)
For delivery information visit our website at www.usps.gov

| | |
|--|----|
| Postage | \$ |
| Certified Fee | |
| Return Receipt Fee (Endorsement Required) | |
| Restricted Delivery Fee (Endorsement Required) | |
| Total Postage & Fees | \$ |

Sent To *Energy Res*
Street, Apt. No., or PO Box No.
City, State, ZIP+4

PS Form 3800, August 2006 See Reverse

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

ENERGY RESERVES GROUP
P O BOX 3092
HOUSTON, TX 77253-3092
ATTN: AMOCO/PROPERTY TAX DEPT

2. Article Number (Transfer from service label) 7006 3450 0001 6917 7716

PS Form 3811, February 2004 Domestic Return Receipt

COMPLETE THIS SECTION ON DELIVERY

A. Signature
X *[Signature]* Agent Addressee

B. Received by (Printed Name) *[Name]* C. Date of Delivery *7-1-08*

D. Is delivery address different from item 1? Yes
If YES, enter delivery address below: No

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

7006 3450 0001 6917 7709

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only, No Insurance Coverage)
For delivery information visit our website at www.usps.gov

| | |
|--|----|
| Postage | \$ |
| Certified Fee | |
| Return Receipt Fee (Endorsement Required) | |
| Restricted Delivery Fee (Endorsement Required) | |
| Total Postage & Fees | \$ |

Sent To *Dye*
Street, Apt. No., or PO Box No.
City, State, ZIP+4

PS Form 3800, August 2006 See Reverse

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

DYE CLARENCE E TRUSTEES
5608 US HWY 64
FARMINGTON, NM 87401-1578

2. Article Number (Transfer from service label) 7006 3450 0001 6917 7709

PS Form 3811, February 2004 Domestic Return Receipt

COMPLETE THIS SECTION ON DELIVERY

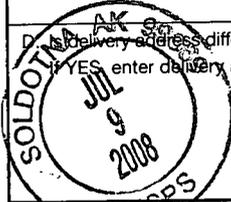
A. Signature
X *[Signature]* Agent Addressee

B. Received by (Printed Name) *[Name]* C. Date of Delivery *[Date]*

D. Is delivery address different from item 1? Yes
If YES, enter delivery address below: No

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes



7006 0810 0002 3569 3260

U.S. Postal Service
CERTIFIED MAIL RECEIPT
 (Domestic Mail Only; No Insurance Coverage Pro...)
 For delivery information visit our website at www.usps.com

OFFICIAL US

| | |
|--|----|
| Postage | \$ |
| Certified Fee | |
| Return Receipt Fee (Endorsement Required) | |
| Restricted Delivery Fee (Endorsement Required) | |
| Total Postage & Fees | \$ |

Sent To: Lee Acres
 Street, Apt. No., or PO Box No.
 City, State, ZIP+4

PS Form 3800, June 2002

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:
 LEE ACRES WATER USERS
 5649 HWY 64
 FARMINGTON, NM 87401-1578

2. Article Number (Transfer from service label) 7006 0810 0002 3569 3260

PS Form 3811, February 2004

COMPLETE THIS SECTION ON DELIVERY

A. Signature Agent Addressee
Becky McLaughlin

B. Received by (Printed Name) Becky McLaughlin C. Date of Delivery 6-30-05

D. Is delivery address different from item 1? Yes No
 If YES, enter delivery address below:

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

7006 0810 0002 3569 3253

U.S. Postal Service
CERTIFIED MAIL RECEIPT
 (Domestic Mail Only; No Insurance Coverage Pro...)
 For delivery information visit our website at www.usps.com

OFFICIAL US

| | |
|--|----|
| Postage | \$ |
| Certified Fee | |
| Return Receipt Fee (Endorsement Required) | |
| Restricted Delivery Fee (Endorsement Required) | |
| Total Postage & Fees | \$ |

Sent To: Jaquez
 Street, Apt. No., or PO Box No.
 City, State, ZIP+4

PS Form 3800, June 2002

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:
 JAQUEZ ARTHUR A TST
 ESTATE
 1314 TERRACE VIEW DR
 SUGAR LAND, TX 77479

2. Article Number (Transfer from service label) 7006 0810 0002 3569 3253

PS Form 3811, February 2004

COMPLETE THIS SECTION ON DELIVERY

A. Signature Agent Addressee
[Signature]

B. Received by (Printed Name) [Signature] C. Date of Delivery 6-27-05

D. Is delivery address different from item 1? Yes No
 If YES, enter delivery address below:

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

7006 0810 0002 3569 3246

U.S. Postal Service
CERTIFIED MAIL RECEIPT
 (Domestic Mail Only; No Insurance Coverage Pro...)
 For delivery information visit our website at www.usps.com

OFFICIAL US

| | |
|--|----|
| Postage | \$ |
| Certified Fee | |
| Return Receipt Fee (Endorsement Required) | |
| Restricted Delivery Fee (Endorsement Required) | |
| Total Postage & Fees | \$ |

Sent To: Huish
 Street, Apt. No., or PO Box No.
 City, State, ZIP+4

PS Form 3800, June 2002

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:
 HUISH WILLIAM WAYNE
 5615 HWY 64
 FARMINGTON, NM 87401-1578

2. Article Number (Transfer from service label) 7006 0810 0002 3569 3246

PS Form 3811, February 2004

COMPLETE THIS SECTION ON DELIVERY

A. Signature Agent Addressee
Carl S. Huish

B. Received by (Printed Name) CARL S. HUISH C. Date of Delivery 6-27-05

D. Is delivery address different from item 1? Yes No
 If YES, enter delivery address below:

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

U.S. Postal Service™
CERTIFIED MAIL™ RECEIPT
 (Domestic Mail Only; No Insurance Coverage Provided)

For delivery information visit our website at www.usps.com

OFFICIAL U.S. MAIL

| | |
|--|----|
| Postage | \$ |
| Certified Fee | |
| Return Receipt Fee (Endorsement Required) | |
| Restricted Delivery Fee (Endorsement Required) | |
| Total Postage & Fees | \$ |

Sent To: Lime Creek

Street, Apt. No., or PO Box No.:

City, State, ZIP+4:

PS Form 3800, June 2002

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

LIME CREEK ENTERPRISES
 LLC
 P O BOX 160
 AZTEC, NM 87410

2. Article Number (Transfer from service label):

7006 0810 0002 3569 3291

PS Form 3811, February 2004

COMPLETE THIS SECTION ON DELIVERY

A. Signature: [Signature] Agent Addressee

B. Received by (Printed Name): Adrienne Current C. Date of Delivery: 6/27/08

D. Is delivery address different from item 1? Yes No
 If YES, enter delivery address below:

3. Service Type: Certified Mail Express Mail Registered Return Receipt for Merchandise Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

U.S. Postal Service™
CERTIFIED MAIL™ RECEIPT
 (Domestic Mail Only; No Insurance Coverage Provided)

For delivery information visit our website at www.usps.com

OFFICIAL U.S. MAIL

| | |
|--|----|
| Postage | \$ |
| Certified Fee | |
| Return Receipt Fee (Endorsement Required) | |
| Restricted Delivery Fee (Endorsement Required) | |
| Total Postage & Fees | \$ |

Sent To: Lewis

Street, Apt. No., or PO Box No.:

City, State, ZIP+4:

PS Form 3800, June 2002

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

LEWIS ELSIE
 P O BOX 1781
 BLOOMFIELD, NM 87413-1781

2. Article Number (Transfer from service label):

7006 0810 0002 3569 3284

PS Form 3811, February 2004

COMPLETE THIS SECTION ON DELIVERY

A. Signature: [Signature] Agent Addressee

B. Received by (Printed Name): Elsie G Lewis C. Date of Delivery: 7/2/08

D. Is delivery address different from item 1? Yes No
 If YES, enter delivery address below:

3. Service Type: Certified Mail Express Mail Registered Return Receipt for Merchandise Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

U.S. Postal Service™
CERTIFIED MAIL™ RECEIPT
 (Domestic Mail Only; No Insurance Coverage Provided)

For delivery information visit our website at www.usps.com

OFFICIAL U.S. MAIL

| | |
|--|----|
| Postage | \$ |
| Certified Fee | |
| Return Receipt Fee (Endorsement Required) | |
| Restricted Delivery Fee (Endorsement Required) | |
| Total Postage & Fees | \$ |

Sent To: Leeson

Street, Apt. No., or PO Box No.:

City, State, ZIP+4:

PS Form 3800, June 2002

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

LEESON DANNY
 4643 W AUGUSTA AVE
 GLENDALE, AZ 85301-1622

2. Article Number (Transfer from service label):

7006 0810 0002 3569 3277

PS Form 3811, February 2004

COMPLETE THIS SECTION ON DELIVERY

A. Signature: [Signature] Agent Addressee

B. Received by (Printed Name): C. Date of Delivery:

D. Is delivery address different from item 1? Yes No
 If YES, enter delivery address below:

3. Service Type: Certified Mail Express Mail Registered Return Receipt for Merchandise Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

Stamp: JUN 27 2008 85301

7006 0810 0002 3569 3321

U.S. Postal Service
CERTIFIED MAIL RECEIPT
 (Domestic Mail Only, No Insurance Coverage)
 For delivery information visit our website at www.usps.com

OFFICIAL USE

| | |
|--|----|
| Postage | \$ |
| Certified Fee | |
| Return Receipt Fee (Endorsement Required) | |
| Restricted Delivery Fee (Endorsement Required) | |
| Total Postage & Fees | \$ |

Sent To Murray
 Street, Apt. No., or PO Box No.
 City, State, ZIP+4

PS Form 3800, June 2002

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:
 MURRAY GLEN D AND LESLIE TRUST
 P O BOX 2611
 FARMINGTON, NM 87499

2. Article Number (Transfer from service label) 7006 0810 0002 3569 3321

PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540

COMPLETE THIS SECTION ON DELIVERY

A. Signature Colleen Campbell Agent Addressee

B. Received by (Printed Name) Colleen Campbell C. Date of Delivery 6-27-08

D. Is delivery address different from item 1? Yes No
 If YES, enter delivery address below:

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

7006 0810 0002 3569 3314

U.S. Postal Service
CERTIFIED MAIL RECEIPT
 (Domestic Mail Only, No Insurance Coverage)
 For delivery information visit our website at www.usps.com

OFFICIAL USE

| | |
|--|----|
| Postage | \$ |
| Certified Fee | |
| Return Receipt Fee (Endorsement Required) | |
| Restricted Delivery Fee (Endorsement Required) | |
| Total Postage & Fees | \$ |

Sent To McIntyre
 Street, Apt. No., or PO Box No.
 City, State, ZIP+4

PS Form 3800, June 2002

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:
 MCINTYRE JOHNNY SR ET UX
 P O BOX 5823
 FARMINGTON, NM 87499

2. Article Number (Transfer from service label) 7006 0810 0002 3569 3314

PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540

COMPLETE THIS SECTION ON DELIVERY

A. Signature JOHNNY MCINTYRE Agent Addressee

B. Received by (Printed Name) JOHNNY MCINTYRE C. Date of Delivery 6-27

D. Is delivery address different from item 1? Yes No
 If YES, enter delivery address below:

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

7006 0810 0002 3569 3307

U.S. Postal Service
CERTIFIED MAIL RECEIPT
 (Domestic Mail Only, No Insurance Coverage)
 For delivery information visit our website at www.usps.com

OFFICIAL USE

| | |
|--|----|
| Postage | \$ |
| Certified Fee | |
| Return Receipt Fee (Endorsement Required) | |
| Restricted Delivery Fee (Endorsement Required) | |
| Total Postage & Fees | \$ |

Sent To Marquez
 Street, Apt. No., or PO Box No.
 City, State, ZIP+4

PS Form 3800, June 2002

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:
 MARQUEZ MARCOS ET UX
 1401 UTTON LN
 FARMINGTON, NM 87401-7640

2. Article Number (Transfer from service label) 7006 0810 0002 3569 3307

PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540

COMPLETE THIS SECTION ON DELIVERY

A. Signature Aisha H. Marquez Agent Addressee

B. Received by (Printed Name) Aisha H. Marquez C. Date of Delivery

D. Is delivery address different from item 1? Yes No
 If YES, enter delivery address below:

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

U.S. Postal Service
CERTIFIED MAIL™ RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)
 For delivery information visit our website at www.usps.com

OFFICIAL USE

| | |
|--|----|
| Postage | \$ |
| Certified Fee | |
| Return Receipt Fee (Endorsement Required) | |
| Restricted Delivery Fee (Endorsement Required) | |
| Total Postage & Fees | \$ |

Sent To: Padilla

Street, Apt. No.; or PO Box No.
 City, State, ZIP+4

PS Form 3800, June 2002

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:
 PADILLA ISAAC F ET AL
 TRUST
 P O BOX 1187
 BLOOMFIELD, NM 87413-1187

2. Article Number (Transfer from service label): 7006 0810 0002 3569 3352

PS Form 3811, February 2004

COMPLETE THIS SECTION ON DELIVERY

A. Signature: [Signature] Agent Addressee

B. Received by (Printed Name): Darby West C. Date of Delivery: 6/26/08

D. Is delivery address different from item 1? Yes No
 If YES, enter delivery address below:

3. Service Type:
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

Domestic Return Receipt 102595-02-M-1541

U.S. Postal Service
CERTIFIED MAIL™ RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)
 For delivery information visit our website at www.usps.com

OFFICIAL USE

| | |
|--|----|
| Postage | \$ |
| Certified Fee | |
| Return Receipt Fee (Endorsement Required) | |
| Restricted Delivery Fee (Endorsement Required) | |
| Total Postage & Fees | \$ |

Sent To: Overland

Street, Apt. No.; or PO Box No.
 City, State, ZIP+4

PS Form 3800, June 2002

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:
 OVERLAND LEASING LLC
 P O BOX 910550
 SAINT GEORGE, UT 84791-0550

2. Article Number (Transfer from service label): 7006 0810 0002 3569 3239

PS Form 3811, February 2004

COMPLETE THIS SECTION ON DELIVERY

A. Signature: [Signature] Agent Addressee

B. Received by (Printed Name): JoAnn Iason C. Date of Delivery: 7/1/08

D. Is delivery address different from item 1? Yes No
 If YES, enter delivery address below:

3. Service Type:
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

Domestic Return Receipt 102595-02-M-1541

U.S. Postal Service
CERTIFIED MAIL™ RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)
 For delivery information visit our website at www.usps.com

OFFICIAL USE

| | |
|--|----|
| Postage | \$ |
| Certified Fee | |
| Return Receipt Fee (Endorsement Required) | |
| Restricted Delivery Fee (Endorsement Required) | |
| Total Postage & Fees | \$ |

Sent To: Osteen

Street, Apt. No.; or PO Box No.
 City, State, ZIP+4

PS Form 3800, June 2002

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:
 OSTEEEN JAMES H TRUSTEES
 528 SUNDIAL
 MOAB, UT 84532-2736

2. Article Number (Transfer from service label): 7006 0810 0002 3569 3338

PS Form 3811, February 2004

COMPLETE THIS SECTION ON DELIVERY

A. Signature: [Signature] Agent Addressee

B. Received by (Printed Name): Deborah Vernon C. Date of Delivery: 7/1/08

D. Is delivery address different from item 1? Yes No
 If YES, enter delivery address below:

3. Service Type:
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

Domestic Return Receipt 102595-02-M-1541

7006 0810 0002 3569 3383

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only; No Insurance Coverage)

For delivery information visit our website at www.usps.com

OFFICIAL USE

| | |
|--|----|
| Postage | \$ |
| Certified Fee | |
| Return Receipt Fee (Endorsement Required) | |
| Restricted Delivery Fee (Endorsement Required) | |
| Total Postage & Fees | \$ |

Sent To: *San Juan Board*
 Street, Apt. No., or PO Box No.
 City, State, ZIP+4

PS Form 3800, June 2002 See Reverse

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

 SAN JUAN COUNTY BOARD OF COUNTY COMMISSIONERS
 100 S OLIVER DR
 AZTEC NM 87410-2400

2. Article Number (Transfer from service label) *7006*
~~7006~~ 0810 0002 3569 3383

PS Form 3811, February 2004 Domestic Return Receipt

COMPLETE THIS SECTION ON DELIVERY

A. Signature *Sandi L. White* Agent Addressee
 B. Received by (Printed Name) *SANDI L. WHITE* C. Date of Delivery

D. Is delivery address different from item 1? Yes
 If YES, enter delivery address below: No

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

7006 0810 0002 3569 3376

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only; No Insurance Coverage)

For delivery information visit our website at www.usps.com

OFFICIAL USE

| | |
|--|----|
| Postage | \$ |
| Certified Fee | |
| Return Receipt Fee (Endorsement Required) | |
| Restricted Delivery Fee (Endorsement Required) | |
| Total Postage & Fees | \$ |

Sent To: *Rhodes*
 Street, Apt. No., or PO Box No.
 City, State, ZIP+4

PS Form 3800, June 2002 See Reverse

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

 RHODES MARY LOU TRUST
 "A"
 1521 CAMINA CONTENTA
 FARMINGTON, NM 87401-8058

2. Article Number (Transfer from service label) *7006*
 7006 0810 0002 3569 3376

PS Form 3811, February 2004 Domestic Return Receipt

COMPLETE THIS SECTION ON DELIVERY

A. Signature *Mary Lou Rhodes* Agent Addressee
 B. Received by (Printed Name) *MARY LOU RHODES* C. Date of Delivery *7-9-08*

D. Is delivery address different from item 1? Yes
 If YES, enter delivery address below: No

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

7006 0810 0002 3569 3369

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only; No Insurance Coverage)

For delivery information visit our website at www.usps.com

OFFICIAL USE

| | |
|--|----|
| Postage | \$ |
| Certified Fee | |
| Return Receipt Fee (Endorsement Required) | |
| Restricted Delivery Fee (Endorsement Required) | |
| Total Postage & Fees | \$ |

Sent To: *Rhodes R+T*
 Street, Apt. No., or PO Box No.
 City, State, ZIP+4

PS Form 3800, June 2002 See Reverse

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

 R&T HOLDINGS LLC
 P O BOX 354
 FARMINGTON, NM 87499

2. Article Number (Transfer from service label) *7006*
 7006 0810 0002 3569 3369

PS Form 3811, February 2004 Domestic Return Receipt

COMPLETE THIS SECTION ON DELIVERY

A. Signature *Charley Tyler* Agent Addressee
 B. Received by (Printed Name) *CHARLEY TYLER* C. Date of Delivery *6-30*

D. Is delivery address different from item 1? Yes
 If YES, enter delivery address below: No

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

102595-02-M-1540

7006 0810 0002 3569 3413

U.S. Postal Service
CERTIFIED MAIL RECEIPT
 (Domestic Mail Only; No Insurance Coverage Provided)

For delivery information visit our website at www.usps.com

OFFICIAL USE

| | |
|--|----|
| Postage | \$ |
| Certified Fee | |
| Return Receipt Fee (Endorsement Required) | |
| Restricted Delivery Fee (Endorsement Required) | |
| Total Postage & Fees | \$ |

Sent To Singleton

Street, Apt. No., or PO Box No. _____

City, State, ZIP+4 _____

PS Form 3800, June 2002

SENDER: COMPLETE THIS SECTION

Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

INGLETON SHERMAN AND
 EN
 E MAIN
 RMINGTON, NM 87401-7713

2. Article Number (Transfer from service label) 7006 0810 0002 3569 3413

PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540

COMPLETE THIS SECTION ON DELIVERY

A. Signature [Signature] Agent Addressee

B. Received by (Printed Name) Ashlynn Keeswood C. Date of Delivery June 21, 2008

D. Is delivery address different from item 1? Yes No
 If YES, enter delivery address below: _____

3. Service Type Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

7006 0810 0002 3569 3406

U.S. Postal Service
CERTIFIED MAIL RECEIPT
 (Domestic Mail Only; No Insurance Coverage Provided)

For delivery information visit our website at www.usps.com

OFFICIAL USE

| | |
|--|----|
| Postage | \$ |
| Certified Fee | |
| Return Receipt Fee (Endorsement Required) | |
| Restricted Delivery Fee (Endorsement Required) | |
| Total Postage & Fees | \$ |

Sent To Sanchez

Street, Apt. No., or PO Box No. _____

City, State, ZIP+4 _____

PS Form 3800, June 2002

SENDER: COMPLETE THIS SECTION

Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

SANCHEZ JOE A AND
 RAMONSITA
 5681 US HWY 64
 FARMINGTON, NM 87401-1578

2. Article Number (Transfer from service label) 7006 0810 0002 3569 3406

PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540

COMPLETE THIS SECTION ON DELIVERY

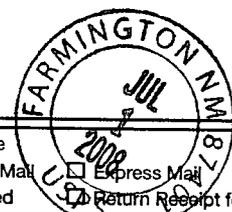
A. Signature [Signature] Agent Addressee

B. Received by (Printed Name) Ramona Sanchez C. Date of Delivery 6-27-08

D. Is delivery address different from item 1? Yes No
 If YES, enter delivery address below: _____

3. Service Type Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes



7006 0810 0002 3569 3390

U.S. Postal Service
CERTIFIED MAIL RECEIPT
 (Domestic Mail Only; No Insurance Coverage Provided)

For delivery information visit our website at www.usps.com

OFFICIAL USE

| | |
|--|----|
| Postage | \$ |
| Certified Fee | |
| Return Receipt Fee (Endorsement Required) | |
| Restricted Delivery Fee (Endorsement Required) | |
| Total Postage & Fees | \$ |

Sent To San Juan Wildlife

Street, Apt. No., or PO Box No. _____

City, State, ZIP+4 _____

PS Form 3800, June 2002

SENDER: COMPLETE THIS SECTION

Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

SAN JUAN WILDLIFE
 BOX 1411
 FARMINGTON, NM 87499-1411

2. Article Number (Transfer from service label) _____

COMPLETE THIS SECTION ON DELIVERY

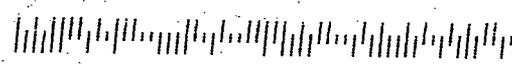
A. Signature [Signature] Agent Addressee

B. Received by (Printed Name) Don Vandenhorst C. Date of Delivery _____

D. Is delivery address different from item 1? Yes No
 If YES, enter delivery address below: _____

3. Service Type Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes



U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)
 For delivery information visit our website at www.usps.com

OFFICIAL USE

| | | |
|---|----|------------------|
| Postage | \$ | Postmark Here |
| Certified Fee | | |
| Return Receipt Fee (Endorsement Required) | | |
| Restricted Delivery Fee (Endorsement Required) | | |
| Total Postage & Fees | \$ | |

Sent To: WEL

Street, Apt. No., or PO Box No. _____
 City, State, ZIP+4 _____

PS Form 3800, August 2006 See Reverse for Instructions

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

WEL
 4108 OLD MISSION RD
 FARMINGTON, NM 87401-2346

2. Article Number
 (Transfer from service label) 7007 2560 0003 3687 6808

PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-15

COMPLETE THIS SECTION ON DELIVERY

A. Signature
 Mary Leng Agent
 Address

B. Received by (Printed Name) Mary B Leng C. Date of Delivery 6-27-08

D. Is delivery address different from item 1? Yes
 If YES, enter delivery address below: No

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)
 For delivery information visit our website at www.usps.com

OFFICIAL USE

| | | |
|---|----|------------------|
| Postage | \$ | Postmark Here |
| Certified Fee | | |
| Return Receipt Fee (Endorsement Required) | | |
| Restricted Delivery Fee (Endorsement Required) | | |
| Total Postage & Fees | \$ | |

Sent To: Tabet

Street, Apt. No., or PO Box No. _____
 City, State, ZIP+4 _____

PS Form 3800, June 2002 See Reverse for Instructions

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

TABET JAMES S AND NATALIE
 D TRUST
 1440 S HINES RD
 FARMINGTON, NM 87401

2. Article Number
 (Transfer from service label) 7006 0810 0002 3569 0757

PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-15

COMPLETE THIS SECTION ON DELIVERY

A. Signature
 [Signature] Agent
 Address

B. Received by (Printed Name) _____ C. Date of Delivery 6-27-08

D. Is delivery address different from item 1? Yes
 If YES, enter delivery address below: No

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)
 For delivery information visit our website at www.usps.com

OFFICIAL USE

| | | |
|---|----|------------------|
| Postage | \$ | Postmark Here |
| Certified Fee | | |
| Return Receipt Fee (Endorsement Required) | | |
| Restricted Delivery Fee (Endorsement Required) | | |
| Total Postage & Fees | \$ | |

Sent To: Tash

Street, Apt. No., or PO Box No. _____
 City, State, ZIP+4 _____

PS Form 3800, June 2002 See Reverse for Instructions

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

TASK PROPERTIES LLC
 10 ROAD 2631
 AZTEC, NM 87410

2. Article Number
 (Transfer from service label) 7006 0810 0002 3569 3222

PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-15

COMPLETE THIS SECTION ON DELIVERY

A. Signature
 [Signature] Agent
 Address

B. Received by (Printed Name) Tash Ketha C. Date of Delivery 6-28-08

D. Is delivery address different from item 1? Yes
 If YES, enter delivery address below: No

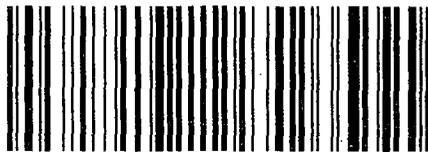
3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes



Key Energy Services, Inc.
 6 Desta Drive #4400
 Midland, TX 79705

CERTIFIED MAIL



7006 3450 0001 6917 7693



| | | | |
|--|--|---|--|
| SENDER: COMPLETE THIS SECTION | | COMPLETE THIS SECTION ON DELIVERY | |
| 1. Article Addressed to: DAB INCORPORATED P O DRAWER 38 GALLUP, NM 87301-0038 ATTN: LEBECK ALBERT O JR | | A. Signature <input type="checkbox"/> Agent <input checked="" type="checkbox"/> Addressee B. Received by (Printed Name) C. Date of Delivery D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No | |
| 2. Article Number (Transfer from service label) 7006 3450 0001 6917 7693 | | 3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D. 4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes | |
| PS Form 3811, February 2004 | | 102595-02-M-1540 | |

*100
2nd
RT*

JUN 27 P.M.
7-3
JUL 12 P.M.

Not Deliverable As Addressed
 Unable to Forward
 Insufficient Address
 Moved
 Enclaves
 After Hours Address
 No Such Person (Unknown)
 Vacant Premises
 No Mailbox Available
 Business Hours Only
 Return to Sender Address
 Postage Due

DAB INCORPORATED
 P O DRAWER 38
 GALLUP, NM 87301-0038
 ATTN: LEBECK ALBERT O JR



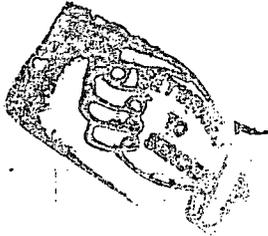
Key Energy Services, Inc.
6 Desta Drive #4400
Midland, TX 79705



7006 3450 0001 6917 7716



H PAET



~~P. M...~~
NOT MAIL

NOT PROP TAX

E-424 A

MSC: JOHN W.
FLR: MCFADDEN

UNCLAIMED

OFFICE SE-424

ENERGY RESERVES GROUP
P O BOX 3092
HOUSTON TX 77253-3092

~~████████████████████~~
DEPT

return to mail room

DM: USPS
ARR: 7006345000016917716
SK#: 07/01/2008 09/07

TO: MCFADDEN
PH: 366-3420
MSC: E-424 A
PCS: 1

JOHN W.



492.0146

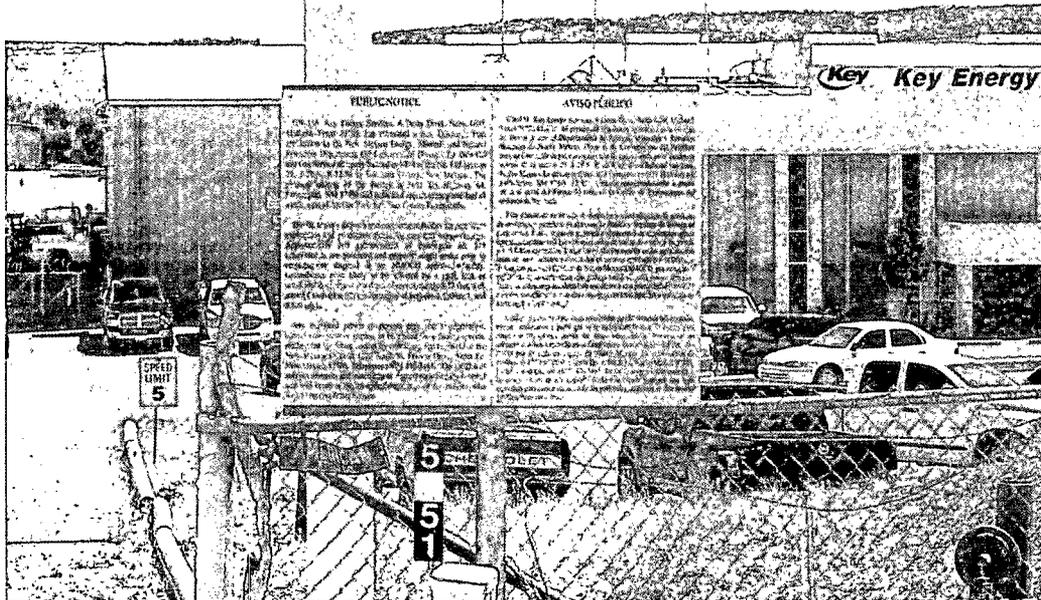


Photo of Public Notice at yard 7/1/08.

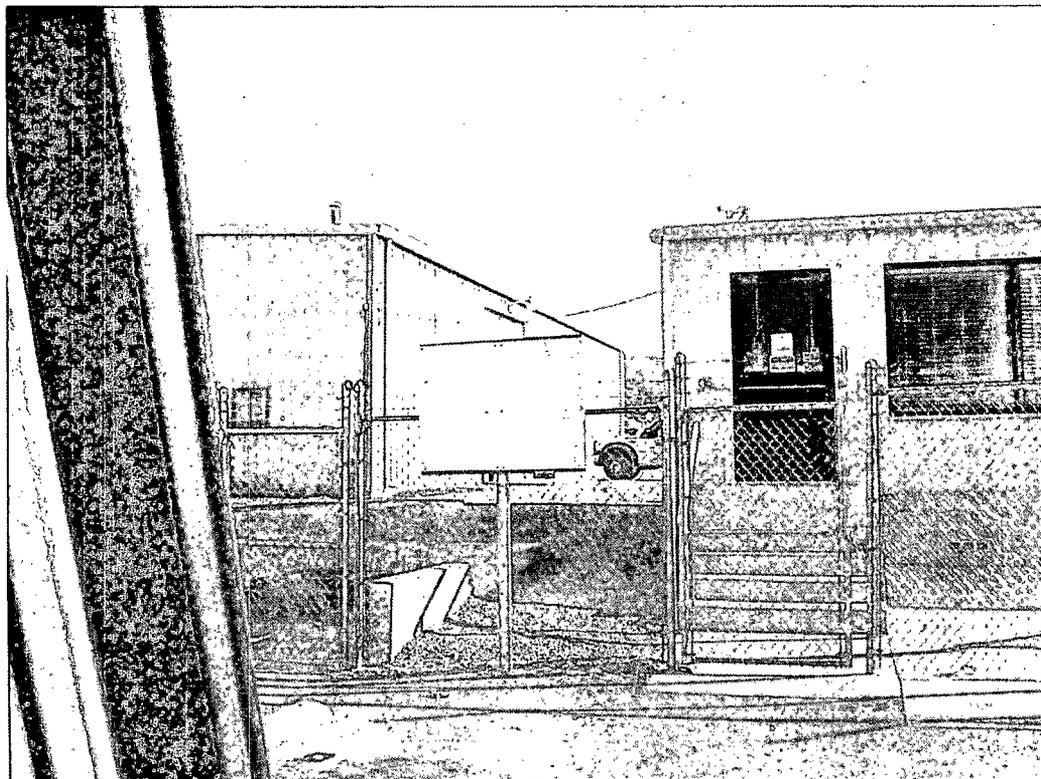


Photo of Public Notice at Thriftway 7/1/08.

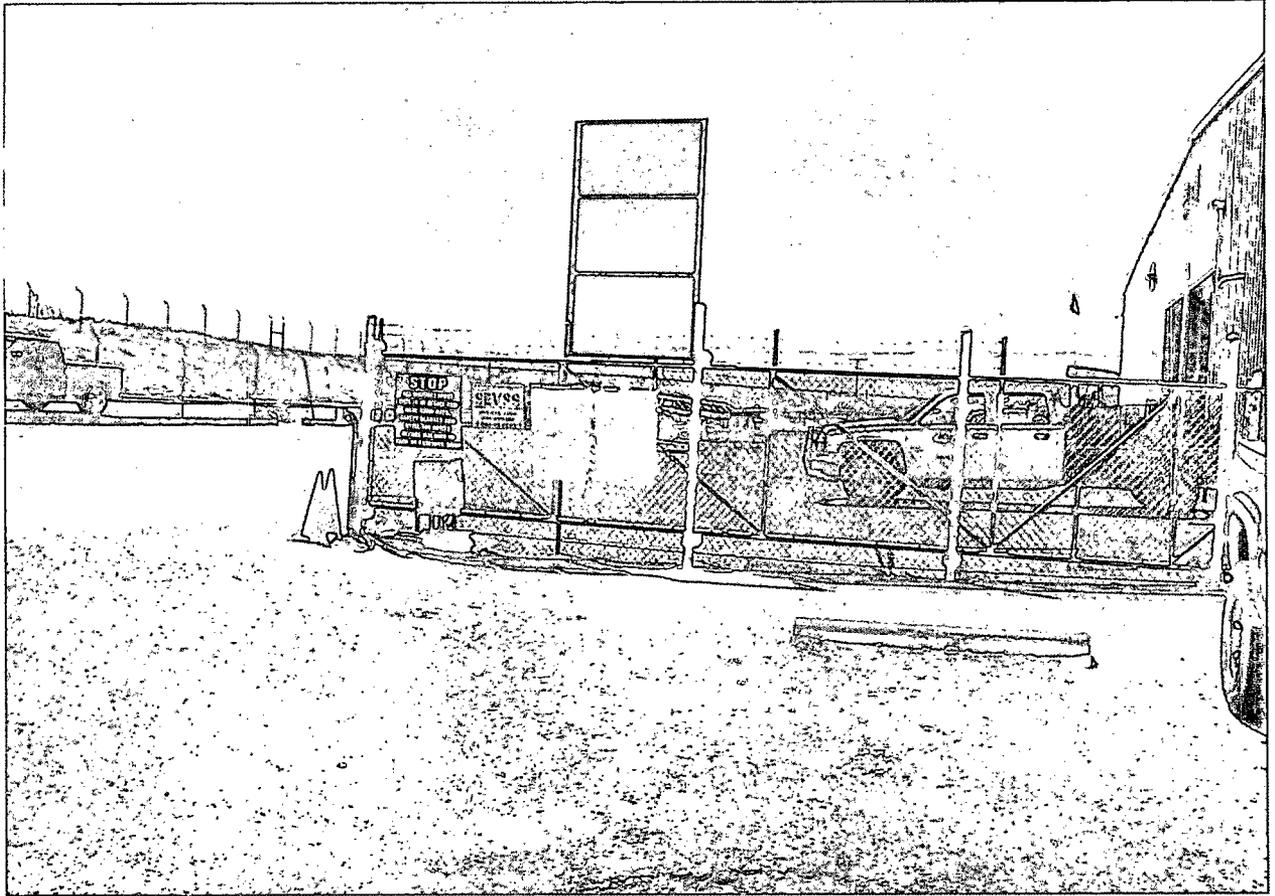


Photo of Public Notice at Yard 8/4/08

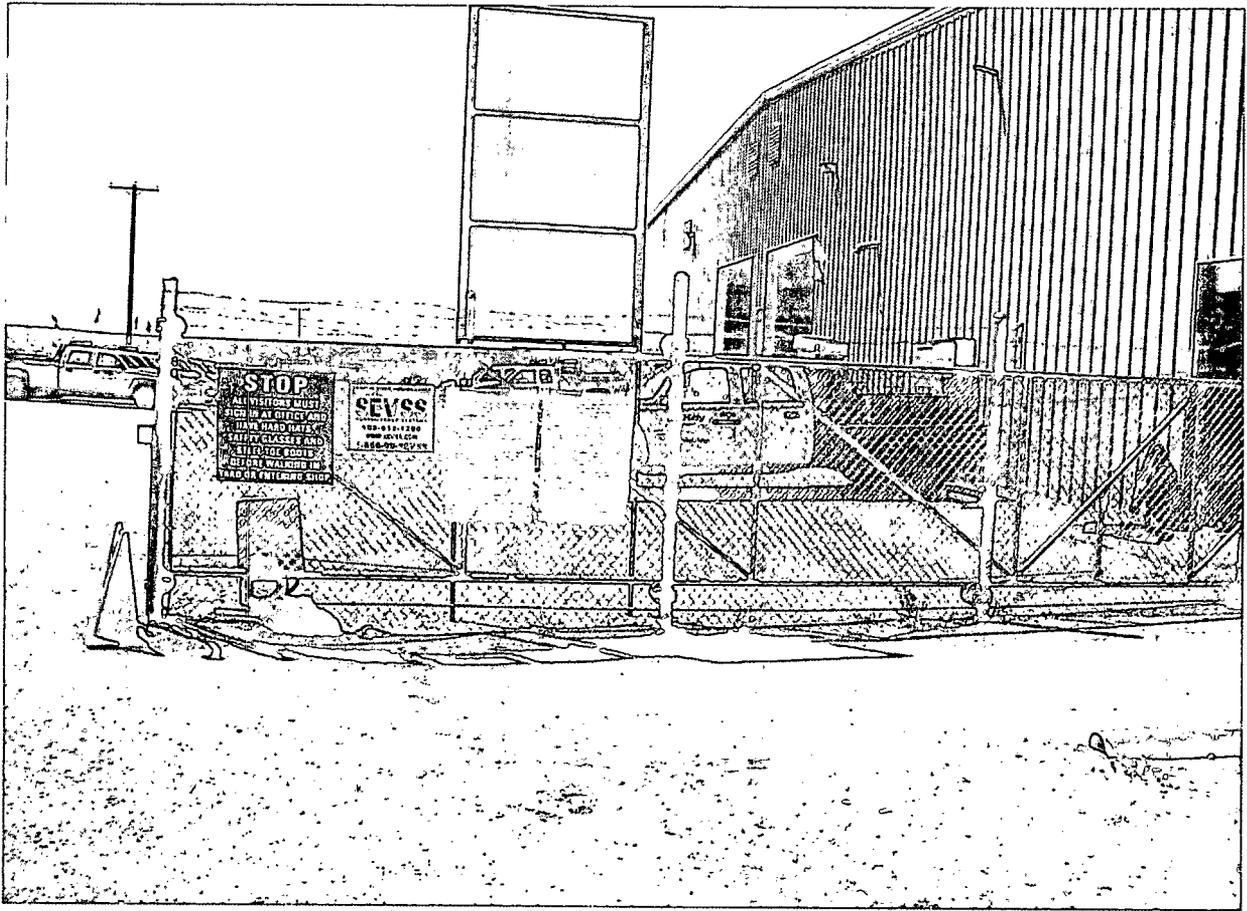
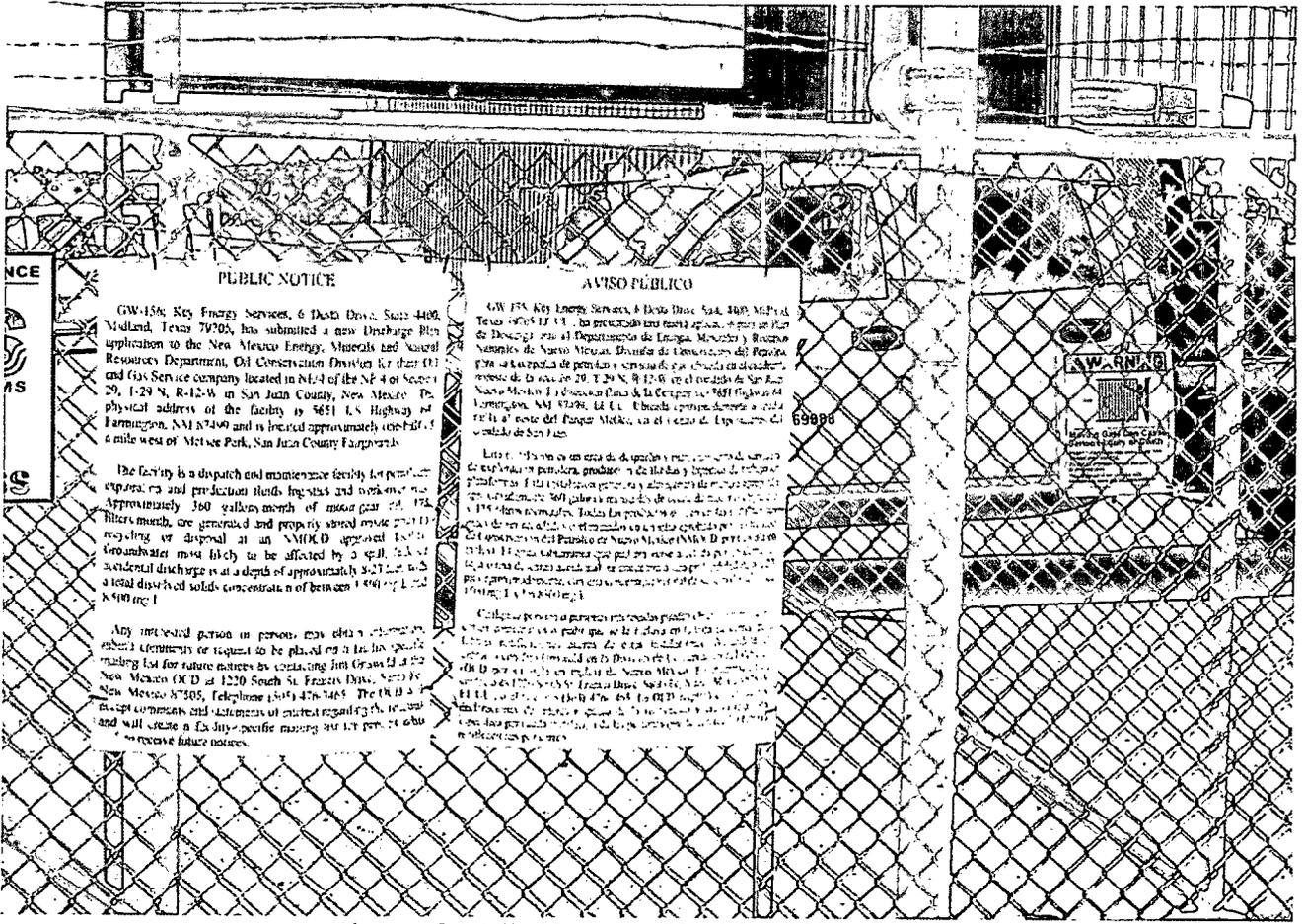


Photo of Public Notice at Yard 8/4/08



PUBLIC NOTICE

AVISO PÚBLICO

GW-156, Key Energy Services, 6 Dashi Drive, Suite 4406, Midland, Texas 79705, has submitted a new Discharge Pipe application to the New Mexico Energy, Minerals and Natural Resources Department, Oil Conservation Division for their Oil and Gas Service company located in NE 1/4 of the NE 4 of Section 29, T-29 N, R-12 W in San Juan County, New Mexico. The physical address of the facility is 5651 U.S. Highway of Farmington, NM 87401 and is located approximately one-half of a mile west of Metzger Park, San Juan County Fairgrounds.

GW-156, Key Energy Services, 6 Dashi Drive, Suite 4406, Midland, Texas 79705, ha presentado una nueva aplicación de permito de Descarga para el Departamento de Energía, Minería y Recursos Naturales de Nuevo México, División de Conservación del Petróleo para una aplicación de permito de descarga en el cuadrante NE 1/4 de la Sección 29, T-29 N, R-12 W en el Condado de San Juan, Nuevo México. El domicilio físico de la Empresa es 5651 Highway 64 Farmington, NM 87401, Ed. U.S. Ubicada aproximadamente a una milla al oeste del Parque Metzger, en el sector de Exp. Agrícola del Condado de San Juan.

The facility is a dispatch and maintenance facility for petroleum exploration and production fluids by oil and gas wells. Approximately 160 gallons/month of mixed gas oil, 175 filters/month are generated and properly stored on-site for recycling or disposal in an NMOED approved facility. Groundwater most likely to be affected by a spill, leak or accidental discharge is at a depth of approximately 302 feet with a total dissolved solids concentration of between 1,000 mg/L and 8,500 mg/L.

Esta instalación es un área de despacho y mantenimiento de servicios de exploración petrolera, producción y de fluido de yacimientos petroleros. Se estiman 160 galones/mes de gasoil y 175 filtros/mes generados y almacenados en el sitio para ser reciclados o desechados en una instalación aprobada por el NMOED. El agua subterránea que más probablemente se vea afectada en caso de un derrame, fuga o vertimiento accidental es a una profundidad de aproximadamente 302 pies con una concentración de sólidos disueltos totales entre 1,000 mg/L y 8,500 mg/L.

Any interested person or person may obtain a copy of the permit application or request to be placed on the list of specific mailing list for future notices by contacting Jim Gravel at the New Mexico OED at 1220 South St. Francis Drive, Suite 85, New Mexico 87405, telephone (805) 478-3465. The OED will accept comments and suggestions of interest regarding the permit and will create a facility-specific mailing list for permit and receive future notices.

Cualquier persona o persona que desee obtener una copia de la aplicación de permito o solicitar para ser incluido en la lista de personas que recibirán avisos de correo electrónico en el futuro puede contactar a Jim Gravel en el OED de Nuevo México en 1220 South St. Francis Drive, Suite 85, New Mexico 87405, teléfono (805) 478-3465. El OED aceptará comentarios y sugerencias de interés que se refieran al permito y creará una lista de correo electrónico específica de la instalación para recibir avisos de correo electrónico en el futuro.



Photo of Public Notice at Yard 8/4/08

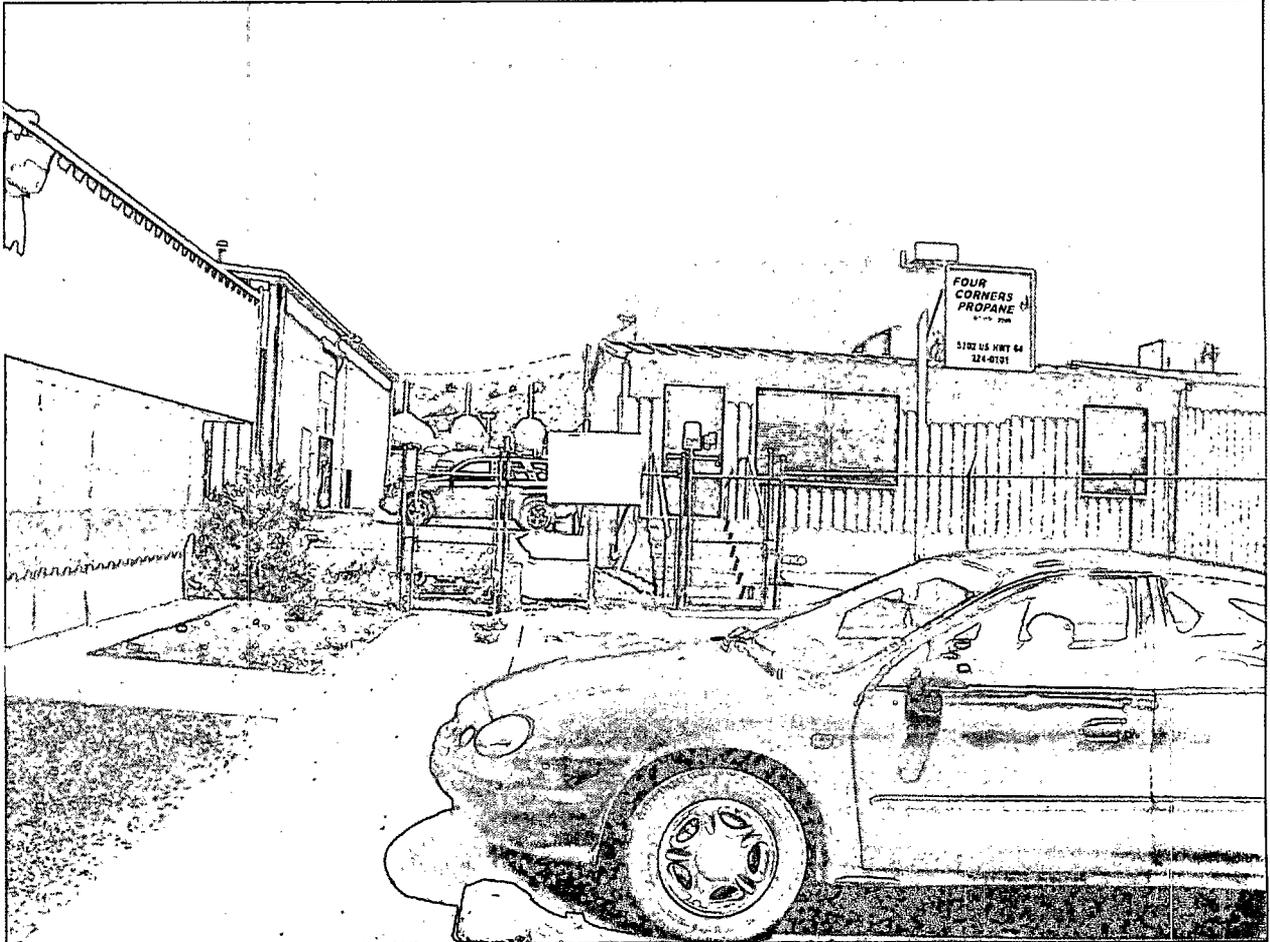


Photo of Public Notice at Thriftway 8/4/08

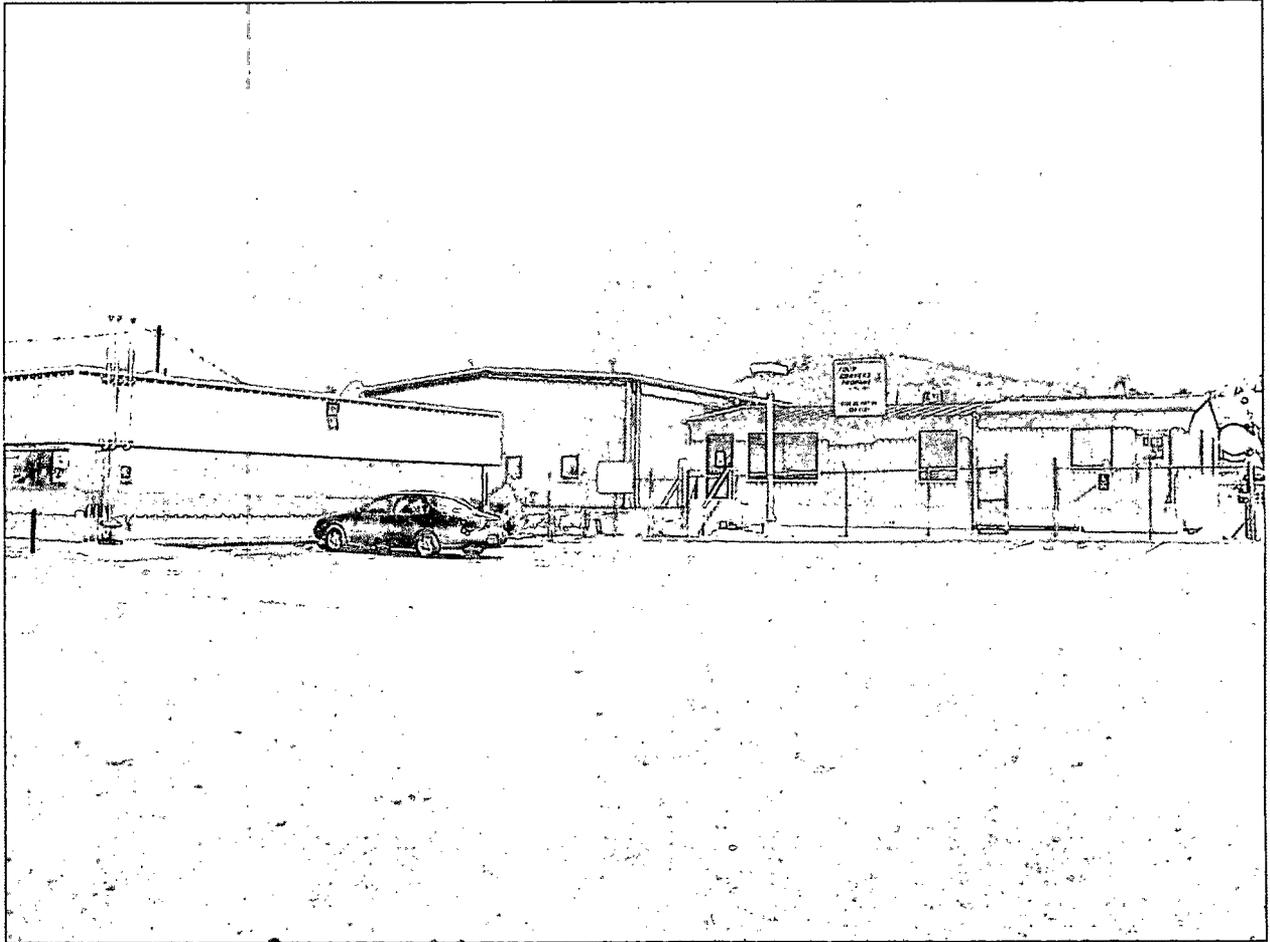


Photo of Public Notice at Thriftway 8/4/08



Photo of Public Notice at Thriftway 8/4/08

AFFIDAVIT OF PUBLICATION

Ad No. 60448

STATE OF NEW MEXICO
County of San Juan:

BOB WALLER, being duly sworn says: That he is the CLASSIFIED MANAGER of THE DAILY TIMES, a daily newspaper of general circulation published in English at Farmington, said county and state, and that the hereto attached Legal Notice was published in a regular and entire issue of the said DAILY TIMES, a daily newspaper duly qualified for the purpose within the meaning of Chapter 167 of the 1937 Session Laws of the State of New Mexico for publication and appeared in the Internet at The Daily Times web site on the following day(s):

Monday, July 21, 2008

And the cost of the publication is \$256.01

ON 7/30/08 BOB WALLER appeared before me, whom I know personally to be the person who signed the above document.

Christine Sellers

My Commission Expires 11/05/11

COPY OF PUBLICATION

NOTICE OF PUBLICATION

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

Notice is hereby given that pursuant to New Mexico Water Quality Control Commission Regulations (20.6.2.3106 NMAC), the following discharge permit application(s) has been submitted to the Director of the New Mexico Oil Conservation Division (NMOCD), 1220 S. Saint Francis Drive, Santa Fe, New Mexico 87505, Telephone (505) 476-3440:

(GW-353) Williams Four Corners, Mr. David Bays, Senior Environmental Specialist, 188 County Road 4900, Bloomfield, N.M. 87413, has submitted a renewal application for the previously approved discharge plan for their Culpepper compressor station, located in the NE/4 NE/4 of Section 1, Township 31 North, Range 13 West, NMPM, San Juan County, approximately 10.5 miles northwest of Aztec, New Mexico. The facility provides metering and compression services to various producers for the gathering of natural gas for treatment and delivery. Approximately 100-5000 gal/year/unit of waste/wash down water; 1000-4000-bbl/year of used glycol and 500-2000 gal/year/engine of used oil are generated and stored in onsite within a bermed area prior to disposal at an NMOCD approved facility. Groundwater most likely to be affected by a spill, leak or accidental discharge is at a depth of approximately 50 - 200 feet, with a total dissolved solids concentration of approximately 200 - 2000 ppm. The discharge plan addresses how oilfield products and waste will be properly handled, stored, and disposed of, including how spills, leaks, and other accidental discharges to the surface will be managed in order to protect fresh water.

(GW-97) BJ Services Company USA, 11211 FM 2920 Tomball, Texas 77375 has submitted an application for renewal of a discharge plan for their Farmington Service Facility, 3250 Southside River Road in Farmington, NM, located in Sections 13 and 14, Township 29 North, Range 13 West, NMPM (San Juan County). The facility provides oil field services including cementing, acidizing, and fracturing services at oil and gas well sites. Materials generated and/or stored at the facility include but are not limited to cement, acids, detergents, salts, biocides, solvents, used oil, scrap metal, tires, batteries, antifreeze, and wastewater in various quantities. The aquifer most likely to be affected by an accidental leak from this facility is 25 feet in depth and the total dissolved solids concentration of this aquifer is approximately 1,500 to 2,000 milligrams per liter. The nearest surface watercourse is the Animas River located approximately one mile to the northwest. The San Juan River is situated approximately 1.5 miles to the south. The discharge plan addresses how oilfield products and waste will be properly handled, stored, and disposed of, including how spills, leaks, and other accidental discharges to the surface will be managed in order to protect fresh water.

(GW-156) Key Energy Services, 6 Desto Drive, Suite 400, Midland, Texas 79705 has submitted an application for renewal of a discharge plan for their Farmington Service Facility, 5651 US Highway 64 in Farmington, NM, located in the NE 1/4 of the NE 1/4 (Unit A) of Section 29, Township 29 North, Range 12 West, NMPM (San Juan County). The facility is used for dispatch and maintenance of petroleum exploration and production equipment. Materials generated and/or stored at the facility include but are not limited to: motor and gear oils, filters, solvents, and fuels. The aquifer beneath this facility lies at a depth between 8 and 23 feet below ground surface with a concentration of total dissolved solids ranging between 1,500 to 8,500 milligrams per liter. The nearest surface water lies within the San Juan River flowing near the southern property boundary. The discharge plan addresses how oilfield products and waste will be properly handled, stored, and disposed of, including how spills, leaks, and other accidental discharges to the surface will be managed in order to protect fresh water.

The NMOCD has determined that the application is administratively complete and has prepared a draft permit. The NMOCD will accept comments and statements of interest regarding this application and will create a facility-specific mailing list for persons who wish to receive future notices. Persons interested in obtaining further information, submitting comments or requesting to be on a facility-specific mailing list for future notices may contact the Environmental Bureau Chief of the Oil Conservation Division at the address given above. The administrative completeness determination and draft permit may be viewed at the above address between 8:00 a.m. and 4:00 p.m., Monday through Friday, or may also be viewed at the NMOCD web site <http://www.emnr.state.nm.us/ocd/>. Persons interested in obtaining a copy of the application and draft permit may contact the NMOCD at the address given above. Prior to ruling on any proposed discharge permit or major modification, the Director shall allow a period of at least thirty (30) days after the date of publication of this notice, during which interested persons may submit comments or request that NMOCD hold a public hearing. Requests for a public hearing shall set forth the reasons why a hearing should be held. A hearing will be held if the Director determines that there is significant public interest.

If no public hearing is held, the Director will approve or disapprove the proposed permit based on information available, including all comments received. If a public hearing is held, the director will approve or disapprove the proposed permit based on information in the permit application and information submitted at the hearing.

Para obtener más información sobre esta solicitud en español, sírvase comunicarse por favor: New Mexico Energy, Minerals and Natural Resources Department (Depto. Del Energía, Minería y Recursos Naturales de Nuevo México), Oil Conservation Division (Depto. Conservación Del Petróleo), 1220 South St. Francis Drive, Santa Fe, New México (Contacto: Dorothy Phillips, 505-476-3461).

GIVEN under the Seal of New Mexico Oil Conservation Commission at Santa Fe, New Mexico, on this 17th day of July 2008:

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION
Mark Fesmire, Director

Legal No. 60448 published in The Daily Times, Farmington, New Mexico on Monday July 21, 2008

VED
PM 3 26

NM EMNRD Oil Conserv Div.
Jim Griswold
1220 S. St. Francis Drive
Santa Fe, NM 87505

ALTERNATE ACCOUNT: 56689
AD NUMBER: 00262050 ACCOUNT: 00002212
LEGAL NO: 85693 P.O. #: 52100-00000137
361 LINES 1 TIME(S) 314.16
AFFIDAVIT: 7.00
TAX: 25.49
TOTAL: 346.65

AFFIDAVIT OF PUBLICATION

STATE OF NEW MEXICO
COUNTY OF SANTA FE

I, L. Paquin, being first duly sworn declare and say that I am Legal Advertising Representative of THE SANTA FE NEW MEXICAN, a daily newspaper published in the English language, and having a general circulation in the Counties of Santa Fe and Los Alamos, State of New Mexico and being a newspaper duly qualified to publish legal notices and advertisements under the provisions of Chapter 167 on Session Laws of 1937; that the publication # 85693 a copy of which is hereto attached was published in said newspaper 1 day(s) between 07/23/2008 and 07/23/2008 and that the notice was published in the newspaper proper and not in any supplement; the first date of publication being on the 23rd day of July, 2008 and that the undersigned has personal knowledge of the matter and things set forth in this affidavit.

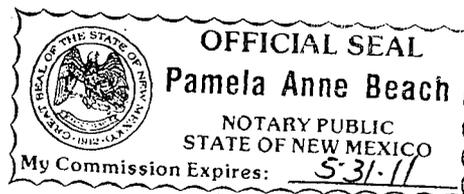
NOTICE OF PUBLICATION
STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION
Notice is hereby given that pursuant to New Mexico Water Quality Control Commission Regulations (206.2-3106, NMAC), the following discharge permit applications have been submitted to the Director of the New Mexico Oil Conservation Division (NMOC), 1220 S. Saint Francis Drive, Santa Fe, New Mexico 87505. Telephone (505) 476-3440.

/s/ L. Paquin
LEGAL ADVERTISEMENT REPRESENTATIVE

Subscribed and sworn to before me on this 23rd day of July, 2008

Notary Pamela Anne Beach

Commission Expires: May 31, 2011



(GW-97) BJ Services Company USA, 11211 FM 2920 Tomball, Texas 77375 has submitted an application for renewal of a discharge plan for their Farmington Service Facility, 3250 Southside River Road in Farmington, NM, located in Sections 13 and 14, Township 29 North, Range 13 West, NMPM (San Juan County). The facility provides oil field services including cementing, acidizing, and fracturing services at oil and gas well sites. Materials generated and/or stored at the facility include but are not limited to cement, acids, detergents, salts, biocides, solvents, used oil, scrap metal, tires, batteries, anti-freeze, and wastewater in various quantities. The aquifer most likely to be affected by an accidental leak from this facility is 25 feet in depth and the total dissolved solids concentration of this aquifer is approximately 1,500 to 2,000 milligrams per liter. The nearest surface watercourse is the Animas River located approximately one mile to the northwest. The San Juan River is situated approximately 1.5 miles to the south. The discharge plan addresses how oil field products and waste will be properly handled, stored, and disposed of, including how spills, leaks, and other accidental discharges to the surface will be managed in order to protect fresh water.

(GW-156) Key Energy Services, 6 Desta Drive, Suite 400, Midland, Texas 79705 has submitted an application for renewal of a discharge plan for their Farmington Service Facility, 5651 US Highway 64 in Farmington, NM, located in the NE 1/4 of the NE 1/4 (Unit A) of Section 29, Township 29 North, Range 12 West, NMPM (San Juan County). The facility is used for dispatch and maintenance of petroleum exploration and production equipment. Materials generated and/or stored at the facility include but are not limited to: motor and gear oils, filters, solvents, and fuels. The aquifer beneath this facility lies at a depth between 8 and 23 feet below ground surface with a concentration of total dissolved solids ranging between 1,500 to 8,500 milligrams per liter. The nearest surface water lies within the San Juan River flowing near the southern property boundary. The discharge plan addresses how oilfield products and waste will be properly handled, stored, and disposed of, including how spills, leaks, and other accidental discharges to the surface will be managed in order to protect fresh water.

(GW-294) Plains Pipeline LP, 333 Clay

Street, Suite 1600, Houston, Texas 77210-4648 has submitted an application for renewal of a discharge plan for their Townsend Remediation Site located within Unit P of Section 11, Township 16 South, Range 35 East approximately two miles southwest of Lovington, New Mexico (Lea County) south of Highway 82. An uncontrolled release of crude oil from a ruptured pipeline occurred at the site in 1997. At present, approximately 400 gallons of recovered crude oil and 250 gallons of contaminated groundwater are brought to the surface on an annual basis. The discharge plan addresses the manner in which these materials are properly handled, temporarily stored on-site, and properly disposed off-site, including how spills, leaks, and other accidental discharges to the surface will be managed. Groundwater in the area is at a depth of approximately 50 feet below ground surface with a concentration of total dissolved solids between 500 and 2,000 milligrams per liter.

(GW-379) El Paso Natural Gas Company, 3300 North A Street, Building 2 Suite 200, Midland, Texas 79705 has submitted an application for a new discharge plan for their planned Eunice C Compressor Station, near Oil Center, NM, located in the SE 1/4 of the NW 1/4 of Section 5, Township 21 South, Range 36 East, NMPM (Lea County). The facility will be used for the compression of pipeline quality natural gas. Materials generated and/or stored at the facility include but may not be limited to: new and used lubricating oils, coolant water, filters, paints, detergents, and cleaning supplies. The aquifer beneath this facility lies at a depth of 160 feet below ground surface with a concentration of total dissolved solids ranging between 707 to 4,230 milligrams per liter. The discharge plan addresses how oilfield products and waste will be properly handled, stored, and disposed of, including how spills, leaks, and other accidental discharges to the surface will be managed in order to protect fresh water.

The NMOCD has determined that these applications are administratively complete and has prepared draft permits for each facility. The NMOCD will accept comments and statements of interest regarding these applications and will create facility-specific mailing lists for persons who wish to receive future notices. Persons interested in obtaining further information, submitting comments or requesting to be on a facility-specific mailing list for future notices may contact the Environmental Bureau Chief of the Oil Conservation Division at the address given above. The administrative completeness determinations and draft permits may be viewed at the above address between 8:00 a.m. and 4:00 p.m., Monday through Friday, or may also be viewed at the NMOCD web site <http://www.emnrd.state.nm.us/ocd/>. Persons interested in obtaining a copy of the applications and draft permits may contact the NMOCD at the address given above. Prior to ruling on any proposed discharge permit or major modification, the Director shall allow a period of at least thirty (30) days after the date of publication of this notice, during which interested persons may submit comments or request that NMOCD hold a public hearing. Requests for a public hearing shall set forth the reasons why a hearing should be held. A hearing will be held if the Director determines that there is significant public interest.

If no public hearings are held, the Director will approve or disapprove the proposed permits based on information available, including all comments received. If individual public hearings are held, the director will approve or disapprove the proposed permits based on information in the permit application and information submitted at those hearings.

Para obtener más información sobre esta solicitud en español, sírvase comunicarse por favor: New Mexico Energy, Minerals and Natural Resources Department (Depto. Del Energía, Minerals y Recursos Naturales de Nuevo México), Oil Conservation Division (Depto. Conservación Del Petróleo), 1220 South St. Francis Drive, Santa Fe, New Mexico (Contacto: Dorothy Phillips, 505-476-3461).

GIVEN under the Seal of New Mexico Oil Conservation Commission at Santa Fe, New Mexico, on this 17th day of July 2008.

STATE OF NEW MEXICO
OIL CONSERVATION
DIVISION

SEAL
Mark Fesmire,
Director
Legal No. 85693
Pub. July 23, 2008



New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson

Governor
Joanna Prukop
Cabinet Secretary
Reese Fullerton
Deputy Cabinet Secretary

Mark Fesmire
Director
Oil Conservation Division



June 9, 2008

Mr. Ted Philley
Corporate Environmental Specialist II
Key Energy Services
6 Desta Drive, Suite 400
Midland, Texas 79705

Re: Application for Renewal of Discharge Permit GW-156

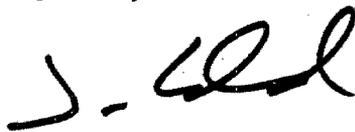
Mr. Philley:

The Oil Conservation Division (OCD) previously received Key Energy Services' application dated May 21, 2008 to renew discharge permit GW-156 for the service facility located at 5651 US Highway 64 within Unit A of Section 29 of Township 29 North, Range 12 West, NMPM, in Farmington, New Mexico. The initial submittal along with the revisions submitted in your letter of June 4, 2008 has provided the required information in order to deem the application "administratively complete".

Therefore, the New Mexico Water Quality Control Commission (WQCC) regulations public notice requirements of 20.6.2.3108 NMAC must be satisfied and demonstrated to the OCD. The OCD will provide public notice pursuant to the WQCC notice requirements of 20.6.2.3108 NMAC to determine if there is any public interest.

If there are any questions regarding this matter, please do not hesitate to contact me at (505) 476-3465 or by email at jim.griswold@state.nm.us. Please refer to permit GW-156 in all future communication. On behalf of the OCD, I wish to thank you and your staff for your continued cooperation during the review process.

Respectfully,



Jim Griswold
Hydrologist

JG/jg

cc: OCD District III Office, Aztec





Key Energy Services

6 Desta Drive
Suite 4400
Midland, Texas 79705

Telephone: 432.571.7141

Facsimile: 432.571.7173

www.keyenergy.com

RECEIVED

2008 JUN 5 PM 1 53

June 4, 2008

Mr. Jim Griswold
New Mexico Oil Conservation District
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

VIA OVERNIGHT MAIL

Re: Key Energy Services Yard in ^{Farmington} ~~Eunice, Lea County~~, New Mexico GW-156

Dear Mr. Griswold:

Enclosed please find the requested information for the *Discharge Plan Application For Service Companies, Gas Plants, Refineries, Compressor, Geothermal Facilities And Crude Oil Pump Stations* for the Key Energy Services, Inc. (Key) Farmington Rig and Truck Yard. The facility is located in the NE/4 of the NE/4 of Section 29, T-29-N, R-12-W in San Juan County at 5651 US Highway 64, Farmington, NM 87499.

If you have any questions, please call me at (432) 571-7141 or email me at tphilley@keyenergy.com.

Yours truly,

Key Energy Services, Inc.

Edward D. "Ted" Philley
Corporate Environmental Specialist II

Attachments

cc: File

ATTACHMENTS

ADDITIONAL GEOLOGICAL/HYDROLOGICAL INFORMATION

Requested additional Geological/Hydrological Information:

12b. The nearest surface water is the San Juan River and is the southern property boundary. The nearest water well exceeds one mile in distance. The AVERAGE DEPTH OF WATER REPORT 05/27/2008 from the *New Mexico Office of the State Engineer* website for the San Juan Basin Township 29 North, Range 12 West, Section 29 average of 19 wells depth-to-water is 8-feet Below Ground Surface (BGS). A portion of the site is located on a 15-foot tall sandstone escarpment, giving the site an estimated depth-to-water of 8-feet to 23-feet BGS. Total Dissolved Solids (TDS) is estimated to be between 1,500 mg/L and 8,500 mg/L.

DRAFT PUBLIC NOTICE

(DRAFT)
PUBLIC NOTICE

GW-156: Key Energy Services, 6 Desta Drive, Suite 4400, Midland, Texas 79705, has submitted a new Discharge Plan application to the New Mexico Energy, Minerals and Natural Resources Department, Oil Conservation Division for their Oil and Gas Service company located in NE/4 of the NE/4 of Section 29, T-29-N, R-12-W in San Juan County, New Mexico. The physical address of the facility is 5651 US Highway 64, Farmington, NM 87499 and is located approximately one-half of a mile west of McGee Park, San Juan County Fairgrounds.

The facility is a dispatch and maintenance facility for petroleum exploration and production fluids logistics and work-over rigs. Approximately 360 gallons/month of motor/gear oil, 175 filters/month, are generated and properly stored onsite prior to recycling or disposal at an NMOCD approved facility. Groundwater most likely to be affected by a spill, leak or accidental discharge is at a depth of approximately 8-23 feet, with a total dissolved solids concentration of between 1,500 mg/L and 8,500 mg/L.

Any interested person or persons may obtain information, submit comments or request to be placed on a facility-specific mailing list for future notices by contacting Jim Griswold at the New Mexico OCD at 1220 South St. Francis Drive, Santa Fe, New Mexico 87505, Telephone (505) 476-3465. The OCD will accept comments and statements of interest regarding the renewal and will create a facility-specific mailing list for persons who wish to receive future notices.

Griswold, Jim, EMNRD

From: Griswold, Jim, EMNRD
Sent: Friday, May 23, 2008 4:31 PM
To: 'tphilley@keyenergy.com'
Subject: Discharge Plan GW-156 Renewal

Mr. Philley,

I received your application this morning for renewal of Discharge Permit GW-156 for your service facility in Farmington. The first milestone in the process is determining if the application is "administratively complete". The criteria for the determination are detailed in WQCC Regulations 20.6.2.3108 NMAC. The OCD has determined the application is not administratively complete. I need additional information/clarification from Plains on or before Friday, June 6th.

- Key Energy must provide the depth to groundwater beneath the facility and the concentration of total dissolved solids (TDS) contained in the local groundwater.
- Key Energy must also provide a draft of your intended public notice and the newspaper in which you intend to publish same.

Also, on the application form you apparently checked the "New" application box rather than "Renewal".

Please make every effort to include the permit number (GW-156) in all communications with OCD as this is the method by which we track the large number of permits we oversee. I will continue to review all other information made available to the OCD along with the 5/8/08 Inspection Report prepared by Leonard Lowe with the hopeful outcome of permit renewal as soon as possible. Thank you for your efforts in this regard, and please feel free to contact me at any time with questions or comments.

Jim Griswold
Hydrologist
Environmental Bureau
ENMRD/Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505
direct: 505.476.3465
email: jim.griswold@state.nm.us



Key Energy Services
6 Desta Drive
Suite 4400
Midland, Texas 79705

Telephone: 432.571.7141
Facsimile: 432.571.7173
www.keyenergy.com

May 21, 2008

Mr. Jim Griswold
New Mexico Oil Conservation District
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Re: Key Energy Services Yard in ^{Farmington} Eunice, Lea County, New Mexico GW-15C

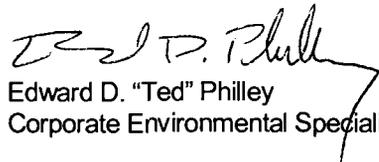
Dear Mr. Griswold:

Enclosed please find the *Discharge Plan Application For Service Companies, Gas Plants, Refineries, Compressor, Geothermal Facilities And Crude Oil Pump Stations* for the Key Energy Services, Inc. (Key) Farmington Rig and Truck Yard. The facility is located in the NE/4 of the NE/4 of section 29, T-29-S, R-12-W in San Juan County (FIGURE 1). The Farmington Rig and Truck Yard's Latitude and Longitude N 36° 42.2' and W 108° 6.8'. A check for \$100.00 is also enclosed for the filing fee.

If you have any questions, please call me at (432) 571-7141 or email me at tphilley@keyenergy.com.

Yours truly,

Key Energy Services, Inc.


Edward D. "Ted" Philley
Corporate Environmental Specialist II

Discharge Plan Application
Attachments

cc: File

2008 MAY 23 AM 10:14
RECEIVED

ACKNOWLEDGEMENT OF RECEIPT
OF CHECK/CASH

I hereby acknowledge receipt of check No. dated 5/15/08

or cash received on in the amount of \$ 100⁰⁰

from Key Energy Services Inc

for GW-156

Submitted by: LAWRENCE ROJAS Date: 6/4/08

Submitted to ASD by: LAWRENCE ROJAS Date: 6/4/08

Received in ASD by: Date:

Filing Fee New Facility Renewal

Modification Other

Organization Code 521.07 Applicable FY 2004

To be deposited in the Water Quality Management Fund.

Full Payment or Annual Increment

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Revised June 10, 2003

Submit Original
Plus 1 Copy
to Santa Fe
1 Copy to Appropriate
District Office

**DISCHARGE PLAN APPLICATION FOR SERVICE COMPANIES, GAS PLANTS,
REFINERIES, COMPRESSOR, GEOTHERMAL FACILITIES
AND CRUDE OIL PUMP STATIONS**

(Refer to the OCD Guidelines for assistance in completing the application)

New Renewal Modification

1. Type: Service Company

2. Operator: Key Energy Services, LLC

Address: 5651 US Highway 64: PO Pox 900, Farmington, NM 87499

Contact Person: Wes Herrera or Ray Fuller Phone: (505) 327-4935

3. Location: NE /4 NE /4 Section 29 Township 29N Range 12W

Submit large scale topographic map showing exact location.

4. Attach the name, telephone number and address of the landowner of the facility site.

5. Attach the description of the facility with a diagram indicating location of fences, pits, dikes and tanks on the facility.

6. Attach a description of all materials stored or used at the facility.

7. Attach a description of present sources of effluent and waste solids. Average quality and daily volume of wastewater must be included.

8. Attach a description of current liquid and solid waste collection/treatment/disposal procedures.

9. Attach a description of proposed modifications to existing collection/treatment/disposal systems.

10. Attach a routine inspection and maintenance plan to ensure permit compliance.

11. Attach a contingency plan for reporting and clean-up of spills or releases.

12. Attach geological/hydrological information for the facility. Depth to and quality of ground water must be included.

13. Attach a facility closure plan, and other information as is necessary to demonstrate compliance with any other OCD rules, regulations and/or orders.

14. CERTIFICATION I hereby certify that the information submitted with this application is true and correct to the best of my knowledge and belief.

Name: Edward (Ted) Philley

Title: Environmental Specialist II

Signature: [Handwritten Signature]

Date: 5/21/08

E-mail Address: T.Philley@keyenergy.com

RECEIVED
2008 MAY 23 AM 10:14

Attachments for Discharge Plan Application

Key Energy Services
5651 US Hwy 64
Farmington, New Mexico 87401

3) Location:

The facility is located in the NE/4 of the NE/4 of section 29, T-29-S, R-12-W in San Juan County. Site coordinates are N 36° 42.2', W 108° 6.8'. The location is identified on the Horn Canyon USGS Quadrangle attached as FIGURE 1.

4) Landowner of the Facility Site:

Key Energy Services, LLC.
6 Desta Drive, Suite 4400
Midland, Texas 79705

5) Facility Description and Diagram:

The Facility is a dispatch and maintenance facility for petroleum exploration and production fluids logistics and well servicing rigs. A facility diagram is attached as FIGURE 2.

6) Description of Stored and Used Materials:

See APPENDIX A

7) Sources and Estimated Quantities of Effluent and Waste Solids:

- a. Motor and gear oil: 250 gallons / month (motor) & 110 gallons / month (gear)
- b. Used oil filters: 175 filters / month
- c. Wastewater collected from the shop wash bays are collected Key trucks and disposed in a OCD permitted class 1 disposal well.

8) Description of Current Liquid and Solid Waste Collection/Treatment/Disposal:

- a. Motor and gear oil: Used oil is stored in a tank and removed by Safety-Kleen under manifest for recycling.
- b. Used oil filters: Safety-Kleen transports and disposes of collected filters.
- c. Safety-Kleen parts washer solvent: Safety-Kleen recycles solvent from the parts washers.
- d. Lubricants and antifreeze in 55-gallon drums are reclaimed by their respective vendors for recycling. Other drums are drained to RCRA empty and disposed of by Waste Management

Attachments for Discharge Plan Application (continued)

**Key Energy Services
5651 US Hwy 64
Farmington, New Mexico 87401**

9) Proposed Modifications to Liquid and Solid Waste Collection/Treatment/Disposal:

At this time, there are no proposed modifications.

10) Routine Inspection and Maintenance Plan:

Quarterly inspections are performed by a supervisor and documented deficiencies/violations are kept on file. A copy of the most recent quarterly inspection is provided as Appendix B. Spills and releases at the facility will be reported to the OCD, as required.

11) Contingency Plan for Reporting and Clean-up of Spills:

Key SPCC and SW3P (APPENDIX C).

12) Geological/Hydrological Information:

a. A review of the Geologic Map of New Mexico, New Mexico Bureau of Geology and Mineral Resources, 2003, Scale 1:500,000, ISBN: 1-883905-16-8, indicates the Site is in Map unit Qa. Qa is alluvium (Holocene to upper Pleistocene).

b. The nearest surface water is the San Juan river and is the southern property boundary. The nearest water well exceeds one mile in distance.

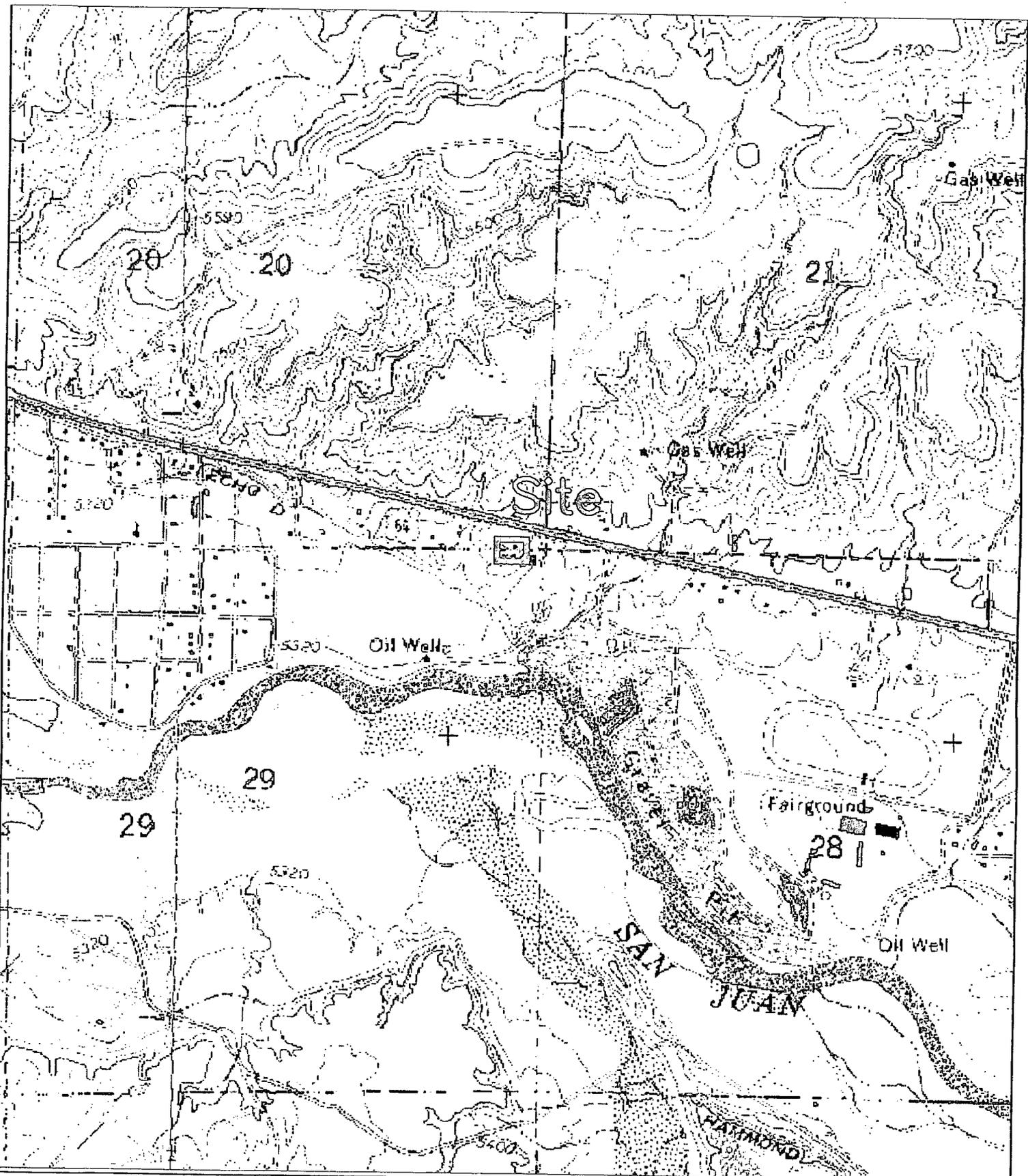
13) Closure Plan and Other OCD Compliance Information:

When the facility is to be closed, Key Energy Services will remove equipment, assess the site and perform any necessary cleanup pursuant to an OCD approved workplan.

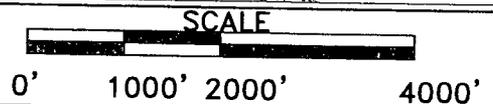
ATTACHMENTS

FIGURES

FIGURE 1



SITE MAP: HORN CANYON, NEW MEXICO USGS QUADRANGLE



612 E. MURRAY DR. PH. (505) 325-6687
 FARMINGTON, NM 87401 FAX (505) 327-1498

| | |
|---------------|---------------|
| APPROVED: | DATE: |
| DRAWN BY: SLH | DATE: 4/26/06 |
| REVISIONS BY: | DATE: |
| PROJECT | FIGURE: 1 |

VICINITY MAP
 KEY ENERGY
 FACILITY

5651 U.S. HIGHWAY 64
 FARMINGTON, NEW MEXICO

FIGURE 2

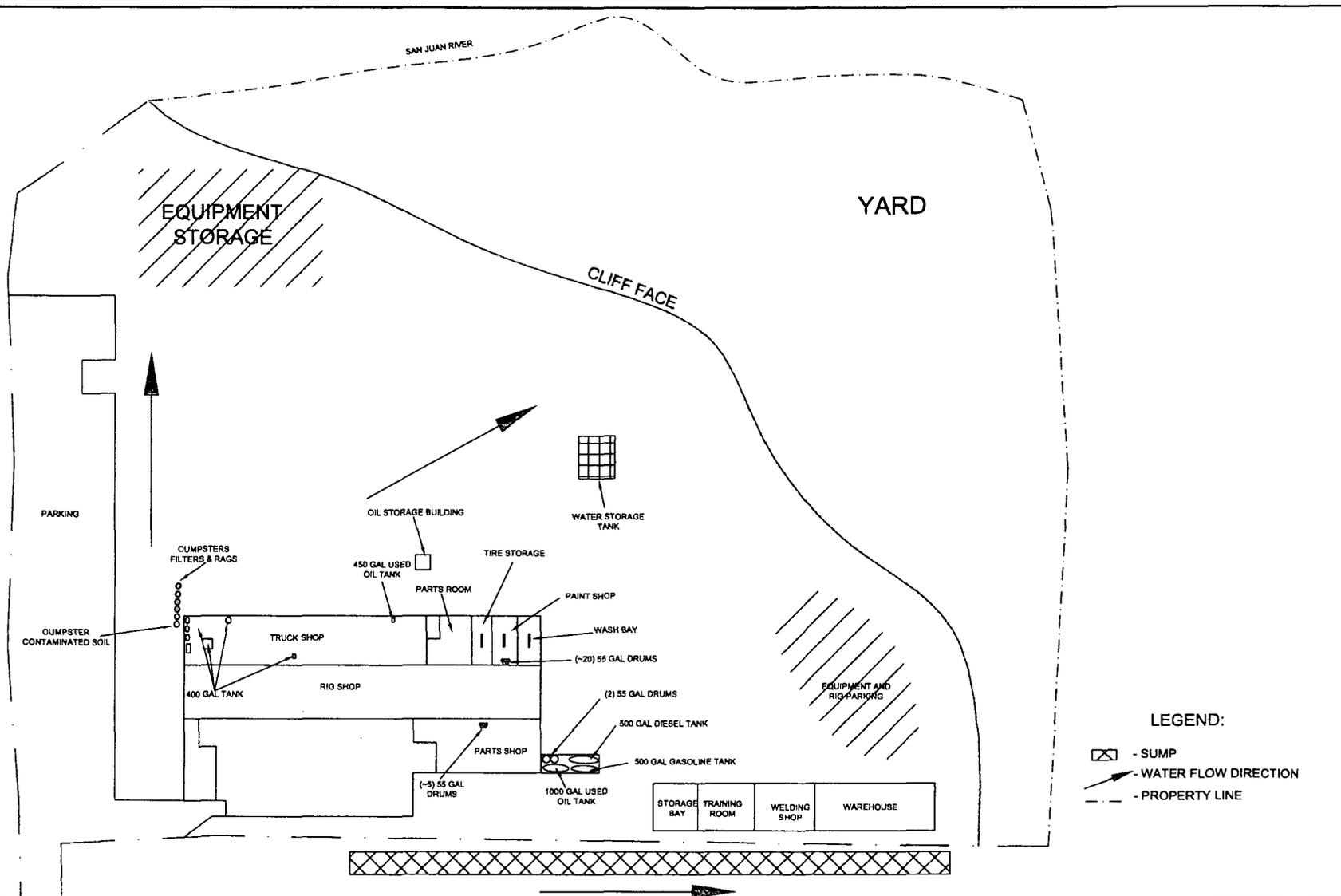


SAN JUAN RIVER

EQUIPMENT STORAGE

YARD

CLIFF FACE



LEGEND:

- SUMP
- WATER FLOW DIRECTION
- PROPERTY LINE

USTIKeyEnergy/Discharge Plan



612 E. MURRAY DR.
 FARMINGTON, NM 87401
 PH. (505) 325-6667
 FAX (505) 327-1496

APPROVED: RSA DATE: 4/18/06
 REVISIONS BY: DATE:
 DRAWN BY: TLONG DATE: 4/18/06

KEY ENERGY SERVICES

FARMINGTON, NEW MEXICO

SITE MAP

PROJECT NO: 5115935

FIGURE: 1

APPENDICES

APPENDIX A

Key Energy Services
 5651 US Hwy 64
 Farmington, NM 87401

Materials Stored and Used at Facility

| General Makeup or Specific Brand Name | Solids (S) or Liquids (L) | Type of Container | Estimated Volume Stored | Location |
|---------------------------------------|---------------------------|-------------------|-------------------------|--------------------------------|
| Conoco Super Sta Grease | S | Drum | 70 lbs | Shop |
| Conoco ASMO 10-40 wt. | L | Drum | 15 gal | Shop |
| Conoco Anti-freeze | L | Drum | 2750 gal | Shop |
| Fleet Supreme 15w40 Oil | L | Drum | 200 gal | Shop |
| 10w40 | L | Can | 15 gal | Shop |
| 30wt | L | Drum | 50 gal | Shop |
| C3 | L | Drum | 50 gal | Shop |
| Hyd. 46 | L | Drum | 50 gal | Shop |
| 80w90 | L | Drum | 50 gal | Shop |
| Methanol | L | Drum | 50 gal | Shop |
| Diesel | L | AST | 500 gal | Concrete Secondary Containment |
| Used oil | L | AST | 1000 gal | Concrete Secondary Containment |
| Gasoline | L | AST | 500 gal | Concrete Secondary Containment |

APPENDIX B



QUARTERLY ENVIRONMENTAL AUDIT

Division 100
Yard 456
Audit Team Members
Taylor McClain

Date 3/14/08
Manager Wes Herrera
Position
HSE

1. Facility Inspection

A. Housekeeping

Inspect each of the following areas for housekeeping practices. Rate each area as Acceptable (A), Needs Improvement (N) or Not Applicable (N/A). Comment on any problem areas.

1. Shop A N N/A
Comments _____

2. Parts Storage Room A N N/A
Comments _____

3. Used Parts A N N/A
Comments _____

4. Wash Rack A N N/A
Comments _____

5. Fuel Island A N N/A
Comments _____

6. Waste A N N/A
Comments _____

7. Rig A N N/A
Comments _____

8. Equipment A N N/A
Comments _____

9. SWD Well A N N/A
Comments _____

| | |
|-------|--|
| Yard: | |
| Date: | |

10. SWD A N N/A
Comments _____

11. Other Comments or Notes _____

B. Fuel Storage Not applicable for this facility

1. Describe any bulk fuel storage containers present at the facility. Note the product (gasoline, diesel, etc.), capacity, type of tank (above ground or underground) and the physical condition.

| Product | Capacity (Gal.) | Type of Tank | Physical Condition |
|----------|-----------------|--|--------------------|
| Propane | 6000gal | <input checked="" type="checkbox"/> AST <input type="checkbox"/> UST | Good |
| Diesel | 500gal | <input checked="" type="checkbox"/> AST <input type="checkbox"/> UST | Good |
| Gasoline | 500gal | <input checked="" type="checkbox"/> AST <input type="checkbox"/> UST | Good |
| _____ | _____ | <input type="checkbox"/> AST <input type="checkbox"/> UST | _____ |

2. Are fuel tanks equipped with Stage II and/or Stage III vapor recovery equipment?
 None Stage II Stage III N/A

3. Are all fuel containers clearly labeled with the following signs?

a. Content labels Yes No

b. NFPA Hazard Yes No

c. "No Smoking" Yes No

4. Are fuel tanks equipped with locking filler caps? Yes No
If no, are the fuel pumps equipped with any other means of securing access? Yes No
If yes, describe _____

5. Are the fuel pumps equipped with a remotely located emergency shutoff switch? Yes No
If yes, where is this located? _____

6. Are the fuel hoses equipped with quick release couplings? Yes No

Diesel Tank does not have quick release

7. Are bulk oil tanks located within secondary containment structures large enough to contain 110% of the largest tank? Yes No N/A

8. How is rainwater removed from secondary containment areas? Vac Truck
If valves are used, are they locked in the closed position? Yes No N/A

9. Inspect the tanks, pumps, lines, hoses, and secondary containment for signs of wear and/or deterioration.
Comments _____

10. Is there evidence of spills and/or leaks around the fuel storage area?

| | |
|-------|--|
| Yard: | |
| Date: | |

Yes No

If yes, what is the probable cause of the release? Has the problem been corrected?
How? Describe the impacted area (location, size, etc.) _____

11. Are fire extinguishers located within 75 feet of all fuel storage areas? Yes No
Comments _____
12. Other Comments or Notes _____

C. Oil Storage Not applicable for this facility

1. How are motor oil, hydraulic fluid, skim oil, and other petroleum liquids stored?
Check all that apply.

Qt./Gal./5 Gal. Containers 55 Gal. Drums Bulk Tanks Other _____

2. Are oil containers clearly labeled with the following signs?

a. Drums

- (1) Contents label Yes No N/A
 (2) NFPA Hazard Identification Yes No N/A
 (3) "No Smoking" Yes No N/A

b. Bulk Tanks

- (1) Contents label Yes No N/A
 (2) NFPA Hazard Identification Yes No N/A
 (3) "No Smoking" Yes No N/A

c. Skim Oil Storage Tanks

- (1) Contents label Yes No N/A
 (2) NFPA Hazard Identification Yes No N/A
 (3) "No Smoking" Yes No N/A

3. Are oil containers located within secondary containment structures large enough to contain 110% of the largest container?

a. Drums *Parts Room Near Door* Yes No N/A

b. Bulk Tanks Yes No N/A

c. Skim oil Tanks Yes No N/A

4. How is rainwater removed from secondary containment areas? *stored inside*
If valves are used are they locked in the closed position? Yes No N/A

5. Inspect the tanks, drums, lines, hoses, and secondary containment for signs of wear and/or deterioration.

Comments *OK*

6. Is there evidence of spills and/or leaks around oil storage areas? Yes No

If yes, what is the probable cause of the release? Has the problem been corrected?
How? Describe the impacted area (location, size, etc.) _____

7. Other Comments or Notes _____

| | |
|-------|--|
| Yard: | |
| Date: | |

D. Painting Not applicable for this facility

1. Is painting of equipment conducted at the yard? Yes No
 If yes how often? Seldom
 If yes, what type of equipment is painted? Hand tools
 How is paint applied (spray, brush, etc.) Brush & Spray paint

2. Is painting of equipment conducted off site? Yes No
 If yes, what type of equipment is painted? Where is the work performed?
 By whom? Z-Classics

3. Is paint and/or solvent stored on the premises? Yes No
 If yes, is the paint/solvent stored in a well ventilated, fire resistant building separate from other structures? Yes No N/A
 Describe the paint storage area fire proof locker

4. Is the paint inventory kept to a minimum considering the painting workload? Yes No

5. Is painting conducted in a designated area? Yes No
 - a. Describe the areas used for painting Rig Pad
 - b. What BMPs are used to control overspray? Small Quantities

6. Can overspray from the painting operation leave the specified area? Yes No N/A

7. Is the washrack used as a painting area? Yes, No N/A

8. Other Comments or Notes _____

E. Sandblasting Not applicable for this facility

1. Is sandblasting of equipment conducted at the yard? Yes No
 If yes how often? _____
 If yes, what type of equipment is sandblasted? _____

2. Is sandblasting of equipment conducted off site? Yes No
 If yes, what type of equipment is sandblasted? Where is the work performed?
 By whom? _____

3. Is sandblasting conducted in a designated area? Yes No N/A
 - a. Describe the areas used for sandblasting _____
 - b. What BMPs are used to control sandblast media and waste? _____

4. Can overspray from the sandblasting operation leave the specified area? Yes No N/A

5. How is spent sandblast grit handled? _____

| | |
|-------|--|
| Yard: | |
| Date: | |

6. Other Comments or Notes _____

F. Chemicals Not applicable for this facility

1. Prepare a list of the chemicals being stored at the facility (ex. antifreeze, methanol, solvents, paints, soaps), an estimate of the volume in storage, the type of storage container used (drums, 5 gal, cans, etc.), and the location of each chemical. Use additional sheets if necessary. Check here if the updated list is available in the site SWPP plan

| Chemical | Estimated Volume | Container | Location |
|----------------------------|------------------|-----------|----------|
| See Attached Chemical List | | | |
| | | | |
| | | | |

2. Are all chemicals stored in a secure area? Yes No
Comments _____
3. Are bulk chemicals (drums and tanks) stored in secondary containment areas? Yes No
Comments _____
4. Is there evidence of spills and/or leaks around chemical storage areas? Yes No
If yes, what is the probable cause of the release? Has the problem been corrected?
How? Describe the impacted area (location, size, etc.) _____
5. Inspect chemical containers and secondary containment for signs of wear and/or deterioration.
Comments OK
6. Other Comments or Notes _____

G. Equipment Maintenance and Cleaning Not applicable for this facility

1. Where is maintenance performed on rigs, pumps, trucks, etc.? _____
2. Is the maintenance area equipped with an impervious surface that will prevent machine fluids from impacting the soil? Yes No
Comments _____
3. What measures are taken to protect soil and water during equipment maintenance? Good housekeeping, Clean up ASAP, Drain fluids, keep containment on hand
4. Is the facility equipped with a wash rack? Yes No
If no, where are rigs, trucks, and other equipment cleaned? Car Wash
Only tools and equipment are washed in the Rack
5. Is the washrack equipped with an impervious surface that fully contains all cleaning fluids and other pollutants? Yes No N/A
6. Is the washrack used as a painting or maintenance area? Yes No N/A
7. How is wash water disposed of?

| | |
|-------|--|
| Yard: | |
| Date: | |

- Recycled through a closed loop system
- Discharged to a public sewer system
- Collected in tanks and transported to an approved disposal facility
- Discharged to surface
- Other _____

8. Is the washrack designed so as to prevent overspray of wash fluids and other pollutants from impacting the surrounding soil? Yes No N/A
Comments _____
9. Inspect the wash rack and fluid containment structures for signs of wear and/or deterioration.
Comments OK
10. Is the soil around the wash rack stained from runoff and/or overspray? Yes No N/A
If yes, has the problem been corrected? How? Describe the impacted area (location, size, etc.) _____
11. Other Comments or Notes _____

H. Equipment Storage Not applicable for this facility

1. Are rigs and/or other equipment located in the yard for long term storage? Yes No
2. Is there a designated area in the yard for long term storage of this equipment? Yes No
3. Will the surface grade around stored equipment prevent spills and/or leaks from running off site? Yes No
4. What measures have been taken to prevent contaminants from running off site? (ex. dikes, berms, trenches) _____
5. Is there evidence of spills and/or leaks around equipment storage areas? Yes No
If yes, what is the probable cause of the release? Has the problem been corrected? How? Describe the impacted area (location, size, etc.) _____
6. Is the stored equipment cleaned sufficiently to prevent contaminants from being washed onto the surrounding soil? Yes No
Comments _____
7. Have the following procedures been completed for the stored equipment?
- a. Drain fuel, oil, hydraulic fluid, etc. Yes No
 - b. Remove the batteries. Yes No
 - c. Lock out / tag out starters. Yes No
 - d. Comments _____

| | |
|-------|--|
| Yard: | |
| Date: | |

8. Other Comments or Notes _____

I. **Waste Management** Not applicable for this facility

1. Aerosol Cans
- a. Are aerosol cans recycled? Yes No N/A
- b. If not, how are they disposed of? _____
- c. Are aerosol cans punctured prior to disposal/recycling? Yes No N/A
- d. Comments *Small Volume Generator*

2. Antifreeze
- a. Is used antifreeze recycled? Yes No N/A
- b. Name of recycling company _____
- c. If not recycled, how is it disposed of? *Used in hydromatic*
- d. How is used antifreeze stored prior to recycling/disposal? *Drums*
- e. Are used antifreeze containers labeled? Yes No N/A
- f. Is used antifreeze stored in secondary containment areas? Yes No N/A
- g. Comments _____

3. Asbestos Materials
- a. Are used asbestos brake blocks present in the yard? Yes No N/A
- b. If yes how are they disposed of? _____
- c. If yes, are they protected from weather? Yes No N/A
- d. Are asbestos brake blocks placed in plastic bags prior to disposal? Yes No N/A
Blocks are sent to H+H for Replacement
- e. Are there any other sources of asbestos materials at this facility? Yes No
If yes, describe _____
- f. Comments _____

4. Batteries
- a. Are used batteries returned to the vendor for recycling? Yes No
- b. If not, how are they disposed of? _____
- c. Are used batteries stored in a covered well-ventilated area with containment? Yes No
- d. Comments _____

5. Buckets

| | |
|-------|--|
| Yard: | |
| Date: | |

- a. Are used buckets recycled? Yes No N/A
- b. If not recycled, how are they disposed of? Washed out and put in Waste Management Dumpster
- c. Comments _____

6. Filters

- a. Are used oil filters and fuel filters recycled? Yes No N/A
- b. If not recycled, how are they disposed of? Safety Kleen
- c. How are used filters stored prior to recycling/disposal? Safety Kleen
- d. Number of drums of used oil filters on site? 4
- e. Are used filter containers covered & labeled? Yes No
- f. Are used filters stored in secondary containment areas? Yes No
- g. Is there evidence of spills and/or leaks around used filter storage areas? Yes No
- h. If yes, what is the probable cause of the release? Has the problem been corrected? How? Describe the impacted area (location, size, etc.) _____
- i. Inspect used filter containers and secondary containment for signs or wear and/or deterioration. Comments OK
- j. Comments Bags on 34:11 being left out

7. Oil

- a. Is used oil generated at this facility recycled? Yes No N/A
- b. How is the used oil stored? tank (1000 gal.) and 250 gal drums other _____
- c. Are used oil storage containers in good condition? Yes No
- d. Are all used oil containers properly labeled?
1. Contents Yes No
 2. "No Smoking" Yes No
- e. Are there open containers of used oil in the yard? Yes No
- f. Is used oil stored in a secondary containment area? Yes No
- g. Is there evidence of spills and/or leaks around used oil storage areas? Yes No
- h. If yes, what is the probable cause of the release? Has the problem been corrected? How? Describe the impacted area (location, size, etc.) _____
- i. Inspect used oil containers and secondary containment for signs or wear and/or deterioration. Comments _____

| | |
|-------|--|
| Yard: | |
| Date: | |

Internal Audit Checklist
Form 4.10 (rev 4/18/06)

j. Comments _____

8. Rags/Sorbents

a. Are used rags and sorbent material recycled? Yes No N/A

By Waste Management or Safety Kleen

b. If not recycled, how are they disposed of? *Safety Kleen*

c. Comments _____

9. Rubber Goods

a. Are rubber goods (other than tires) recycled? Yes No N/A

b. If not recycled, how are they disposed of? *Waste Management*

c. Comments _____

10. Soil (contaminated)

a. Are there areas of petroleum contaminated soil at this facility that require remediation? Yes No

If yes, describe *small stains under Rigs and Trucks*

b. Are there areas of saltwater contaminated soil at this facility that require remediation? Yes No N/A

If yes, describe _____

c. Is any contaminated soil currently being remediated on-site? Yes No

If yes, describe _____

Does the remediation project present a further pollution hazard? Yes No

d. Comments _____

11. Tires

a. Are used tires returned to the vendor for recycling? Yes No N/A

b. If not, how are they disposed of? _____

c. Are used tires stored in a designated area? Yes No N/A

d. Comments _____

12. Trash

a. Are trash collection bins designed to protect contents from wind and rain? Yes No

b. Are there sufficient numbers of trash cans and collection bins in the yard? Yes No

c. Comments _____

13. Wire Rope

a. Is all wire rope either returned to the vendor or sold for scrap? Yes No N/A

| | |
|-------|--|
| Yard: | |
| Date: | |

b. If not, how is it disposed of? _____

c. Comments _____

14. Paint Waste

a. Is paint waste stored on site?

Yes No N/A

b. How is this material disposed? *Dried + then to Waste Management*

15. Blasting Grit

a. Is spent blasting grit stored on site?

Yes No N/A

b. How is this material disposed? _____

16. Other

Is other waste generated at this facility that does not fall into the above categories? Yes No
If yes, describe the waste. _____ How is it disposed of? _____

17. Other Comments and Notes _____

J. Naturally Occurring Radioactive Material (NORM) Not applicable for this facility

1. Does this yard service wells known to produce NORM? Yes No

If yes, what precautions are used to prevent NORM contamination of equipment and property _____

2. Is liquid and solid residue removed from mud tanks before they are transported to the yard? Yes No

3. Are mud tanks cleaned at the yard?
If yes, where? _____

Yes No

4. Is used production equipment or tubing stored at the yard?

Yes No

5. Has this equipment been surveyed for NORM?

If so, have NORM labels been applied as required?

Yes No
 Yes No

6. Other Comments and Notes _____

K. Drums Not applicable for this facility

1. Are empty drums returned to the vendors for recycling?

If not, how are they disposed of? *Sold for metal or sent back to supplier*

Yes No

2. Are all drums stored in a containment area?

Yes No

3. Other Comments and Notes _____

L. Parts Washers Not applicable for this facility

| | |
|-------|--|
| Yard: | |
| Date: | |

Internal Audit Checklist
Form 4.10 (rev 4/18/06)

1. Are all solvents recycled?
If not, how are they disposed of? _____ Yes No

2. Are parts washers clearly labeled with the following signs?
 - (1) Contents label Yes No
 - (2) Hazard Identification Yes No
 - (3) "No Smoking" Yes No

3. Other Comments and Notes _____

2. Environmental Records and Procedures Not applicable for this facility

A. Environmental Files

1. Does this facility maintain an organized system of filing environmental records and documents? Yes No

2. Other Comments and Notes _____

| | |
|-------|--|
| Yard: | |
| Date: | |

B. Training

1. Do newly hired employees receive training in the following areas?
 - a. HAZCOM Program Yes No
 - b. Spill Prevention Control and Countermeasure Plan Yes No
 - c. Storm Water Pollution Prevention Plan Yes No
 - d. Key Energy's Environmental Policy and Procedures Yes No
 - e. NORM Yes No
2. Have all employees received environmental training in the last year? Yes No
3. Are environmental training records maintained in the yard/office? Yes No
4. Are environmental subjects discussed during monthly and/or quarterly safety meetings? Yes No
5. Other Comments and Notes _____

C. Permits and Registration

1. Does this facility have an NPDES or state Storm Water Permit? Yes No
2. Is this facility registered with the EPA as a hazardous waste generator?
If yes, EPA # _____ Yes No
3. Are all non-SWD above ground petroleum storage tanks registered with appropriate regulatory agencies? Yes No N/A
Name of agency, if applicable _____
4. Is a SWD present at this facility?
Is there a permit for this SWD? Yes No
 Yes No N/A
5. Are other permits and/or registrations required at this facility?
If yes, describe. Test 2 Yes No
6. Does this facility have a pit?
If there is a pit, when was the pit last emptied and inspected? _____ Yes No
7. Is this facility in compliance with permit and registration requirements? Yes No
8. Other Comments and Notes _____

D. Spill Prevention Control and Countermeasure Plan (SPCC)

1. A SPCC plan is required at any facility that stores a total of 1320 gal. of petroleum in any container of 55 gallon or greater including tanks. Is a SPCC plan required for this facility? Yes No

| | |
|-------|--|
| Yard: | |
| Date: | |

Internal Audit Checklist
Form 4.10 (rev 4/18/06)

2. Is the SPCC plan for this facility readily accessible? Yes No
3. Is the SPCC plan up to date? Yes No
4. Do yard and shop workers have a good working knowledge of the SPCC plan? Yes No
5. Is the facility inspected at least quarterly as specified in the SPCC plan? Yes No
6. Are facility inspections documented? Yes No
7. Other Comments and Notes _____

E. Storm Water Pollution Prevention Plan (SWPPP)

1. Is the SWPPP for this facility readily accessible? Yes No
2. Is the SWPPP up to date? Yes No
3. Does the pollution prevention team have a good working knowledge of the SWPPP? Yes No
4. Is the facility inspected as specified in the SWPPP at least quarterly? Yes No
5. Are facility inspections documented in the SWPPP? Yes No
6. Is storm water sampling and analysis required at this facility?
If yes, has the facility complied with the sampling requirements? Yes No
 Yes No
7. Inspect drainage areas and outfalls. Is there evidence of pollutants entering the drainage system? Yes No
8. Are the management practices in place effectively controlling exposure of pollutants to storm water? Yes No
9. Note any problems with storm water pollution or controls. _____
10. Is the facility SWP/SW3P compliant? Yes No
11. Other Comments and Notes _____

F. HAZCOM Plan

1. Is the HAZCOM plan for this facility readily accessible? Yes No
2. Does the plan contain material safety data sheets (MSDS) for all the chemicals noted in the facility inspection? Yes No
3. Other Comments and Notes _____

| | |
|-------|--|
| Yard: | |
| Date: | |

G. Waste Shipments

1. Is hazardous waste generated at this facility? Yes No
(Note: Do not include recycled materials, batteries, used oil, antifreeze)

2. If yes, list the type of waste and estimated monthly quantity generated below.

| Hazardous Waste | Monthly Quantity Generated |
|-----------------|----------------------------|
| | |
| | |
| | |

3. Are copies of the following waste shipment manifests on file?
If yes, for what period of time?

- a. Used oil Yes, since _____ No
- b. Used filters Yes, since _____ No
- c. Solvents Yes, since _____ No
- d. Other *Contaminated soil* Yes, since _____ No
- e. Other *Oil Soaked Pads* Yes, since _____ No
- f. Other _____ Yes, since _____ No

4. Other Comments and Notes _____

H. Lab Testing Not applicable for this facility

1. Sandblasting and Painting Not applicable for this facility
- a. If equipment is sandblasted at this facility, are samples of paint collected from the equipment and analyzed for hazardous constituents prior to sandblasting? Yes No
- b. Are copies of the lab reports from the above samples on file? Yes No
- c. If equipment is painted and/or sandblasted at this facility, are soil samples collected annually and tested for contamination? Yes No
- d. Are copies of the lab reports from the above samples on file? Yes No
- e. Do the lab reports indicate elevated levels of hazardous materials? Yes No
- f. Are samples of grit analyzed for inertness? Yes No
- g. Other Comments and Notes _____
2. Soil Remediation Not applicable for this facility
- a. If soil remediation is conducted on site, were samples of the soil collected and analyzed for appropriate constituents? Yes No
- b. Are copies of the lab reports from the above samples on file? Yes No

| | |
|-------|--|
| Yard: | |
| Date: | |

c. Other Comments and Notes _____

I. Contractors

1. Are waste transportation, disposal, and recycling contractors properly licensed and permitted for the type of waste they handle? Yes No
2. Is proof of insurance available for all environmental contractors? Yes No
3. If an off site wash rack is used for cleaning rigs and other equipment, is the facility properly permitted? Yes No
Does the wash rack facility use sound waste management practices? Yes No
4. Other Comments and Notes _____

3. SWD Inspection Not applicable for this facility

A. Well Site

1. Are required signs posted (well name, RRC#, authorized personnel only, etc.)? Yes No
2. Are piping and valves free of damage and leaks? Yes No
3. Are all thief hatches closed and secured? Yes No
4. Are fire extinguishers mounted within 50 feet of any point and do they have current

| | |
|-------|--|
| Yard: | |
| Date: | |

Internal Audit Checklist
Form 4.10 (rev 4/18/06)

- inspection tags and seals? Yes No
5. Is the tank level gauge working properly? Yes No
6. Are all walkway, stairs, and ladders free of damage and are proper railings in place? Yes No N/A
7. Are all pressure gauges working properly? Yes No
8. Are electrical wiring and switches in proper condition? Yes No
9. Are the sumps are free of standing water? Yes No N/A
10. Are slip/trip hazards present? Yes No
11. Is adequate lighting available for night work? Yes No N/A
12. When was the pit last cleaned out and inspected? _____
13. Is documentation related to cleaning/inspecting the pit available? Yes No N/A
Comments _____
14. Other Comments and Notes _____

If any actions recommended for deficiencies that could impact releases to storm water, a corrective actions form must be completed and attached to this checklist.

AUDIT APPROVED BY:

NAME: _____
TITLE: _____
DATE: _____

APPENDIX C

STORMWATER POLLUTION
PREVENTION PLAN

KEY ENERGY SERVICES, INC.
FARMINGTON YARD
FARMINGTON, NEW MEXICO

March 12, 2005

**STORM WATER POLLUTION PREVENTION PLAN
KEY ENERGY SERVICES, INC.
FARMINGTON YARD
FARMINGTON, NEW MEXICO**

Prepared for

Key Energy Services, Inc.

Project Number: 24401.421



Kati Petersburg
Task Manager

March 12, 2005

Brown and Caldwell
1697 Cole Boulevard Suite 200
Golden, Colorado 80401
(303) 239-5400

P:\Data\GEN\Key-Energy\24041 - SPCCs and SWP3s\Petersburg\Four Corners\421_Farmington\421 Farmington Yard SWP3 2_25_05.doc

"This is a draft report and is not intended to be a final representation of the work done or recommendations made by Brown and Caldwell. It should not be relied upon; consult the final report."

CONTENTS

| | | |
|------------|---|-----------|
| 1.0 | INTRODUCTION..... | 1 |
| 2.0 | POLLUTION PREVENTION TEAM..... | 1 |
| 3.0 | SITE DESCRIPTION..... | 3 |
| 3.1 | Buildings | 3 |
| 3.2 | Materials Not Stored in Buildings | 4 |
| 3.3 | Storm Water Drainage | 4 |
| 4.0 | NON-STORM WATER DISCHARGES | 4 |
| 4.1 | Allowable Non-Storm Water Discharges | 4 |
| 4.2 | Investigation For Non-Storm Water Discharges | 5 |
| 4.3 | Non-Storm Water Discharge Certification | 5 |
| 5.0 | DESCRIPTION OF POTENTIAL POLLUTANT SOURCES..... | 7 |
| 5.1 | Inventory of Exposed Materials | 7 |
| 5.2 | Activities and Potential Pollutant Sources..... | 8 |
| 5.2.1 | Storage Tanks..... | 9 |
| 5.2.2 | Unloading of Trucks Into Storage Tanks..... | 9 |
| 5.2.3 | Loading Procedures..... | 10 |
| 5.3 | General Location Map | 10 |
| 5.4 | Site Map..... | 10 |
| 6.0 | SPILLS AND LEAKS..... | 11 |
| 7.0 | SAMPLING DATA..... | 11 |
| 8.0 | POLLUTION PREVENTION MEASURES AND CONTROLS..... | 12 |
| 8.1 | Description of Existing and Planned Best Management Practices | 12 |
| 8.2 | Non-Structural BMPs..... | 12 |
| 8.2.1 | Good Housekeeping..... | 12 |
| 8.2.2 | Minimizing Exposure | 13 |
| 8.2.3 | Preventive Maintenance..... | 13 |
| 8.2.4 | Spill Prevention and Response Procedures..... | 13 |
| 8.2.4.1 | Spill Response Team..... | 14 |
| 8.2.4.2 | Spill Response Equipment..... | 15 |
| 8.2.4.3 | Communications Equipment | 15 |
| 8.2.4.4 | General Spill Response Procedures..... | 15 |
| 8.2.4.5 | Area-Specific Spill Prevention and Response Procedures..... | 16 |
| 8.2.4.5.1 | Storage Tanks | 16 |
| 8.2.4.5.2 | Truck Unloading Areas..... | 17 |
| 8.2.4.5.3 | Loading Areas | 17 |
| 8.2.5 | Routine Facility Inspections..... | 17 |
| 8.2.6 | Employee Training..... | 18 |
| 8.3 | Structural BMPs..... | 20 |
| 8.3.1 | Sediment and Erosion Control | 20 |

| | | |
|-------------|--|-----------|
| 8.3.2 | Management of Runoff | 20 |
| 8.3.3 | Other Controls | 21 |
| 9.0 | PREVENTIVE MAINTENANCE | 21 |
| 10.0 | QUARTERLY VISUAL MONITORING | 21 |
| 11.0 | ANNUAL SAMPLING | 22 |
| 12.0 | SECTOR SPECIFIC REQUIREMENTS..... | 22 |
| 13.0 | COMPREHENSIVE SITE COMPLIANCE EVALUATION..... | 22 |
| 13.1 | Frequency and Inspectors | 22 |
| 13.2 | Scope of Comprehensive Site Compliance Evaluation | 23 |
| 13.3 | Follow Up Actions | 24 |
| 13.4 | Compliance Evaluation Report | 25 |
| 13.5 | Credit as Routine Facility Inspection | 25 |
| 14.0 | RECORDKEEPING..... | 26 |
| 15.0 | MAINTAINING UPDATED SWP3 | 26 |
| 16.0 | ESA AND NHPA REQUIREMENTS..... | 26 |
| 17.0 | SIGNATURE, PLAN REVIEW AND MAKING PLANS AVAILABLE | 27 |

DISTRIBUTION AND QA/QC REVIEWER'S SIGNATURE

FIGURES

- 1 Site Location Map
- 2 Site Map

APPENDICES

- A Material Inventory for Farmington Yard
- B Material Inventory for Trucks
- C Procedures for Unloading Vacuum Units
- D Procedures for Loading Vacuum Units
- E Tank Truck Material Transfer Procedures Checklist
- F Inspection Checklists
- G Emergency Contact List
- H Spill Response Procedures
- I Federal and State Spill Notifications and Reporting Procedures
- J ESA and NHPA Documentation

Pollution Prevention Team

| Role | Responsibility | Title | Phone Number |
|------------------|---|-------------------------------------|--|
| SWP3 Coordinator | Primary Emergency Contact SWP3 Preparation SWP3 Implementation SWP3 Revision Spill Response Equipment Inventory | Equipment and Environmental Manager | Office 505-327-4935 Home (505) 327-2704 |
| SWP3 Team Leader | Secondary Emergency Contact Preventive Maintenance Training Inspections Recordkeeping Sampling Spill Response Best Management Practices Implementation | District Manager | 505-327-4935 |

The pollution prevention team is responsible for the following:

- Implementing all general permit and SWP3 requirements
- Defining and agreeing upon an appropriate set of goals for the facility's storm water management program
- Being aware of any changes that are made in facility operations to determine whether any changes must be made to the SWP3

The SWP3 Coordinator is responsible for preparation of the SWP3, including initial site assessment, development and implementation of best management practices (BMPs) for storm water pollution prevention, coordination of assessment of the effectiveness of the SWP3, modification of the SWP3, when necessary, but at a minimum annually and following spill events, and the spill response equipment inventory.

The SWP3 Team Leader is responsible for preventive maintenance, training, coordinating inspections and implementing inspection schedules, coordinating and implementing sampling and testing, implementing BMPs, documenting inspections, maintaining records required by the SWP3, and spill response. He is also responsible for conducting training of personnel in both the contents of the SWP3 and any modifications made to the plan.

3.0 SITE DESCRIPTION

The Farmington Yard is an oilfield drilling and well servicing maintenance and staging yard. The Farmington Yard consists of a building that houses offices and a maintenance shop, a warehouse, a building housing parts and storage and a training room, equipment and truck parking, a boneyard, and used oil storage area.

The Farmington Yard covers approximately 9 acres. The north half of the property site is generally flat with drainage to the southwest as sheet flow, and through a drainage ditch along the north property boundary to the east. The north half is almost entirely covered with concrete and asphalt. A steep face separates the north and south halves of the site. The south half is generally flat with drainage to the south as sheet flow, toward the San Juan River and is entirely bare ground.

Figure 2 provides a map of the Farmington Yard. This figure includes:

1. Tank locations and approximate drainage pathways indicated by arrows showing surface water flow.
2. Direction of surface water flow.
3. Locations of existing secondary containment or diversionary structures.

3.1 Buildings

The Farmington Yard consists of a building that houses offices and a maintenance shop, a warehouse, a building that houses a parts and storage room and a training room.

3.2 Materials Not Stored in Buildings

There is one storage area located outside with a 1,000-gallon used oil tank, a 500-gallon diesel fuel tank, a 500-gallon unleaded gasoline tank, and two 55-gallon drums of lube. The storage containers are located within a concrete secondary containment structure sufficient to contain the capacity of the largest tank plus 10% freeboard for precipitation. Equipment, rigs, tires, and empty tanks are also stored at this facility.

3.3 Storm Water Drainage

The north half of the property site is generally flat with drainage to the southwest as sheet flow, and through a drainage ditch along the north property boundary to the east. The north half is almost entirely covered with concrete and asphalt. A steep face separates the north and south halves of the site. The south half is generally flat with drainage to the south as sheet flow, toward the San Juan River and is entirely bare ground. Storm water is not directly discharged from the Farmington Yard facility through outfalls; storm water generally drains across the site as sheet flow.

4.0 NON-STORM WATER DISCHARGES

Industrial facilities that qualify for coverage under the NPDES **General Permit** may discharge specific non-storm water discharges through outfalls identified in the SWP3.

4.1 Allowable Non-Storm Water Discharges

The allowable non-storm water discharges at the Farmington Yard facility may include the following:

- Discharges from fire-fighting activities
- Potable water including drinking fountain water and water line flushings
- Uncontaminated air conditioning or compressor condensate

- Landscape watering provided all pesticides, herbicides, and fertilizer have been applied in accordance with manufacturer's instructions
- Pavement was washed where no detergents are used and no spills or leaks of toxic or hazardous materials have occurred (unless all spilled materials have been removed)
- Routine external building wash down which does not use detergents
- Uncontaminated ground water or spring water
- Foundation or footing drains where flows are not contaminated with process materials such as solvents

Any non-storm water discharge within the secondary containment structure would be contained by the earthen secondary containment structure. Any discharge that overflowed the secondary containment structure would drain across the remainder of the site to the west as sheet flow. The BMPs included in Section 8.0 of this SWP3 will minimize the impact of these non-storm water discharges by minimizing the introduction of pollutants from other non-storm water sources. These procedures include, but are not limited to, inspections of the property, employee training, spill prevention and response procedures, housekeeping procedures, waste handling procedures, liquid transfer procedures, and preventive maintenance procedures.

4.2 Investigation For Non-Storm Water Discharges

A survey for potential non-storm water discharges was performed to assess the presence of non-storm water flows. The perimeter of the property was inspected during dry weather and no non-storm water flows were observed.

4.3 Non-Storm Water Discharge Certification

This section includes a certification that the separate storm sewer system has been evaluated for the presence of non-storm water discharges and that the discharge of non-permitted, non-storm water does not occur. This certification includes the following: date of any testing or evaluation, identification of any potential significant sources of non-storm water at the site, a description of the results of any test and/or evaluation for the presence of non-storm water discharges, a description of

the evaluation criteria or testing method used, and a list of the outfalls or onsite drainage points that were directly observed during the test.

| Date | Outfall or Discharge Point Observed | Evaluation Criteria or Test Method Used | Potential Non-Storm Water Sources Observed | Results of Non-Storm Water Evaluation |
|----------|--|---|--|--|
| 06/24/03 | No direct discharge – along property boundaries where sheet flow of storm water exits the property was examined for non-storm water discharges | Visual inspection | None | Visual inspection showed that no non-storm water enters the storm water system |

NON-STORM WATER DISCHARGE CERTIFICATION

Facility: Key Energy Services, Inc.
 Farmington Yard
 Farmington, New Mexico

Address: 5651 U.S. Highway 64
 Farmington, New Mexico

CERTIFICATION STATEMENT: “I certify that the storm water system has been evaluated for the presence of non-storm water discharges and that the discharge of non-permitted, non-storm water does not occur.”

 Site Manager Name

 Title

 Signature

 Date

5.0 DESCRIPTION OF POTENTIAL POLLUTANT SOURCES

This section describes the activities and significant materials that may potentially be pollutant sources.

5.1 Inventory of Exposed Materials

The Farmington Yard has developed an inventory of materials currently handled at the facility that may be exposed to precipitation. This inventory includes all materials that are handled, stored, processed, treated, or disposed of in a manner that allows exposure to precipitation or runoff. An inventory of materials stored at the yard or in the truck maintenance shop is presented in Appendix A. An inventory of materials stored on trucks has also been developed at the site. The material inventory for trucks is presented in Appendix B. **The material inventory list will be maintained and updated whenever the materials handled change.** Materials stored in drums, barrels, tanks, and similar containers that are tightly sealed, in good structural condition, and do not have leaking valves are not required to be listed in the inventory. The inventory of materials also includes specific pollutants such as oil and grease, etc., that could be attributed to these materials. Table 5-1 provides a list of the materials currently handled at the Farmington Yard facility that may be exposed to precipitation, the amount of material handled, the specific pollutants in each of the materials, and the BMPs employed to prevent release of these materials into storm water at the Farmington Yard facility. The direction of flow for any of these materials, should there be any release to storm water, is sheet flow across the site to the southwest. The direction of flow is shown by the blue arrows on Figure 2.

TABLE 5-1
INVENTORY OF EXPOSED MATERIALS

| MATERIAL | POLLUTANT | VOLUME | ACTIVITY EXPOSING MATERIAL | BEST MANAGEMENT PRACTICES |
|----------|--------------------------------|-------------|-----------------------------|--|
| Diesel | Petroleum Hydrocarbons, metals | 500 gallons | Storage, loading, unloading | Stored within concrete secondary containment berm. |

**TABLE 5-1
INVENTORY OF EXPOSED MATERIALS**

| MATERIAL | POLLUTANT | VOLUME | ACTIVITY EXPOSING MATERIAL | BEST MANAGEMENT PRACTICES |
|-------------------|--------------------------------------|--------------------|-----------------------------------|--|
| Used oil | Petroleum Hydrocarbons, metals | 1,000 gallons | Storage, loading, unloading | Stored within concrete secondary containment berm. |
| Gasoline | Petroleum Hydrocarbons, metals | 500 gallons | Storage, loading, unloading | Stored within concrete secondary containment berm. |
| Lube | Petroleum Hydrocarbons, metals | Two, 55 gallons | Storage | Stored within concrete secondary containment berm. |
| Tires | | various | Storage | Stored on bare ground. |
| Equipment storage | Petroleum Hydrocarbons, metals | various | Storage, maintenance | Equipment and rigs will be cleaned before being stored on site. Maintenance will be performed to ensure no leaking occurs. |

This inventory of exposed materials will be updated within 30 days following a significant change in the types of materials that are exposed to precipitation or runoff, or significant changes in material management practices that may affect the exposure of materials to precipitation or runoff. A significant change in the types of materials is exposure of a material, not already included in the inventory, that could be transported by precipitation or storm water runoff and subsequently discharged. A significant change in material management practices is a change that would result in either initial exposure of a material not already listed in the inventory, or increased exposure of a material to the extent that the material could be transported by precipitation or storm water runoff and subsequently discharged.

5.2 Activities and Potential Pollutant Sources

This section identifies activities and potential sources of pollutants that may reasonably be expected to add pollutants to storm water discharges or that may result in dry weather discharges from the storm sewer system. For each pollutant, the direction of flow or potential flow would be to the west/northwest, following site topography. **This description will be updated within 30 days following a change in the types or quantities of materials exposed to precipitation or runoff**

that, in the judgment of the storm water pollution prevention team, may reasonably be expected to add pollutants to storm water discharges. This description will be updated to describe changes in material management practices or other factors that may affect the exposure of materials to precipitation or runoff. Table 5-2 provides a list of the activities (e.g., material storage, loading and unloading, etc.) and a list of the associated pollutants or pollutant parameters (e.g., oil, biochemical oxygen demand, pH, etc.) for each activity.

**Table 5-2
Activities and Potential Sources of Pollutants**

| Area | Activity | Pollutant Source | Pollutant |
|------------------------|---------------------------|-------------------------------------|--------------------------------------|
| Diesel Tank | Storage/Loading/Unloading | Diesel Tank | Petroleum Hydrocarbons, metals |
| Gasoline Tank | Storage/Loading/Unloading | Gasoline Tank | |
| Used Oil Tank | Storage/Loading/Unloading | Used Oil Tank | Petroleum Hydrocarbons, metals |
| Equipment storage area | Storage/Loading/Unloading | Residue on rigs and other equipment | Petroleum Hydrocarbons, metals, rust |

5.2.1 Storage Tanks

The major potential pollutants at the Farmington Yard are petroleum hydrocarbons. BMPs are in place to minimize the release of pollutants from the tank and loading operations. The entire site is surrounded by a gated chain-link fence. The storage tanks have a concrete secondary containment structure.

5.2.2 Unloading of Trucks Into Storage Tanks

Diesel fuel and unleaded gasoline are delivered to the Farmington Yard facility by delivery trucks following the procedures in Appendix C, Procedures for Unloading Vacuum Units. BMPs are in place to minimize the release of pollutants from delivery activities. The major potential pollutants from the delivery activities are petroleum hydrocarbons and volatile organics from various

chemicals. To minimize the release of pollutants during delivery activities, the delivery is performed according to the Farmington Yard standard procedures in Appendix C.

5.2.3 Loading Procedures

Used oil is loaded into trucks at the Farmington Yard facility following the procedures in Appendix D, Procedures for Loading Vacuum Units. The major potential pollutants from these activities are petroleum hydrocarbons. BMPs are in place to minimize the release of pollutants from loading activities. To minimize the release of pollutants during loading activities, the loading is performed according to the Farmington Yard standard procedures in Appendix D.

5.3 General Location Map

Figure 1 is a USGS Quadrangle Map showing the location of the Farmington Yard facility.

5.4 Site Map

Figure 2 provides a map of the facility showing the following features required by the NPDES General Permit that are applicable to the Farmington Yard.

1. Location of each outfall covered by the permit. Drainage is to the southwest as sheet flow as shown on Figure 2.
2. An outline of the drainage area that is within the facility's boundary and that contributes storm water to the sheet flow across the site. Figure 2 provides the direction of storm water flow indicated by blue arrows.
3. Connections or discharges to municipal separate storm sewer systems. No connections or discharges to municipal separate storm sewer systems exist at the site.
4. Locations of all structures (buildings, storage tanks). Structures at the Farmington Yard facility are shown on Figure 2.
5. Structural control devices that are designed to reduce pollution in storm water runoff. Storage tank secondary containment is shown on Figure 2.

6. Process wastewater treatment units (including ponds). No process wastewater treatment units exist at the Farmington Yard facility.
7. Bag house and other air treatment units exposed to precipitation and runoff. There are no air treatment units located at the Farmington Yard facility.
8. Landfills, scrap yards, surface water bodies (including wetlands). There are no landfills, scrap yards, surface water bodies or wetlands on the Farmington Yard property.
9. Vehicle and equipment maintenance areas. There are no vehicle and equipment maintenance areas at the Farmington Yard.
10. Physical features of the site that may influence storm water runoff or contribute to a dry weather flow. The slope of the property is shown on Figure 2.
11. Locations where reportable quantity spills or leaks have occurred during the three years before the NOI is submitted to obtain coverage under the NPDES General Permit. No reportable spills have occurred in the past three years.
12. Processing areas, storage areas, material loading/unloading areas, and other potential pollutant sources and locations where significant materials are exposed to precipitation or runoff. The storage tank and loading/unloading areas are shown on Figure 2.

6.0 SPILLS AND LEAKS

This section provides a list of reportable quantity spills and leaks of toxic or hazardous pollutants that occurred in areas that are exposed to precipitation or runoff, or that occurred within the drainage area that contributes to an outfall, during the three years prior to the date of the submission of the Notice of Intent. No reportable quantity spills or leaks of toxic or hazardous pollutants have occurred at the Farmington Yard facility. **The list will be updated quarterly if reportable spills or leaks occur in exposed areas of the facility during the time the facility is covered by the permit.**

7.0 SAMPLING DATA

The facility does not currently have stormwater discharge sampling data. Sampling requirements are discussed in Sections 10.0 and 11.0. Any stormwater sampling data collected will be summarized and the summary kept with this plan. The summary will be updated on an annual basis to include the results of all analyses. Any analytical results will be kept onsite with this plan.

8.0 POLLUTION PREVENTION MEASURES AND CONTROLS

8.1 Description of Existing and Planned Best Management Practices

The following sections provide a description of the type and location of existing non-structural and structural BMPs selected for each of the areas where industrial materials or activities may be exposed to storm water. For areas where BMPs are not currently in place, a description is provided of appropriate BMPs that the facility will use to control pollutants in storm water discharges. **BMPs will be maintained and updated whenever BMPs change.**

8.2 Non-Structural BMPs

Non-Structural BMPs include the following: good housekeeping, minimizing exposure, preventive maintenance, spill prevention and response procedures, employee training, and inspections. A description of how each of these BMPs is, or will be, implemented at the facility follows.

8.2.1 Good Housekeeping

All exposed areas of the facility are kept in a clean, orderly manner where such exposed areas could contribute pollutants to storm water discharges. Common problem areas include around trash containers, storage areas, unloading areas, and loading areas. Good housekeeping measures include a schedule for regular pickup and disposal of garbage and waste materials, routine inspections for leaks, and routine inspection of the labeling and condition of tanks and containers. Good housekeeping measures are included in the employee training program. Components of routine facility inspections and their frequency are included in a checklist in Appendix F of this plan.

The Farmington Yard facility inspects the ground surface near the storage areas as well as all loading areas where materials may be exposed to storm water, precipitation, or runoff and may have the potential to be discharged into storm water off site. These areas are inspected for releases and any material released in these areas will be immediately removed and properly disposed.

8.2.2 Minimizing Exposure

The storage tanks are exposed to storm water. However, the storage tanks are located within a concrete secondary containment structure. Any leaks or spills or any storm water that enters the secondary containment structure will be contained within the containment structure. After storm events, the storage tank area is inspected and any storm water is pumped out if necessary after visual observation for sheen or solids and completion of the Checklist for Secondary Containment Discharge Observation Prior to Discharge in Appendix F.

8.2.3 Preventive Maintenance

A preventive maintenance program is in place that includes periodic inspection and maintenance of facility equipment and containment systems to minimize breakdowns or failures that may result in discharges of pollutants to surface waters. Upon discovery of conditions that would compromise the integrity of containment structures, storm water management devices, or storage containers, corrective action is taken. Follow-up of corrective action is confirmed during the next scheduled facility inspection, and the corrective action is documented in the Facility Inspection Log described in Section 8.2.5. A sample facility inspection checklist is provided in Appendix F that identifies the areas to be inspected, observations made, and schedule of inspections for each area.

8.2.4 Spill Prevention and Response Procedures

This section describes the procedures that are followed for prevention of spills and responses to spills or leaks. These procedures include existing or planned material handling procedures, storage requirements, secondary containment, and equipment, which are intended to minimize or respond to spills or leaks at the facility. These procedures are included in the Employee Training Program. A checklist for inspection of the facility for spills and leaks is provided in Appendix F of this plan. The used oil storage tank will be clearly labeled with their contents to facilitate spill response procedures as soon as practicable. Spill response procedures are available on site to those

employees that may cause or detect a spill or leak. **An inventory of spill response materials is maintained and updated quarterly by the District Manager.** Spill response materials will be located at the Farmington Yard as soon as practicable. Spills are not washed down but are contained with spill response equipment including absorbent booms and sorbent material that are placed in drums on site for proper offsite disposal.

Any and all employees are responsible for reporting immediately any spill or leak of material described in this plan to the District Manager.

The employee will report the following:

- Time of spill or discovery
- Location of spill
- Type of material spilled
- Estimated quantity of material spilled
- Condition of spilled material

8.2.4.1 Spill Response Team

The spill response team members are the same as the Pollution Prevention Team. The purpose of this team is to provide immediate response to the containment and cleanup of any spill. The Spill Response Team is responsible for the following:

- The SWP3 Coordinator is responsible for determining whether the facility has had a release that could flow off site, that could reach an offsite surface water body or a navigable waterway, or that could threaten human health and the environment.
- The SWP3 Coordinator is responsible for assessing the spill, gathering the information required for notification requirements, making the proper notifications timely, and implementing the spill response procedures.
- The SWP3 Coordinator will coordinate with the SWP3 Team Leader in implementing the spill response procedures appropriate to the type of spill encountered and the SWP3 Team Leader will direct the spill response for the spill encountered.
- The SWP3 Coordinator will assess whether evacuation of the surrounding area is required and, if necessary, will notify proper local authorities, including the police department, fire department, hospital, and state and local emergency response teams. A list of the local authorities and their phone numbers is provided in Appendix G.

- The SWP3 Team Leader is responsible for preventive maintenance, coordinating inspections and implementing inspection schedules, documentation of inspections, and spill response.

8.2.4.2 Spill Response Equipment

Spill response equipment is stored onsite. The spill response equipment includes shovels and sorbent material. Fire extinguishers are located throughout the Farmington Yard facility.

8.2.4.3 Communications Equipment

In the event of a spill, cellular telephones will be used for communication between the SWP3 Coordinator and the SWP3 Team Leader as well as onsite employees. For communication between the SWP3 Coordinator or the SWP3 Team Leader and offsite emergency response personnel, cellular telephones will be used. This communications equipment is used daily and is maintained in good working order and repaired as necessary.

8.2.4.4 General Spill Response Procedures

Spill response procedures have been established to respond to a release or spill at the Farmington Yard facility so that spill response procedures are carried out in an organized manner. Material Safety Data Sheets (MSDSs) for material used at the Farmington Yard facility are located in the office and truck maintenance area.

General procedures that will be implemented by the District Manager in the event of a release or spill are contained in Appendix H.

Any written reports will be developed and submitted by the District Manager.

These reports will include the following:

- Date, time, and place spill occurred
- Amount and type of material involved
- Complete description of circumstances contributing to the spill
- Complete description of containment, removal and cleanup operations
- Procedures, methods, and precautions instituted to prevent recurrence of the spill
- Other information considered necessary or required for a complete description of the spill incident

8.2.4.5 Area-Specific Spill Prevention and Response Procedures

Areas where spills could contribute pollutants to storm water discharge are described in Section 5.2. These areas include the tank storage area, and the truck loading area.

The following spill prevention and response procedures are specific to each area where spills could contribute pollutants to storm water discharge.

8.2.4.5.1 Storage Tanks

There is one storage area located outside with a 1,000-gallon used oil tank, a 500-gallon diesel fuel tank, a 500-gallon unleaded gasoline tank, and two 55-gallon drums of lube. The storage containers are located within a concrete secondary containment structure sufficient to contain the capacity of the largest tank plus 10% freeboard for precipitation. Any spilled liquid around the storage tank would be contained within the secondary containment. No drainage valves are located on the secondary containment structure. The contained material would be pumped to the respective tank or removed with sorbent material and stored in drums prior to offsite disposal.

Inspections of tanks, valves, and all equipment are conducted and recorded weekly.

8.2.4.5.2 Truck Unloading Areas

Diesel fuel and unleaded gasolining is delivered to the Farmington Yard by delivery trucks following the procedures in Appendix C, Procedures for Unloading Vacuum Units. BMPs are in place to minimize the release of pollutants from delivery activities. The major potential pollutants from the delivery activities are petroleum hydrocarbons and volatile organics from various chemicals. To minimize the release of pollutants during delivery activities, the delivery is performed according to the Farmington Yard standard procedures in Appendix C.

Spills of liquids are not washed down but are contained with absorbent booms and sorbent material that are placed in drums on site for proper offsite disposal.

8.2.4.5.3 Loading Areas

Used oil is loaded into trucks at the Farmington Yard facility following the procedures in Appendix D, Procedures for Loading Vacuum Units. The major potential pollutants from these activities are petroleum hydrocarbons. BMPs are in place to minimize the release of pollutants from loading activities. To minimize the release of pollutants during loading activities, the loading is performed according to the Farmington Yard standard procedures in Appendix D.

Spills of liquids are not washed down, but are contained with absorbent booms and sorbent material that are placed in drums on site for proper offsite disposal.

8.2.5 Routine Facility Inspections

The Farmington Yard facility inspections will be conducted quarterly by the Storm Water Pollution Prevention Team Leader, and will include inspection of tanks, pumps, pipes, pipe fittings, secondary containment structures, catch basins, and storage areas for leaks, releases, and proper operation as well as an evaluation of good housekeeping practices, spill prevention and response measures, erosion control measures, required maintenance for

structural controls, the employee training program, SWP3 compliance, and existing BMPs. The frequency of all inspections are listed in Appendix F. **At least quarterly, the existing storm water BMPs will be evaluated in conjunction with the quarterly visual monitoring of storm water outfalls.** Written reports will be made quarterly to the District Manager. The quarterly reports will list the areas inspected, the observations made during the inspections, and any corrective action planned or taken to address areas of non-compliance with this plan. **Any deficiencies in the implementation of this plan will be corrected as soon as practicable.** The results of the inspection will be documented on a checklist, an example of which is provided in Appendix F. Whenever revisions or additions to the plan are recommended as a result of inspections, a summary description of the proposed changes will be attached to the inspection checklist, including time frames required to implement the proposed changes.

A Facility Inspection Checklist to document the inspections conducted in accordance with this plan is included in Appendix F.

A copy of the inspection reports will be issued to the District Manager and a copy of the inspection report placed in the Facility Inspection Log Book. The Facility Inspection Log Book will be maintained by the District Manager and kept in the District Manager's office. Upon identification of a problem that could impact releases to storm water, corrective action will be initiated. **Previous inspection logs will be reviewed quarterly such that confirmation of corrective actions required may be made during subsequent inspections, to address areas of non-compliance.**

8.2.6 Employee Training

This section provides a description of the storm water employee-training program for the facility that is provided for all employees responsible for implementing or maintaining activities identified in the SWP3. Employee training includes:

- Procedures for loading and unloading from vehicles and tanks
- Inspections

- Preventive maintenance
- Spill prevention
- Location of spill response equipment
- Spill response procedures
- Good housekeeping measures
- Material management practices for specific materials at the facility
- Spill reporting procedures
- BMPs
- Review of the SWP3

Training will be conducted annually during the month of January or within one month of a new employee's hire date. Records of training activities will be maintained by the District Manager.

Employee training will be provided for all employees that work in areas where industrial materials or activities are exposed to storm water, and for employees that are responsible for implementing activities identified in the SWP3. The employee training will inform them of the components and goals of the SWP3 and procedures to comply with the SWP3.

MSDSs will be reviewed to ensure that employees are familiar with the proper handling of materials used or stored on site so that they may address releases and spills appropriately.

A Spill Response Team has been designated and has been trained in the proper actions to be taken in the event of a release or spill. This team consists of:

- Equipment and Environmental Manager
- District Manager

The purpose of this team is to provide immediate response to the containment and cleanup of any spill. **All Spill Response Team members receive updated training in January of each year.**

Employees not directly responsible for implementing or maintaining activities identified in the SWP3 and that do not participate in the employee training program will be provided the basic goal

of the SWP3 and how to contact the storm water pollution prevention team regarding storm water issues.

8.3 Structural BMPs

Structural BMPs include the following: sediment and erosion control, management of runoff, and other controls. A description of how each of these BMPs is, or will be, implemented at the facility follows.

Structural BMPs are detailed in Section 8.2.4.5.1. **BMPs will be maintained and updated whenever BMPs change.**

8.3.1 Sediment and Erosion Control

This section describes the areas at the facility that, due to topography, land disturbance (e.g., construction), or other factors, have a potential for significant soil erosion. A steep face showing obvious signs of erosion divides the north and south halves of the property. If significant erosion begins to occur in the area that is not covered by concrete, this section will be updated to include a description of the structural, vegetative, and/or stabilization BMPs that will be implemented to limit erosion.

8.3.2 Management of Runoff

This section describes those traditional storm water management practices (permanent structural BMPs other than those which control the generation or sources of pollutants) that currently exist or that are planned for the facility. These types of BMPs are used to divert, infiltrate, reuse, or otherwise reduce pollutants in storm water discharges from the facility. All BMPs that are determined to be reasonable and appropriate or are required by State or local authority, or are necessary to maintain eligibility for the permit will be implemented and maintained. Drainage at

the site is primarily by sheet flow to the southwest as shown on Figure 2. The structural BMPs at the facility include those described in Section 8.2.4.5.

8.3.3 Other Controls

None.

9.0 PREVENTIVE MAINTENANCE

All BMPs identified will be maintained in effective operating condition. Inspection checklists and the frequency of inspection for storm water structural controls are provided in Appendix F. The areas to be inspected by the Pollution Prevention Team and preventive maintenance performed, if necessary, include any storm water discharge pumps and the secondary containment surrounding the storage tank. If site inspections identify BMPs that are not operating effectively, maintenance will be performed before the next anticipated storm event, or as necessary to maintain the continued effectiveness of storm water controls. **If maintenance prior to the next anticipated storm event is impracticable, maintenance will be scheduled and accomplished as soon as practicable.** In the case of non-structural BMPs, the effectiveness of the BMP will be maintained by the appropriate means (e.g., spill response supplies available and personnel trained, etc.). **BMPs will be maintained and updated whenever BMPs change.**

10.0 QUARTERLY VISUAL MONITORING

Storm water discharges from the property will be visually examined on a quarterly basis during or right after storm events.

Where practicable, the same individual will collect the samples and examine the samples for the entire permit term to ensure consistency. Monitoring will be conducted during daylight hours, samples will be examined in a well lit area and findings will document observations of

color, clarity, floating solids, settled solids, suspended solids, foam, oil sheen, and other obvious indicators of storm water pollution. Any noticeable odors will also be noted.

Records of quarterly visual monitoring will include date and time samples were collected and examined, names of personnel that collected and examined the samples, nature of discharge (runoff), and the visual quality of the storm water discharge.

Results of the examination will be attached to this plan in Appendix F and reviewed by the Storm Water Pollution Prevention Team. The team will investigate and identify probable sources of any observed storm water contamination and modify the SWP3 as necessary to address the conclusions of the Storm Water Pollution Prevention Team.

11.0 ANNUAL SAMPLING

No annual sampling is required at the Farmington Yard.

12.0 SECTOR SPECIFIC REQUIREMENTS

The Farmington Yard facility operations meet the criteria for classification under SIC Code 1389, which requires the facility comply with Sector I requirements.

There are no Sector I requirements applicable to the operations at this facility.

13.0 COMPREHENSIVE SITE COMPLIANCE EVALUATION

13.1 Frequency and Inspectors

A comprehensive site compliance evaluation will be conducted at least once a year as an overall assessment of the effectiveness of the current SWP3. The evaluation will be conducted by qualified personnel, which may be qualified employees or designated representatives who are

familiar with the industrial activities performed at the facility and the elements of the SWP3. The qualified personnel will be knowledgeable and possess the skills to assess conditions at the facility that could impact storm water quality and assess the effectiveness of the BMPs chosen to control the quality of the facility's storm water discharges. As part of the comprehensive site evaluation, qualified facility personnel will inspect all areas of the facility where industrial materials or activities are exposed to storm water. The inspections will include an evaluation of existing storm water BMPs. **Any deficiencies in implementation of the SWP3 will be corrected as soon as practicable, but not later than 12 weeks of the inspection.** The results of the inspections and the corrective actions taken in response to any deficiencies or opportunities for improvement identified will be made available to authorized NMED personnel upon request.

13.2 Scope of Comprehensive Site Compliance Evaluation

The inspections included in the comprehensive site compliance evaluation will cover all areas where industrial materials or activities are exposed to storm water as identified in Section 5.0, and areas where spills and leaks have occurred within the past 3 years. The evaluation will include:

- Inspection of all areas identified in Section 5.1, Inventory of Exposed Materials
- Inspection of all structural controls, including their maintenance and effectiveness
- Inspection of all non-structural controls, including BMP effectiveness, good housekeeping measures, and spill prevention
- Inspection of all reasonably accessible areas immediately downstream of the outfall
- A review of all records required by this plan and the General Permit

Inspectors will look for industrial materials, residue or trash on the ground that could contaminate or be washed away in storm water; leaks or spills from industrial equipment, drums, barrels, tanks, or similar containers; offsite tracking of industrial materials or sediment where vehicles enter or exit the site; tracking or blowing of waste materials from areas of no exposure to exposed areas; and evidence of, or the potential for, pollutants entering the drainage system. Storm water BMPs identified in this SWP3 will be observed to insure that they are operating correctly. Structural

controls will be inspected, including their maintenance and effectiveness. Non structural controls, including BMP effectiveness, good housekeeping measures, and spill prevention will be inspected. Where discharge locations or points are accessible, they will be inspected to see whether BMPs are effective in preventing significant impacts to receiving waters. **BMPs will be maintained and updated whenever BMPs change.** All reasonably accessible areas immediately downstream of each storm water outfall authorized under this permit will be inspected if possible. All records required under this permit will be reviewed.

13.3 Follow Up Actions

Based on the findings of the site compliance evaluation, the SWP3 will be modified as necessary (e.g., show additional controls on map; revise description of controls) to include additional or modified BMPs designed to correct problems identified. **Revisions to the SWP3 to include and address the findings of the Site Compliance Evaluation Report will be completed within 30 calendar days following the evaluation.** Revisions will include all applicable changes that result from the Comprehensive Site Compliance Evaluation Report and applicable updates to:

- Elements of the SWP3 that require modification for effectiveness
- Any additional elements (e.g., structural controls or BMPs) that should be added or modified for prevention of pollution
- Site map
- Inventory of exposed materials
- Description of the good housekeeping measures
- Description of the structural and non-structural controls
- Any other element of the plan that was either found to be inaccurate or that will be modified

If the compliance evaluation report indicates an incident of non-compliance, all necessary actions to come into compliance will be completed as soon as practicable, but no later than 12 weeks following the evaluation.

13.4 Compliance Evaluation Report

A report summarizing the scope of the evaluation, names of personnel making the evaluation, the dates of the evaluation, and major observations relating to the implementation of the SWP3, including any incidents of non-compliance will be completed and retained as part of the SWP3 for at least three years from the date permit coverage expires or is terminated. Major observations will include: locations of discharges of pollutants from the site, locations of BMPs that need to be maintained, locations of BMPs that failed to operate as designed or proved inadequate for a particular location, and locations where additional BMPs are needed that did not exist at the time of the evaluation.

A record of actions taken in accordance with the requirements of the comprehensive compliance evaluation will be retained as part of the SWP3 for at least three years from the date that permit coverage expires or is terminated.

The inspection reports will identify any incidents of non-compliance. A non-compliance incident is any instance where an element of the SWP3 is either not implemented or where specific conditions of the permit are not met. Where an inspection report does not identify any incidents of non-compliance, the report will contain a certification that the facility is in compliance with the SWP3 and the permit. Both the evaluation report and reports of follow-up actions must be signed in accordance with the reporting requirements of the permit and will be made available for inspection by authorized NMED personnel upon request.

13.5 Credit as Routine Facility Inspection

Where compliance evaluation schedules overlap with routine facility inspections referenced in Section 8.2.5, the annual compliance evaluation may also be used as one of the routine facility inspections.

14.0 RECORDKEEPING

Records of quarterly visual monitoring, inspections, spills, discharge quality, any good housekeeping practices, spill prevention and response measures, BMPs, erosion control measures developed subsequent to the date of this plan, maintenance activities performed on structural controls, employee training and education conducted, and updates and modifications to the SWP3 will be maintained by the District Manager in a storm water file in the District Manager's office.

15.0 MAINTAINING UPDATED SWP3

The SWP3 will be revised to address the findings of the Comprehensive Site Compliance Report within 30 days following the evaluation. Revisions will include all applicable changes that result from the Comprehensive Site Compliance Report and applicable updates to:

- Elements of the SWP3 that require modification for effectiveness
- Any additional elements (structural controls or BMPs) that should be added or modified for prevention of pollution
- Site map
- Inventory of exposed materials
- Description of good housekeeping measures
- Description of structural and non-structural controls
- Any other element of the plan that was either found to be inaccurate or that will be modified

Each revision to the SWP3 will be dated and all revisions retained for three years from the date of submittal of the Notice of Intent.

16.0 ESA AND NHPA REQUIREMENTS

Letters of inquiry were sent to the U.S. Fish and Wildlife Service (USFWS) and the State Historic Preservation Officer (SHPO) to demonstrate permit eligibility with regard to

requirements of the Endangered Species Act (ESA) and the National Historic Preservation Act (NHPA). Copies of the letters and responses/documentation, if a response was received, from each entity are provided in Appendix J. No response from USFWS and SHPO was received at the time when this report was compiled. If a response is received in the future, it will be kept with this SWPPP and any issues will be addressed as needed.

Information required for the ESA includes:

- Whether listed endangered or threatened species, or critical habitat, are found in proximity to the facility
- Whether such species may be jeopardized by the stormwater discharges or stormwater discharge-related activities
- Results of the screening for endangered species
- Description of measures necessary to protect federally listed endangered or threatened species or critical habitat.

Information required for the NHPA includes:

- Whether the storm water discharges or storm water discharge-related activities would have an effect on a property that is listed or eligible for listing on the National Register of Historic Places.
- Results of the screening for historic places.
- Description of measures necessary to avoid or minimize adverse impacts on places listed or eligible for listing on the National Register of Historic Places.

17.0 SIGNATURE, PLAN REVIEW AND MAKING PLANS AVAILABLE

This SWP3 has been signed in accordance with the signatory requirements of the permit. This SWP3 will be retained with a copy of the general permit on site at the facility covered by the permit. This SWP3 will be available to authorized personnel for review at the time of an onsite inspection.

"I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gathered and evaluated the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations."

Site Manager Name

Title

Signature

Date

DISTRIBUTION

Storm Water Pollution Prevention Plan
Key Energy Services, Inc.
Farmington Yard
Farmington, New Mexico

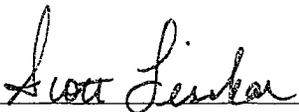
March 24, 2003

1 copy to: Key Energy Services, Inc.
5651 U.S. Highway 64
Farmington, New Mexico
Attention: Equipment and Environmental Manager

1 copy to: Key Energy Services, Inc.
6 Desta Drive, Suite 5900
Midland, Texas 79705
Attention: Dan Gibson

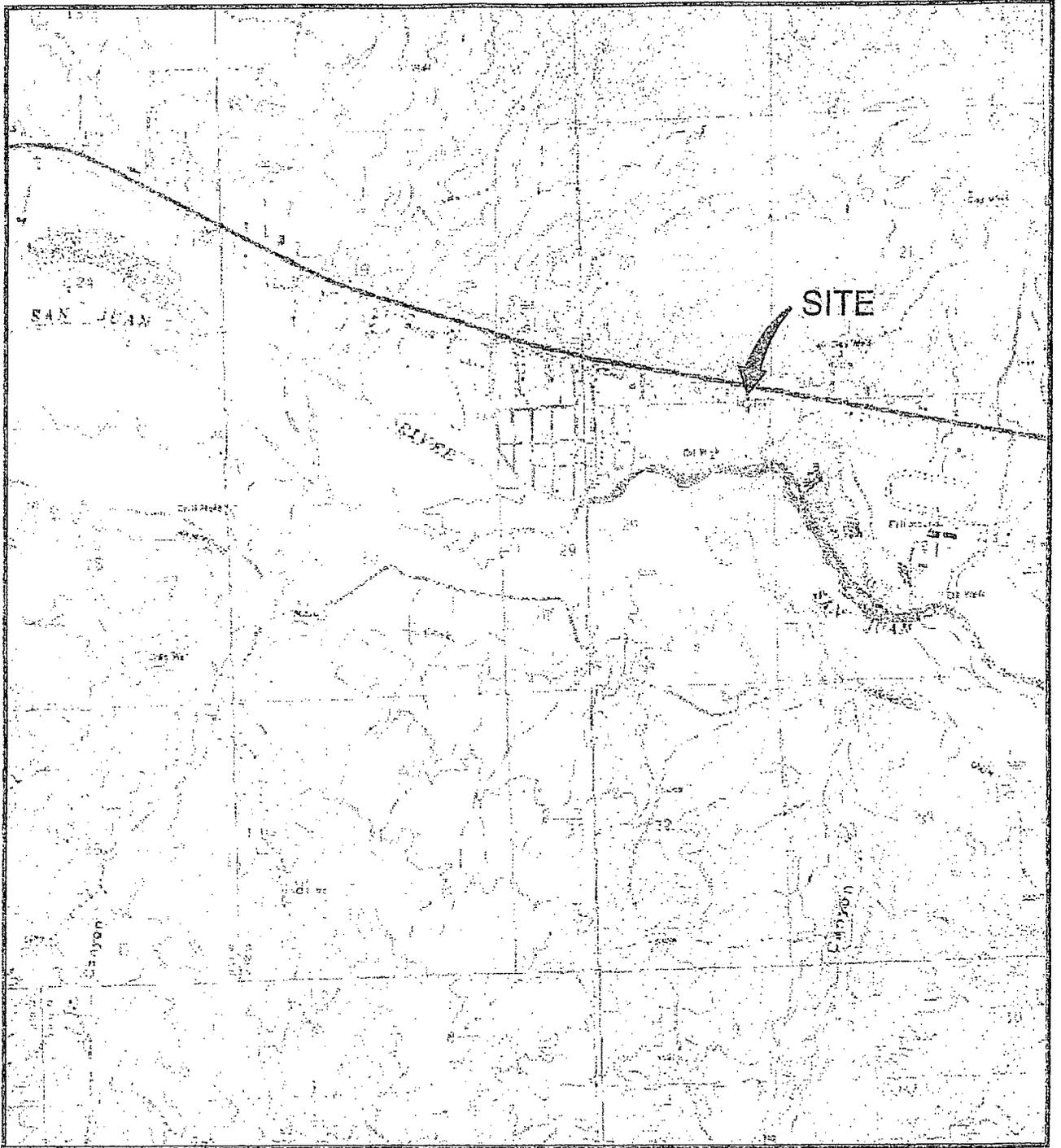
1 copy to: Brown and Caldwell
Project File

QUALITY CONTROL REVIEWER

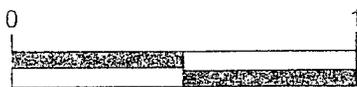


Scott E. Lesikar
Supervising Scientist

SEL:kp



SOURCE: USGS 7.5 MINUTE TOPOGRAPHIC MAP - HORN CANYON QUADRANGLE



SCALE IN MILES

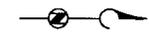
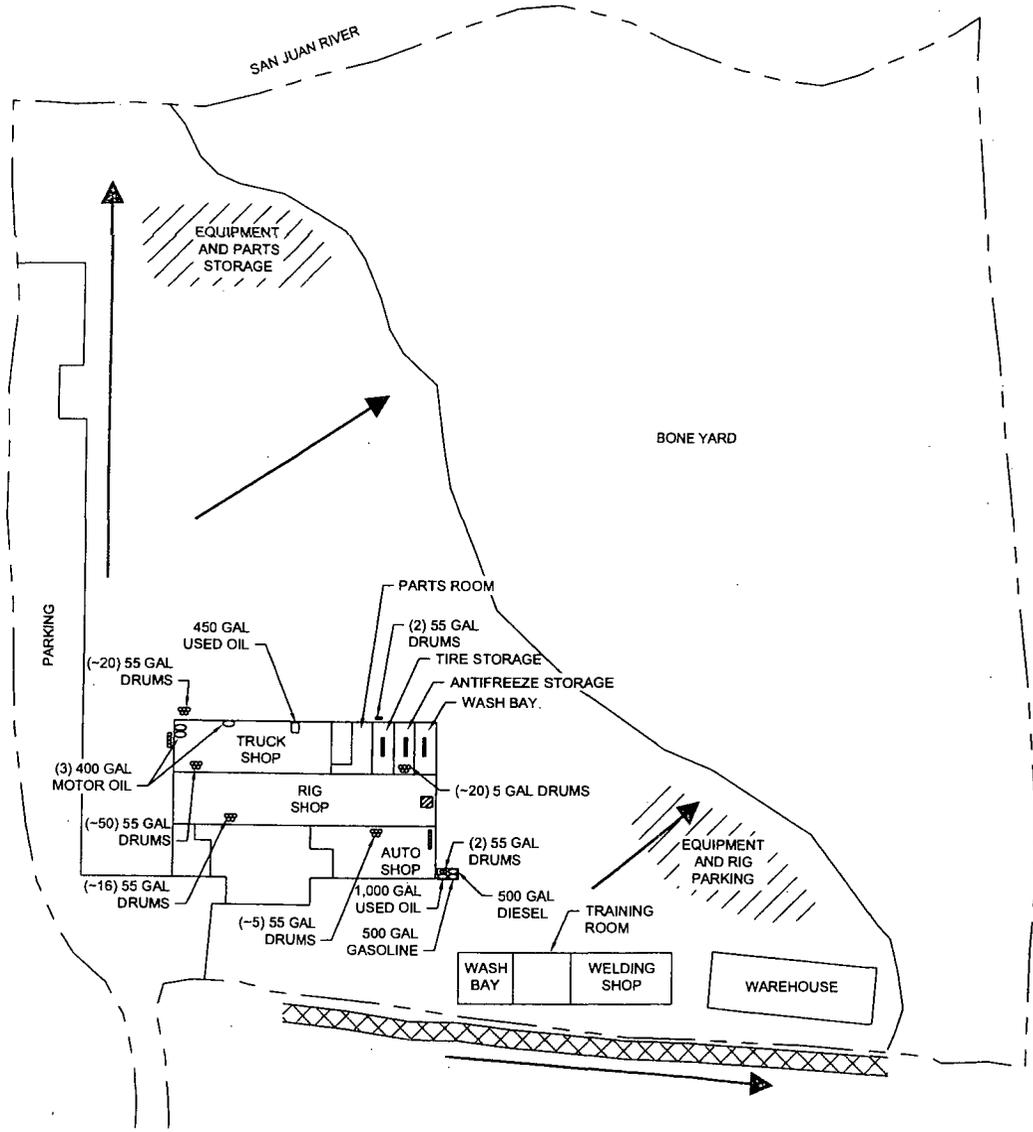


Figure 1

**SITE VICINITY MAP
FARMINGTON YARD**

5651 U.S. HWY 64
FARMINGTON, NEW MEXICO





NO SCALE

SITE PLAN LEGEND

- AST
- - - PROPERTY BOUNDARY
- ➔ STORM WATER FLOW DIRECTION
- ▨ SUMP
- ⊗ DRUMS AND TOTES
- ⊗⊗⊗ DRAINAGE DITCH



Figure 2
SITE MAP
FARMINGTON YARD
 5651 US HWY 64
 FARMINGTON, NEW MEXICO

BROWN AND CALDWELL

APPENDIX A
Material Inventory for Farmington Yard

A materials inventory list can be found in the contents of the MSDSs in the office and maintenance shop at the yard. Alternatively, the list can be included in this appendix.

APPENDIX B
Material Inventory for Trucks

P:\Data\GEN\Key-Energy\24041 - SPCCs and SWP3\421 Petersburg\Four Corners\421 Farmington\421 Farmington Yard SWP3 2_25_05.doc

Use or disclosure of data contained on this sheet is subject to the restriction specified at the beginning of this document.

Not applicable at this facility.

APPENDIX C

Procedures for Unloading Vacuum Units



PROCEDURES FOR UNLOADING VACUUM UNITS

- Review JSA
- Spot unit
- Set parking brake
- Chock wheels
- Visually check to see if all hatches are closed
- Connect ground wire
- Connect hose to vacuum unit
- Connect hose from unit to source
 - A. If open pit or tank is involved, hose must be secured by soft line
 - B. If connected to a load line, open valve
- Open vent line
- Position valve handle on pump to "discharge"
- Start vacuum pump
- Close vent - open 4" valve at rear of unit
- After unit is empty, close 4" valve, open vent line
- Close load line
- Close 4" valve
- Bleed pressure off of bleed down line
- Disconnect hose from source and unit

APPENDIX D

Procedures for Loading Vacuum Units

P:\Data\GEN\Key-Energy\24041 - SPCCs and SWP3s\Peterburg\Four Corners\421_Famington\421 Famington Yard SWP3 2_25_05.doc

Use or disclosure of data contained on this sheet is subject to the restriction specified at the beginning of this document.



PROCEDURES FOR LOADING VACUUM UNITS

- Review JSA
- Spot unit
- Set parking brake
- Chock wheels
- Visually check to see if all hatches are closed
- Connect ground wire
- Connect hose to vacuum unit
- Connect hose from unit to source
 - A. If open pit or tank is involved, hose must be secured by soft line
 - B. If connected to a load line, open valve
- Open vent line
- Position valve handle on pump to "suction"
- Start vacuum pump
- Close vent - open 4" valve at rear of unit
- After unit is empty, close 4" valve, open vent line, blow air back, close load line
- Bleed pressure off, bleed down line
- Disconnect hose from source and unit

APPENDIX E

Tank Truck Material Transfer Procedures Checklist

TRUCK DRIVER CONFIRMATION OF ADHERENCE TO LIQUID TRANSFER
OPERATION PROCEDURES

- The truck driver was present throughout the transfer at the hose connection to the truck until the transfer was completed.
- The truck driver chocked the wheels of the delivery truck prior to making the hose connection between the truck and the receiving pipe to prevent movement during transfer.
- The truck driver placed orange traffic cones surrounding the truck prior to making the hose connection between the truck and the receiving pipe to prevent departure of the vehicle before complete disconnection of the transfer hoses.
- The truck driver visually examined the discharge valve on the truck and the delivery hose to determine that they are both in good condition prior to connecting the hose to the receiving pipe.
- The tank was gauged prior to starting the discharge of material from the truck to determine if the tank had the capacity to accept the full shipment from the truck.
- A drip bucket was placed under the truck hose connection to catch any spillage.
- No spillage or release occurred.
- The flexible or fixed transfer lines have been disconnected prior to moving the delivery truck.
- The lower-most drain valve and all outlets have been closely inspected for discharges, and if necessary, the drains and outlets were tightened, adjusted, or replaced to prevent liquid discharge while in transit.

I confirm that the procedures listed above were followed and that no releases occurred during my transfer of liquids from the delivery truck.

Printed Name

Signature

Date

APPENDIX F

Inspection Checklists

P:\Data\GEN\Key-Energy\24041 - SPCCs and SWP38\Petersburg\Four Corners\421_Farmington\421 Farmington Yard SWP3 2_25_05.doc

Use or disclosure of data contained on this sheet is subject to the restriction specified at the beginning of this document.

WEEKLY INSPECTION LOG AND CHECKLISTS

STORM WATER POLLUTION PREVENTION PLAN
 WEEKLY INSPECTION CHECKLIST
 WEEK ENDING _____, 20__

| Inspector | Inspection Frequency | Date | Area Inspected | Items to Inspect | Observation | Corrective Action Recommended |
|-----------|----------------------|------|-------------------------------------|---|-------------|-------------------------------|
| | Weekly | | Outside Storage Area | Integrity of Tank, Foundations, Piping and Supports | | |
| | | | | Tank Valves Closed | | |
| | | | | Tank Labeled with Contents | | |
| | | | | Releases from Tank | | |
| | | | | Integrity of Secondary Containment | | |
| | | | | Releases from Secondary Containment | | |
| | | | | Housekeeping | | |
| | | | | Accumulated Liquids Observed for Sheen, Solids | | |
| | Weekly | | Unloading Area: Diesel and Gasoline | Spills | | |
| | | | | Housekeeping | | |
| | Weekly | | Loading Area: Used Oil | Spills | | |
| | | | | Housekeeping | | |

P:\Data\GEN\Key-Energy\24041 - SPCCs and SWP3s\Petersburg\Four Corners\421_Farmington\421 Farmington Yard SWP3 2_25_05.doc

Use or disclosure of data contained on this sheet is subject to the restriction specified at the beginning of this document.

| Inspector | Inspection Frequency | Date | Area Inspected | Items to Inspect | Observation | Corrective Action Recommended |
|---|----------------------|------|--|---|-------------|-------------------------------|
| | Weekly | | Spill Response Equipment | Spill Response Drums in Correct Locations On Site | | |
| Drums Labeled as Spill Response Equipment | | | | | | |
| Fire Extinguishers in Correct Locations On Site | | | | | | |
| | Weekly | | Farmington Yard Property | Housekeeping | | |
| Lighting | | | | | | |
| | Weekly | | Visual Observation of Any Standing Storm Water | Evidence of a Release | | |
| | Weekly | | Previous Week Inspection Checklist | Status of Corrective Actions Recommended | | |

* If any actions recommended for deficiencies that could impact releases to storm water, a work order must be completed and a copy attached to this checklist.

QUARTERLY INSPECTION LOG AND CHECKLISTS

**STORM WATER POLLUTION PREVENTION PLAN
 QUARTERLY INSPECTION CHECKLIST
 _____ QUARTER, 20__**

| Inspector | Inspection Frequency | Date | Area Inspected | Items to Inspect | Observation | Corrective Action Recommended |
|-----------|----------------------|------|-------------------------------------|---|-------------|-------------------------------|
| | Quarterly | | Outside Storage Area | Integrity of Tank, Foundations, Piping and Supports | | |
| | | | | Tank Valves Closed | | |
| | | | | Tank Labeled with Contents | | |
| | | | | Releases from Tank | | |
| | | | | Integrity of Secondary Containment | | |
| | | | | Releases from Secondary Containment | | |
| | | | | Housekeeping | | |
| | | | | Accumulated Liquids Observed for Sheen, Solids | | |
| | Quarterly | | Unloading Area: Diesel and Gasoline | Spills | | |
| | | | | Housekeeping | | |
| | Quarterly | | Loading Area: Used Oil | Spills | | |
| | | | | Housekeeping | | |

| Inspector | Inspection Frequency | Date | Area Inspected | Items to Inspect | Observation | Corrective Action Recommended |
|---|----------------------|------|--|---|-------------|-------------------------------|
| | Quarterly | | Spill Response Equipment | Spill Response Drums in Correct Locations On Site | | |
| Drums Labeled as Spill Response Equipment | | | | | | |
| Fire Extinguishers in Correct Locations On Site | | | | | | |
| | Quarterly | | Farmington Yard Property | Housekeeping | | |
| Lighting | | | | | | |
| | Quarterly | | Visual Observation of Any Standing Storm Water | Evidence of a Release | | |
| | Quarterly | | Previous Week Inspection Checklist | Status of Corrective Actions Recommended | | |

* If any actions recommended for deficiencies that could impact releases to storm water, a work order must be completed and a copy attached to this checklist.

**QUARTERLY OUTFALL VISUAL MONITORING
LOG AND CHECKLISTS**

P:\Data\GEN\Key-Energy\24041 - SPCCs and SWP3s\Petersburg\Four Corners\421_Farmington\421 Farmington Yard SWP3 2_25_05.doc

Use or disclosure of data contained on this sheet is subject to the restriction specified at the beginning of this document.

QUARTERLY OUTFALL VISUAL MONITORING LOG

| | |
|---------------------|--------------------------------------|
| _____ QUARTER, 20__ | QUARTERLY INSPECTION COMPLETED _____ |
| _____ QUARTER, 20__ | QUARTERLY INSPECTION COMPLETED _____ |
| _____ QUARTER, 20__ | QUARTERLY INSPECTION COMPLETED _____ |
| _____ QUARTER, 20__ | QUARTERLY INSPECTION COMPLETED _____ |
| _____ QUARTER, 20__ | QUARTERLY INSPECTION COMPLETED _____ |
| _____ QUARTER, 20__ | QUARTERLY INSPECTION COMPLETED _____ |
| _____ QUARTER, 20__ | QUARTERLY INSPECTION COMPLETED _____ |
| _____ QUARTER, 20__ | QUARTERLY INSPECTION COMPLETED _____ |
| _____ QUARTER, 20__ | QUARTERLY INSPECTION COMPLETED _____ |
| _____ QUARTER, 20__ | QUARTERLY INSPECTION COMPLETED _____ |
| _____ QUARTER, 20__ | QUARTERLY INSPECTION COMPLETED _____ |
| _____ QUARTER, 20__ | QUARTERLY INSPECTION COMPLETED _____ |
| _____ QUARTER, 20__ | QUARTERLY INSPECTION COMPLETED _____ |
| _____ QUARTER, 20__ | QUARTERLY INSPECTION COMPLETED _____ |
| _____ QUARTER, 20__ | QUARTERLY INSPECTION COMPLETED _____ |
| _____ QUARTER, 20__ | QUARTERLY INSPECTION COMPLETED _____ |

QUARTERLY OUTFALL VISUAL MONITORING CHECKLIST

| | |
|-------------------------------------|--|
| Outfall | 001 (To be determine where, if possible, storm water samples can be collected) |
| Date | |
| Time Sample Collected | |
| Time Sample Examined | |
| Sampler/Examiner | |
| Nature of Discharge (i.e., Run-off) | |
| Color | |
| Odor | |
| Clarity | |
| Floating Solids | |
| Settled Solids | |
| Suspended Solids | |
| Foam | |
| Oil Sheen | |
| Other Indications of Pollution | |
| Probable Source of Pollution | |

Grab samples of storm water must be taken of discharges at the final outfall, either immediately prior to entering water in the state or immediately prior to leaving the permitted facility property.

Sampling must be conducted on discharges of runoff from a representative storm event with at least 0.1 inch of measured precipitation that occurs with a minimum interval from the preceding measurable storm of at least 72 hours. The 72-hour interval is not required if either the preceding storm event did not yield a discharge that was sufficient for obtaining a sample, or if it is documented in the SWP3 that a less than 72-hour interval is representative for local storm events for the sampling period.

If sampling not conducted on discharges of runoff from a representative storm event with at least 0.1 inch of measured precipitation that occurs with a minimum interval from the preceding measurable storm of at least 72 hours, explain:

SECONDARY CONTAINMENT DISCHARGE OBSERVATION AND TESTING
LOGS AND CHECKLISTS

P:\Data\GEN\Key-Energy\24041 - SPCCs and SWP3s\Petersburg\Four Corners\421_Farmington\421 Farmington Yard SWP3 2_25_05.doc

Use or disclosure of data contained on this sheet is subject to the restriction specified at the beginning of this document.

SECONDARY CONTAINMENT DISCHARGE LOG

DATE _____ AREA _____ OBSERVER _____
DATE _____ AREA _____ OBSERVER _____

SECONDARY CONTAINMENT DISCHARGE OBSERVATION AND TESTING
CHECKLIST

**CHECKLIST FOR SECONDARY CONTAINMENT
DISCHARGE OBSERVATION PRIOR TO DISCHARGE**

| INSPECTOR | INSPECTION FREQUENCY | AREA INSPECTED | ITEMS TO INSPECT | OBSERVATION | VOLUME OF ACCUMULATED LIQUIDS DISCHARGED | CORRECTIVE ACTION RECOMMENDED |
|-----------|-------------------------|-------------------|---------------------|-------------|---|-------------------------------------|
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |

APPENDIX G
Emergency Contact List

EMERGENCY CONTACT LIST

| | |
|---|--|
| Facility Spill Response Coordinator | Office 505-327-4935 Home (505) 327-2704 |
| Facility Spill Response Team Leader | (505) 327-4935 |
| National Response Center | (800) 424-8802 |
| Police | 911 |
| New Mexico State Patrol | (505) 334-6000 |
| Fire | 911 |
| Hospital | 911 |
| New Mexico Oil Conservation Division | (505) 334-6178 |
| New Mexico Environment Department | 505-827-9329 |
| Emergency Spill Contractor (On Site Technologies Limited Partnership) | (505) 325-5667 24-hr on call |

APPENDIX H
Spill Response Procedures

SPILL RESPONSE PROCEDURES

If a spill occurs at the Farmington SWD facility, the Spill Response Coordinator will notify the Spill Response Team Leader and coordinate with the Spill Response Team Leader to have the Spill Response Team implement the following Spill Response Procedures:

1. Evacuate the area if necessary following the procedures listed in Section 8.2.4 of the SWP3 Plan.
2. Call emergency response personnel, if necessary.
3. Stop operation of equipment that is the source of the spill, including closing valves, stopping pumps, etc.
4. Contain the spill using absorbent booms, a trench dug in the soil surrounding the spill, etc.
5. Deploy absorbent materials to soak up spilled material.
6. Once spill is contained and area where spill occurred is secured, the Spill Response Coordinator or his designee will gather information required for notifications and reports described in Appendix 1 of this SWP3.
7. Contact spill cleanup, transportation, and disposal vendors, if necessary.
8. Remove spilled material from ground surfaces using pumps and sorbent material and place in containers approved by the Spill Response Coordinator or his designee.
9. Remove spilled material from equipment using cloth rags and a cleaning solution approved by the Spill Response Coordinator or his designee to be compatible with the material spilled.
10. Place used rags and other disposable spill cleanup equipment in containers approved by the Spill Response Coordinator or his designee.
11. Label all containers used for storage of recovered spill material, used disposable equipment and any other waste from the spill containment and recovery with the material stored, date accumulation began, contact name and phone number.
12. Store containers in a designated storage area compatible with the materials stored.
13. Arrange for transport and disposal of waste generated from spill response off site at a permitted disposal facility.
14. Inventory all equipment used in the spill response and test non-disposable equipment for proper operation. If repair or replacement is necessary to ensure adequate equipment to respond to a release or spill is on site and available for use, order the repair or replacement immediately.
15. Prepare all notifications and reports required to be submitted in accordance with state, Federal and local regulations. A summary of the State and Federal requirements is provided Appendix 1 of this SWP3.

APPENDIX I

Federal and State Spill Notification and Reporting Procedures

**QUARTERLY OUTFALL VISUAL MONITORING
LOG AND CHECKLISTS**

P:\Data\GENKey-Energy\24041 - SPCCs and SWP3s\Petersburg\Four Corners\421_Farmington\421 Farmington Yard SWP3 2_25_05.doc

Use or disclosure of data contained on this sheet is subject to the restriction specified at the beginning of this document.

QUARTERLY OUTFALL VISUAL MONITORING CHECKLIST

| | |
|-------------------------------------|--|
| Outfall | 001 (To be determine where, if possible, storm water samples can be collected) |
| Date | |
| Time Sample Collected | |
| Time Sample Examined | |
| Sampler/Examiner | |
| Nature of Discharge (i.e., Run-off) | |
| Color | |
| Odor | |
| Clarity | |
| Floating Solids | |
| Settled Solids | |
| Suspended Solids | |
| Foam | |
| Oil Sheen | |
| Other Indications of Pollution | |
| Probable Source of Pollution | |

Grab samples of storm water must be taken of discharges at the final outfall, either immediately prior to entering water in the state or immediately prior to leaving the permitted facility property.

Sampling must be conducted on discharges of runoff from a representative storm event with at least 0.1 inch of measured precipitation that occurs with a minimum interval from the preceding measurable storm of at least 72 hours. The 72-hour interval is not required if either the preceding storm event did not yield a discharge that was sufficient for obtaining a sample, or if it is documented in the SWP3 that a less than 72-hour interval is representative for local storm events for the sampling period.

If sampling not conducted on discharges of runoff from a representative storm event with at least 0.1 inch of measured precipitation that occurs with a minimum interval from the preceding measurable storm of at least 72 hours, explain:

SECONDARY CONTAINMENT DISCHARGE OBSERVATION AND TESTING
LOGS AND CHECKLISTS

P:\Data\GENKey-Energy\24041 - SPCCs and SWP3s\Petersburg\Four Corners\421_Farmington\421 Farmington Yard SWP3 2_25_05.doc

Use or disclosure of data contained on this sheet is subject to the restriction specified at the beginning of this document.

SECONDARY CONTAINMENT DISCHARGE LOG

DATE _____ AREA _____ OBSERVER _____
DATE _____ AREA _____ OBSERVER _____

SECONDARY CONTAINMENT DISCHARGE OBSERVATION AND TESTING
CHECKLIST

**CHECKLIST FOR SECONDARY CONTAINMENT
DISCHARGE OBSERVATION PRIOR TO DISCHARGE**

| INSPECTOR | INSPECTION FREQUENCY | AREA INSPECTED | ITEMS TO INSPECT | OBSERVATION | VOLUME OF ACCUMULATED LIQUIDS DISCHARGED | CORRECTIVE ACTION RECOMMENDED |
|-----------|-------------------------|-------------------|---------------------|-------------|---|-------------------------------------|
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |

APPENDIX G

Emergency Contact List

P:\Data\GEN\Key-Energy\24041 - SPCCs and SWP3s\Ietersburg\Four Corners\421_Farmington\421 Farmington Yard SWP3 2_25_05.doc

Use or disclosure of data contained on this sheet is subject to the restriction specified at the beginning of this document.

EMERGENCY CONTACT LIST

| | |
|--|--|
| Facility Spill Response Coordinator | Office 505-327-4935 Home (505) 327-2704 |
| Facility Spill Response Team Leader | (505) 327-4935 |
| National Response Center | (800) 424-8802 |
| Police | 911 |
| New Mexico State Patrol | (505) 334-6000 |
| Fire | 911 |
| Hospital | 911 |
| New Mexico Oil Conservation Division | (505) 334-6178 |
| New Mexico Environment Department | 505-827-9329 |
| Emergency Spill Contractor (On Site Technologies Limited Partnership) | (505) 325-5667 24-hr on call |

APPENDIX H

Spill Response Procedures

P:\Data\GEN\Key-Energy\24041 - SPCCs and SWP3s\Petersburg\Four Corners\421_Farmington\421 Farmington Yard SWP3 2_25_05.doc

Use or disclosure of data contained on this sheet is subject to the restriction specified at the beginning of this document.

SPILL RESPONSE PROCEDURES

If a spill occurs at the Farmington SWD facility, the Spill Response Coordinator will notify the Spill Response Team Leader and coordinate with the Spill Response Team Leader to have the Spill Response Team implement the following Spill Response Procedures:

1. Evacuate the area if necessary following the procedures listed in Section 8.2.4 of the SWP3 Plan.
2. Call emergency response personnel, if necessary.
3. Stop operation of equipment that is the source of the spill, including closing valves, stopping pumps, etc.
4. Contain the spill using absorbent booms, a trench dug in the soil surrounding the spill, etc.
5. Deploy absorbent materials to soak up spilled material.
6. Once spill is contained and area where spill occurred is secured, the Spill Response Coordinator or his designee will gather information required for notifications and reports described in Appendix I of this SWP3.
7. Contact spill cleanup, transportation, and disposal vendors, if necessary.
8. Remove spilled material from ground surfaces using pumps and sorbent material and place in containers approved by the Spill Response Coordinator or his designee.
9. Remove spilled material from equipment using cloth rags and a cleaning solution approved by the Spill Response Coordinator or his designee to be compatible with the material spilled.
10. Place used rags and other disposable spill cleanup equipment in containers approved by the Spill Response Coordinator or his designee.
11. Label all containers used for storage of recovered spill material, used disposable equipment and any other waste from the spill containment and recovery with the material stored, date accumulation began, contact name and phone number.
12. Store containers in a designated storage area compatible with the materials stored.
13. Arrange for transport and disposal of waste generated from spill response off site at a permitted disposal facility.
14. Inventory all equipment used in the spill response and test non-disposable equipment for proper operation. If repair or replacement is necessary to ensure adequate equipment to respond to a release or spill is on site and available for use, order the repair or replacement immediately.
15. Prepare all notifications and reports required to be submitted in accordance with state, Federal and local regulations. A summary of the State and Federal requirements is provided Appendix I of this SWP3.

APPENDIX I

Federal and State Spill Notification and Reporting Procedures

P:\Data\GEN\Key-Energy\24041 - SPCCs and SWP3s\Petersburg\Four Corners\421_Farmington\421_Farmington Yard SWP3 2_25_05.doc

Use or disclosure of data contained on this sheet is subject to the restriction specified at the beginning of this document.

SPILL NOTIFICATION

Upon notification of a spill, the Spill Response Coordinator will determine if the oil spill requires notification and/or reporting to regulatory agencies. Below is a summary of the notification and reporting requirements based on the U.S. Environmental Protection Agency (EPA) regulations for Discharge of Oil contained in Title 40 of the Code of Federal Regulations (CFR) Part 110.

Federal Notification Requirements

The EPA regulations regarding discharge of oil require notification by a person in charge of a facility as soon as he or she has knowledge of any discharge of oil from a facility as may be harmful. 40 CFR Part 110.3 states that discharges of oil in such quantities that the Administrator has determined may be harmful to the public health or welfare or the environment of the United States include discharges of oil that:

- 1) violate applicable water quality standards; or
- 2) cause a film or sheen upon or discoloration of the surface of the water or adjoining shorelines or cause a sludge or emulsion to be deposited beneath the surface of the water or upon adjoining shorelines.

Notification must be made to the National Response Center (NRC) at 800-424-8802.

Information Required for Notifications

The following information is required in notifications described in Sections 7.1.1 and 7.1.2:

- 1) the name, address, and telephone number of the person making the telephone report;
- 2) the name, address and telephone number of the facility;

P:\Data\GEN\Key-Energy\24041 - SPCCs and SWP3s\Petersburg\Four Corners\421_Farmington\421 Farmington Yard SWP3 2_25_05.doc

Use or disclosure of data contained on this sheet is subject to the restriction specified at the beginning of this document.

- 3) if different from the person making the notification, the names, addresses, and telephone numbers of the responsible person and contact person at the location of the discharge or spill;
- 4) the date, time and location of the spill or discharge;
- 5) a specific description or identification of the oil, petroleum product or other substances discharged or spilled;
- 6) an estimate of the quantity discharged or spilled;
- 7) the duration of the incident;
- 8) source of the discharge or spill;
- 9) the cause of the discharge or spill;
- 10) a description of all affected media;
- 11) a description of the extent of actual or potential water pollution or harmful impacts to the environment and an identification of any environmentally sensitive areas or natural resources at risk;
- 12) the name of the surface water or a description of the waters in the state affected or threatened by the discharge or spill;
- 13) any damages or injuries caused by the discharge;
- 14) a description of any actions that have been taken, are being taken, and will be taken to stop, remove and mitigate the effects of the discharge or spill;
- 15) any known or anticipated health risks;
- 16) whether an evacuation is needed;
- 17) the identity of any governmental representatives, including local authorities or third parties, responding to the discharge or spill; and
- 18) any other information that may be significant to the response action.

The Spill Response Coordinator must submit a report to the EPA Regional Administrator within 60 days following a release of the following quantities:

- a discharge of more than 1,000 U.S. gallons of oil in a single discharge as described in 40 CFR 112.1 (b); or

PAData\GENKey-Energy\24041 - SPCCs and SWP3s\Petersburg\Four Corners\421_Fannington\421 Fannington Yard SWP3 2_25_05.doc

Use or disclosure of data contained on this sheet is subject to the restriction specified at the beginning of this document.

- a discharge of more than 42 U.S. gallons of oil, as described in 40 CFR 112.1 (b) in each of two discharges, within any 12-month period.

A discharge requiring reporting is defined as oil discharged in harmful quantities, defined in 40 CFR 110 as a quantity that violates applicable water quality standards or causes a film or sheen upon or discoloration of the surface of the water or adjoining shorelines or causes a sludge or emulsion to be deposited beneath the surface of the water or upon adjoining shorelines, into or upon the navigable waters of the United States or adjoining shorelines in two spill events, occurring within any 12-month period.

The report must include the following information:

- 1) Name of the facility;
- 2) Name(s) of the owner or operator of the facility;
- 3) Location of the facility;
- 4) Date and year of initial facility operation;
- 5) Maximum storage or handling capacity of the facility and normal daily throughput;
- 6) Description of the facility, including maps, flow diagrams, and topographical maps;
- 7) A complete copy of the SPCC Plan with any amendments;
- 8) The cause(s) of such spill, including a failure analysis of system or subsystem in which the failure occurred;
- 9) The corrective actions and/or countermeasures taken, including an adequate description of equipment repairs and/or replacements;
- 10) Additional preventive measures taken or contemplated to minimize the possibility of recurrence; Such other information as the Regional Administrator may reasonably require pertinent to the Plan or spill event.

State Notification Requirements

Notification of Spills and Unauthorized Discharges

Who Must Provide Notification? The owner, operator, or person in charge of any facility where a discharge has occurred must provide notification such release to the New Mexico Environment Department.

What Kinds of Discharges Must be Reported? Any amount of any material in such quantity as may with reasonable probability injure or be detrimental to human health, animal or plant life, or property, or may unreasonably interfere with the public welfare or the use of property. This includes chemical, biohazardous, petroleum-product, and sewage spills and incidents. In

addition to recent spills, the discovery of evidence of previous unauthorized discharges, such as contaminated soil or ground water, also must be reported.

Are There Reportable Quantities? New Mexico has not established reportable quantities.

When Must Notification Be Provided? Verbal notification must be provided as soon as possible after learning of a discharge, but in no event more than twenty-four (24) hours thereafter.

How Should Notification be Provided?

For emergencies, call 505-827-9329 twenty-four hours a day.

For non-emergencies, call 866-428-6535 (voice mail, twenty-four hours a day).

For non-emergencies, and to reach an on-duty NMED staff member during normal business hours, call 505-428-2500.

APPENDIX J
ESA AND NHPA DOCUMENTATION

P:\Data\GEN\Key-Energy\24041 - SPCCs and SWP3s\Petersburg\Four Corners\421_Fannington\421 Fannington Yard SWP3 2_25_05.doc

Use or disclosure of data contained on this sheet is subject to the restriction specified at the beginning of this document.

1697 Cole Boulevard
Suite 200
Golden, CO 80401

Tel: (303) 239-5400
Fax: (303) 239-5454

December 13, 2004



Kak Slick, SHPO
Historic Preservation Division
Room 320, La Villa Rivera
228 East Palace Avenue
Santa Fe, New Mexico 87501

Subject: Information Regarding Historical Sites for Sites in New Mexico

Dear Mr. Slick,

On behalf of our client, Key Energy Services, Inc. (Key), Brown and Caldwell is respectfully submitting this request for evaluation of potential impacts to properties listed on the National Register of Historic Places in connection with facilities located in New Mexico.

1. Lea County:
 - a. 1901 Main Street in Eunice
 - b. 2105 Avenue O Avenue in Eunice
 - c. North Loop in Eunice
 - d. Weaver Road 9 miles west of Eunice
 - e. South Loop east of Eunice
 - f. 720 South Texaco Road in Hobbs
2. Eddy County:
 - a. 11345 Lovington Highway Avenue in Artesia
 - b. 11254 Lovington Highway in Artesia
3. San Juan County:
 - a. 5651 U.S. Highway 64 in Farmington
 - b. 708 South Tucker Avenue in Farmington
 - c. 345 San Juan County Road in Aztec
 - d. 328 San Juan County Road 3500 on Crouch Mesa approximately 5 miles east of Farmington
4. Rio Arriba County:
 - a. Highway 527, mile marker 8 in Rio Arriba County

These sites are in the process of submitting a notice of intent for storm water discharges associated with industrial activity under an NPDES general permit. For

multi-sector permit applicants, it is necessary to determine the potential adverse impact on historical sites. Please advise us of any other requirements in order to fulfill this obligation. A site location map for each of the facilities is provided for your reference and use.

Thank you for your assistance in the matter. If you have any questions or require additional information, please call me at (303) 239-5430.

Very truly yours,

BROWN AND CALDWELL

Kati Petersburg
Task Manager

**SPILL PREVENTION, CONTROL, AND
COUNTERMEASURE PLAN**

**KEY ENERGY SERVICES, INC.
FARMINGTON YARD
FARMINGTON, NEW MEXICO**

March 10, 2005

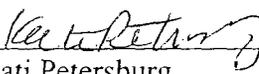
**SPILL PREVENTION, CONTROL AND COUNTERMEASURE PLAN
KEY ENERGY SERVICES, INC.
FARMINGTON YARD
FARMINGTON, NEW MEXICO**

Prepared for

Key Energy Services, Inc.

Project Number: 24041.421

Prepared by:



Kati Petersburg
Task Manager

March 10, 2005

Brown and Caldwell
1697 Cole Boulevard
Golden, CO 80401

CONTENTS

CONTENTS

| | | |
|-------------|--|----------|
| 1.0 | INTRODUCTION..... | 1 |
| 1.1 | Applicability (40 CFR 112.1) | 1 |
| 1.2 | Plan Availability, Professional Engineer's Certification and Industry Standards (40 CFR 112.3)..... | 1 |
| 1.2.1 | Plan Availability | 1 |
| 1.2.2 | Professional Engineer's Certification | 1 |
| 1.2.3 | Applicable Industry Standards (40 CFR 112.3(d)(iii)) | 1 |
| 1.3 | Amendment, Review and Evaluation (40 CFR 112.4 and 112.5)..... | 1 |
| 1.4 | Plan Preparation and Management Approval (40 CFR 112.7) | 1 |
| 1.5 | Deviations From 40 CFR 112 Requirements (40 CFR 112.7(a)(2))..... | 1 |
| 2.0 | PHYSICAL LAYOUT OF FACILITY (40 CFR 112.7(a)(3))..... | 1 |
| 2.1 | Buildings | 1 |
| 2.2 | Tanks..... | 1 |
| 3.0 | FACILITY DIAGRAM (40 CFR 112.7(a)(3)) | 1 |
| 4.0 | OIL STORAGE CONTAINERS (40 CFR 112.7 (a)(3)(i)) | 1 |
| 5.0 | DISCHARGE PREVENTION MEASURES (40 CFR 112.7 (a)(3)(ii)) | 1 |
| 6.0 | DISCHARGE OR DRAINAGE CONTROLS (40 CFR 112.7(a)(3)(iii)) | 1 |
| 7.0 | COUNTERMEASURES FOR DISCHARGE DISCOVERY, RESPONSE, AND CLEANUP (40 CFR 112.7 (a)(3)(iv))..... | 1 |
| 7.1 | Spill Response Team..... | 1 |
| 7.2 | Spill Response Equipment | 1 |
| 7.3 | Communications Equipment..... | 1 |
| 7.4 | Evacuation Procedures..... | 1 |
| 8.0 | METHODS OF DISPOSAL OF RECOVERED MATERIAL (40 CFR 112.7(a)(v))..... | 1 |
| 9.0 | CONTACT LIST (40 CFR 112.7 (a)(3)(vi))..... | 1 |
| 10.0 | SITE-SPECIFIC INFORMATION FOR REPORTING A DISCHARGE (40 CFR 112.7 (a)(4))..... | 1 |
| 11.0 | DISCHARGE RESPONSE (40 CFR 112.7(a)(5)) | 1 |
| 12.0 | DISCHARGES FROM EQUIPMENT FAILURE (40 CFR 112.7 (b))..... | 1 |
| 12.1 | Tank Overflows and Leaks from Storage Tanks..... | 1 |
| 12.2 | Unloading from Delivery Trucks | 1 |
| 12.3 | Vehicle Fueling/Loading Into Tank Trucks | 1 |
| 13.0 | APPROPRIATE CONTAINMENT OR DIVERSIONARY STRUCTURES (40 CFR 112.7 (c)) | 1 |
| 14.0 | PRACTICABILITY DETERMINATION (40 CFR 112.7(d)) | 1 |
| 15.0 | INSPECTIONS AND TESTING (40 CFR 112.7 (e))..... | 1 |
| 16.0 | PERSONNEL, TRAINING AND DISCHARGE PREVENTION PROCEDURES (40 CFR 112.7(f)) | 1 |
| 17.0 | SECURITY (40 CFR 112.7(g)) | 1 |
| 17.1 | Fencing (40 CFR 112.7 (g)(1)) | 1 |

CONTENTS (Continued)

| | | |
|-------------|--|----------|
| 17.2 | Discharge Valves (40 CFR 112.7 (g)(2))..... | 1 |
| 17.3 | Locked Starter Control Valves (40 CFR 112.7 (g)(3)) | 1 |
| 17.4 | Cap or Blank Flange Loading/Unloading Connections (40 CFR 112.7 (g)(4))..... | 1 |
| 17.5 | Facility Lighting (40 CFR 112.7 (g)(5)) | 1 |
| 18.0 | FACILITY TANK TRUCK LOADING/UNLOADING (40 CFR 112.7(h)) | 1 |
| 18.1 | Tank Truck Containment System (40 CFR 112.7 (h)(1))..... | 1 |
| 18.2 | Prevention of Departure Prior to Disconnection (40 CFR 112.7(h)(2 and 3))..... | 1 |
| 19.0 | BRITTLE FRACTURE OR OTHER CATASTROPHE EVALUATION (40 CFR 112.7 (i)) | 1 |
| 20.0 | CONFORMANCE WITH APPLICABLE RULES, REGULATIONS, AND GUIDELINES (40 CFR 112.7 (j))..... | 1 |
| 21.0 | SPILL PREVENTION, CONTROL AND COUNTERMEASURE PLAN REQUIREMENTS FOR PETROLEUM OILS AND NON-PETROLEUM OILS AT ONSHORE FACILITIES (EXCLUDING PRODUCTION FACILITIES) (40 CFR 112.8(a))..... | 1 |
| 21.1 | Facility Drainage From Diked Areas (40 CFR 112.8(b)(1) and (2)) | 1 |
| 21.2 | Facility Drainage From Undiked Areas (40 CFR 112.8(b)(3))..... | 1 |
| 21.3 | Spill Diversion System (40 CFR 112.8(b)(4))..... | 1 |
| 21.4 | Facility Drainage Systems (40 CFR 112.8(b)(5)) | 1 |
| 21.5 | Bulk Storage Container Compatibility (40 CFR 112.8(c)(1)) | 1 |
| 21.6 | Bulk Storage Container Secondary Containment (40 CFR 112.8(c)(2)) | 1 |
| 21.7 | Discharge of Uncontaminated Rainwater (40 CFR 112.8(c)(3)) | 1 |
| 21.8 | Completely Buried Storage Tanks (40 CFR 112.8 (c)(4))..... | 1 |
| 21.9 | Partially Buried or Bunkered Tanks (40 CFR 112.8 (c)(5)) | 1 |
| 21.10 | Integrity Testing and Inspection (40 CFR 112.8 (c)(6)) | 1 |
| 21.11 | Internal Heating Coils (40 CFR 112.8 (c)(7))..... | 1 |
| 21.12 | Engineering Controls for Liquid Levels (40 CFR 112.8(c)(8)) | 1 |
| 21.13 | Effluent Treatment (40 CFR 112.8 (c)(9))..... | 1 |
| 21.14 | Correction and Removal of Visible Discharges (40 CFR 112.8 (c)(10)) | 1 |
| 21.15 | Mobile or Portable Oil Storage (40 CFR 112.8 (c)(11))..... | 1 |
| 21.16 | Buried Piping (40 CFR 112.8 (d)(1))..... | 1 |
| 21.17 | Out Of Service Piping (40 CFR 112.8 (d)(2)) | 1 |
| 21.18 | Pipe Supports (40 CFR 112.8 (d)(3))..... | 1 |
| 21.19 | Inspection of Aboveground Valves and Piping (40 CFR 112.8 (d)(4)) | 1 |
| 21.20 | Vehicle Damage to Piping | 1 |
| 22.0 | SUBSTANTIAL HARM CRITERIA..... | 1 |

DISTRIBUTION AND QA/QC REVIEWER'S SIGNATURE

CONTENTS (Continued)

FIGURES

- 1 Site Location Map
- 2 Site Map

TABLES

- 1 Tank and Drum Storage Areas

APPENDICES

- A Plan Review and Evaluation Certification
- B Material Inventory for Trucks
- C Unloading Procedures for Vacuum Units
- D Loading Procedures for Vacuum Units
- E Tank Truck Material Transfer Checklist
- F Spill Response Procedures
- G Emergency Contact List
- H Federal and State Spill Notification and Reporting Procedures
- I Inspection Checklists
- J Certification of Substantial Harm Criteria

1.0 INTRODUCTION

This Spill Prevention, Control and Countermeasure (SPCC) Plan has been developed for the Key Energy Services, Inc. (Key Energy) Farmington Yard (Farmington Yard) site located 5651 U.S. Highway 64 in Farmington, New Mexico. The approximate location of the site is shown on the Site Vicinity Map, Figure 1. This SPCC Plan complies with the requirements of Title 40 of the Code of Federal Regulations, Part 112 as amended July 17, 2002. This SPCC Plan was prepared in accordance with good engineering practices and with the full approval of management at a level with authority to commit the resources necessary to fully implement the plan.

The Site Manager is responsible for oil spill and discharge prevention.

Bold text indicates that an item is to be updated based on a change in facility operations and tasks that are to be performed at a specified frequency.

The following personnel are responsible for implementing the SPCC plan.

Spill Response Team

| Role | Responsibility | Title | Phone Number |
|----------------------------|---|-------------------------------------|--|
| Spill Response Coordinator | Primary Emergency Contact Spill Response Equipment Inventory | Equipment and Environmental Manager | Office 505-327-4935 Home (505) 327-2704 |
| Spill Response Team Leader | Secondary Emergency Contact Preventive Maintenance Training Inspections Recordkeeping Spill Response | District Manager | 505-327-4935 |
| Spill Response Team Member | Spill Response | Site staff employee | 505-327-4935 |

See Section 7.1 for a detailed description of responsibilities.

FACILITY CONTACT INFORMATION

Facility Name: Key Energy Services, Inc., Farmington Yard
Facility Contact: Site Manager
Facility Address: 5651 U.S. Highway 64
Farmington, New Mexico
Latitude: 36° 42.283'
Longitude: -108° 06.861'
Facility Telephone Number: (505) 327-4935

1.1 Applicability (40 CFR 112.1)

This plan was prepared in accordance with the new SPCC plan regulations, published in Federal Register Volume 67, No. 137, July 17, 2002. Provisions of this plan required by the existing SPCC plan regulations are effective immediately. Provisions required only by the new regulations will be implemented upon the effective date of those regulations or as soon as practicable.

The Key Energy Yard facility meets the following criteria for applicability under 40 CFR 112.1:

- The facility is engaged in drilling, producing, gathering, storing, processing, refining, transferring, distributing, using, or consuming oil and oil products.
- The facility which, due to its location, could reasonably be expected to discharge oil in quantities that may be harmful, as defined in 40 CFR 110, into or upon the navigable waters of the United States or adjoining shorelines.
- The facility has oil in any aboveground container, any completely buried tank, any container used for standby storage, for seasonal storage or for temporary storage, and any bunkered tank or partially buried tank.

- The facility has an aggregate aboveground storage capacity of greater than 1,320 gallons of oil and only containers of oil with a capacity of 55 gallons or greater are counted in this aggregate.

The requirements for preparation of an SPCC Plan do not apply to containers with a storage capacity of less than 55 gallons of oil and for the purposes of counting the total oil storage capacity of the facility, only containers with a capacity of 55 gallons or greater are counted. Those portions of the facility used exclusively for wastewater treatment, excluding production, recovery, or recycling of oil, and not used to satisfy the requirements of 40 CFR Part 112 are also not subject to the SPCC Plan requirements and are not included in the calculation of oil storage capacity of the facility.

For the purposes of this plan, oil means oil of any kind or in any form including, but not limited to, fats, oils, or greases of animal, fish, or marine mammal origin; vegetable oils, including oils from seeds, nuts, fruits or kernels; and other oils and greases, including petroleum, fuel oil, sludge, synthetic oils, mineral oils, oil refuse, or oil mixed with wastes other than dredged spoil.

Figure 1, Site Location Map, indicates the approximate location of the site and the nearest surface water body.

1.2 Plan Availability, Professional Engineer's Certification and Industry Standards (40 CFR 112.3)

1.2.1 Plan Availability

This plan will be maintained at the facility and made available to the Regional Administrator for onsite review during normal working hours.

1.2.2 Professional Engineer's Certification

This plan and any technical amendments must be certified by a licensed professional engineer.

I hereby certify that I am familiar with the requirements of 40 CFR Part 112, that I or my agent visited and examined the facility, that this plan has been prepared in accordance with good engineering practice, including consideration of applicable industry standards and the requirements of 40 CFR Part 112, that the procedures for required inspections and testing have been established, and that the plan is adequate for the facility.

Signature of Professional Engineer Paul J. Siler
Name of Professional Engineer Paul J. Siler
Registration Number 16270
Date 3/16/65



Seal:

1.2.3 Applicable Industry Standards (40 CFR 112.3(d)(iii))

The following industry standards were taken into consideration in preparation of this plan:

- API 12F for steel storage tanks
- API 12P for fiberglass reinforced plastic tanks

All tanks to be replaced will be constructed and tested in accordance with the appropriate industry standards and documented annually.

1.3 Amendment, Review and Evaluation (40 CFR 112.4 and 112.5)

This Plan will be reviewed and evaluated every five years (every three years until the July 17, 2002 SPCC Plan regulations are effective) from the date of the preparation of this Plan and subsequently from the date of the last review of this Plan. Documentation of completion of the review and evaluation and documentation of whether the Plan will be amended based on the review and evaluation is provided in Appendix A.

This Plan will be amended whenever required by the Regional Administrator and whenever there is a change in the facility design, construction, operation, or maintenance that materially affects its potential for a discharge of oil in harmful quantities into or upon the waters of the United States or adjoining shorelines. This Plan will also be amended if, as a result of the review and evaluation required to be performed every five years, it is determined that more effective prevention and control technology that has been field-proven at the time of the review will significantly reduce the likelihood of a discharge of oil in harmful quantities into or upon the waters of the United States or adjoining shorelines.

Any amendment to this Plan will be completed within six months of identification of the need for an amendment, and implemented as soon as possible, but not later than six months following preparation of the amendment. A professional engineer will certify any technical amendment to the Plan.

1.4 Plan Preparation and Management Approval (40 CFR 112.7)

This SPCC Plan was prepared in accordance with good engineering practices and with the full approval of management at a level with authority to commit the resources necessary to fully implement the plan.

I certify that this plan has the approval of management at a level with authority to commit the resources necessary to fully implement the Plan.

| | |
|-------------------|-------|
| _____ | _____ |
| Site Manager Name | Title |
| _____ | _____ |
| Signature | Date |

GENERAL REQUIREMENTS (40 CFR 112.7(a)(1))

This SPCC Plan complies with the requirements of the following:

FEDERAL REQUIREMENTS: 40 CFR Part 112, as amended July 17, 2002

1.5 Deviations From 40 CFR 112 Requirements (40 CFR 112.7(a)(2))

In preparing this Plan, no specific deviations from 40 CFR Part 112 were included. However, if any deviations from the requirements of 40 CFR Part 112 are included during subsequent review and amendment, they will be described in this section of the Plan.

2.0 PHYSICAL LAYOUT OF FACILITY (40 CFR 112.7(a)(3))

The Farmington Yard is an oilfield drilling and well servicing maintenance and staging yard. The Farmington Yard consists of a building that houses offices and a maintenance shop, a warehouse, a building housing parts and storage and a training room, equipment and truck parking, a boneyard, and used oil storage area.

The Farmington Yard covers approximately 9 acres. The north half of the property site is generally flat with drainage to the southwest as sheet flow, and through a drainage ditch along the north property boundary to the east. The north half is almost entirely covered with concrete and asphalt. A steep face separates the north and south halves of the site. The south half is generally flat with drainage to the south as sheet flow, toward the San Juan River and is entirely bare ground.

Figure 2 provides a map of the Farmington Yard. This figure includes:

- Tank locations and approximate drainage pathways indicated by arrows showing surface water flow
- Direction of surface water flow
- Locations of existing secondary containment or diversionary structures

2.1 Buildings

The Farmington Yard consists of a building that houses offices and a maintenance shop, a warehouse, a building that houses a parts and storage room and a training room.

2.2 Tanks

There is one storage area located outside with a 1,000-gallon used oil tank, a 500-gallon diesel fuel tank, a 500-gallon unleaded gasoline tank, and two 55-gallon drums of lube. The storage containers are located within a concrete secondary containment structure sufficient to contain the capacity of the largest tank plus 10% freeboard for precipitation.

There are four storage tanks inside the truck shop, located in the main facility building. They include two 400-gallon 15W-40 tanks, a 400-gallon 80W-90 tank, and a 450-gallon used oil tank. These tanks do not have secondary containment. Secondary containment will be provided for the tanks as soon as practicable.

3.0 FACILITY DIAGRAM (40 CFR 112.7(a)(3))

Figure 2 is a map of the facility, which provides the physical layout of the facility and the location and contents of each oil storage container. Although there are currently no buried tanks at the facility, if any buried tanks are installed at the facility, these figures would show the location of any completely buried tanks that are subject to all of the technical requirements of 40 CFR 280 or a

State program approved under 40 CFR 281 and, therefore, otherwise exempted from 40 CFR 112.7 requirements.

4.0 OIL STORAGE CONTAINERS (40 CFR 112.7 (a)(3)(i))

This section of the plan provides a description of each oil storage container and its capacity.

There is one storage area located outside with a 1,000-gallon used oil tank, a 500-gallon diesel fuel tank, a 500-gallon unleaded gasoline tank, and two 55-gallon drums of lube. The storage containers are located within a concrete secondary containment structure sufficient to contain the capacity of the largest tank plus 10% freeboard for precipitation.

There are four storage tanks inside the truck shop, located in the main facility building. They include two 400-gallon 15W-40 tanks, a 400-gallon 80W-90 tank, and a 450-gallon used oil tank. Secondary containment is provided for the tanks by the walls and floor of the shop.

Additionally, there are approximately fifty 55-gallon drums of various oil products, including grease and used oil, stored in the truck shop, six 55-gallon drums of recycle antifreeze stored in the auto shop, sixteen 55-gallon drums of various oil products in the rig shop, and twenty 55-gallon drums of antifreeze in the antifreeze storage area. Secondary containment is provided for the drums by the walls and floor of the shops. Two 55-gallon used oil drums are located outside the tire storage area, and approximately twenty 55-gallon drums of used antifreeze and four recycle bins for used filters are located outside the southeast corner of the truck shop with no secondary containment. Secondary containment will be provided for the drums and recycle bins as soon as practicable.

5.0 DISCHARGE PREVENTION MEASURES (40 CFR 112.7 (a)(3)(ii))

This section of the plan describes the discharge prevention measures used at the facility, including procedures for the routine handling of products (loading, unloading, and facility transfers).

To minimize the release of pollutants during truck loading activities, the delivery is performed following the procedures in Appendix D, Procedures for Loading Vacuum Units.

In addition, the following procedures for transfer of materials from or into tank trucks are followed:

- Materials may be received/collected during normal business hours at the Farmington Yard. The Farmington Yard is not manned 24 hours a day.
- All vehicles entering the facility are warned of possible vehicular impact that may endanger aboveground piping, tanks, or other oil transfer operations.
- The truck driver is present at the hose connection and observes the material transfer until completed.
- Prior to departure of the tank truck the lowermost drain and all outlets of the vehicle are examined for leakage, and if necessary, tightened, adjusted, or replaced to prevent liquid leakage while in transit.
- The truck driver involved in the transfer is required to complete and sign a sign-off sheet at the main office confirming that each of the steps listed on the Tank Truck Material Transfer Checklist, included in Appendix E, was completed and that no spillage or release occurred.

Any and all employees are responsible for reporting immediately any spill or leak of material described in this plan to the Site Manager .

6.0 DISCHARGE OR DRAINAGE CONTROLS (40 CFR 112.7(a)(3)(iii))

This section describes the discharge or drainage controls used at the facility, including secondary containment and other structures, equipment, or procedures for the control of a discharge.

There is one storage area located outside with a 1,000-gallon used oil tank, a 500-gallon diesel fuel tank, a 500-gallon unleaded gasoline tank, and two 55-gallon drums of lube. The storage containers are located within a concrete secondary containment structure sufficient to contain the capacity of the largest tank plus 10% freeboard for precipitation.

There are four storage tanks inside the truck shop, located in the main facility building. They include two 400-gallon 15W-40 tanks, a 400-gallon 80W-90 tank, and a 450-gallon used oil tank.

These tanks do not have secondary containment. Secondary containment is provided for the tanks by the walls and floor of the shop.

Additionally, there are approximately fifty 55-gallon drums of various oil products, including grease and used oil, stored in the truck shop, six 55-gallon drums of recycle antifreeze stored in the auto shop, sixteen 55-gallon drums of various oil products in the rig shop, and twenty 55-gallon drums of antifreeze in the antifreeze storage area. Secondary containment is provided for the drums by the walls and floor of the shops. Two 55-gallon used oil drums are located outside the tire storage area, and approximately twenty 55-gallon drums of used antifreeze and four recycle bins for used filters are located outside the southeast corner of the truck shop with no secondary containment. Secondary containment will be provided for the drums and recycle bins as soon as practicable.

7.0 COUNTERMEASURES FOR DISCHARGE DISCOVERY, RESPONSE, AND CLEANUP (40 CFR 112.7 (a)(3)(iv))

This section describes the procedures that are followed for responses to spills or leaks. These procedures are consistent with the facility's Storm Water Pollution Prevention Plan and these procedures are included in the Employee Training Program. Spill response procedures have been established to respond to a release or spill at the Key facility so that spill response procedures are carried out in an organized manner. Material Safety Data Sheets (MSDSs) for materials used at the Farmington Yard facility are located in the Site Manager's office. All tanks are clearly labeled with their contents to facilitate spill response procedures. An inventory of spill response equipment materials is maintained and updated quarterly by the Site Manager.

EMPLOYEES ARE RESPONSIBLE FOR REPORTING IMMEDIATELY ANY SPILL OR LEAK OF MATERIAL DESCRIBED IN THIS PLAN TO THEIR SUPERVISOR.

In the event of a release or spill, the employee discovering the spill will report the following:

- Time of spill or discovery
- Location of spill
- Type of material spilled
- Estimated quantity of spilled material
- Condition of spilled material

The supervisor will immediately notify the Spill Response Coordinator.

7.1 Spill Response Team

A Spill Response Team has been designated and trained in the proper actions to be taken in the event of a release or spill. The purpose of the team is to provide immediate response to the containment and cleanup of any spill. All Spill Response Team members receive updated training in January of each year. The Spill Response Team members and their individual responsibilities are listed below.

Spill Response Team

| Role | Responsibility | Title | Phone Number |
|----------------------------|---|-------------------------------------|--|
| Spill Response Coordinator | Primary Emergency Contact Spill Response Equipment Inventory | Equipment and Environmental Manager | Office 505-327-4935 Home (505) 327-2704 |
| Spill Response Team Leader | Secondary Emergency Contact Preventive Maintenance Training Inspections Recordkeeping Spill Response | District Manager | 505-327-4935 |
| Spill Response Team Member | Spill Response | Site staff employee | 505-327-4935 |

The Spill Response Team is responsible for the following:

- The Spill Response Coordinator is responsible for determining whether the facility has had a release that could flow off site, that could reach an offsite surface water body or a navigable waterway, or that could threaten human health or the environment.
- The Spill Response Coordinator is responsible for assessing the spill, gathering the information required for notification requirements, making the proper notifications timely, and implementing the spill response procedures.
- The Spill Response Coordinator will coordinate with the Spill Response Team Leader in implementing the spill response procedures appropriate to the type of spill encountered and the Spill Response Team Leader will direct the Spill Response Team Members in spill response for the type of spill encountered. **Spill response procedures are provided in Appendix F.**
- The Spill Response Coordinator will assess whether evacuation of the surrounding area is required and, if necessary, will notify proper local authorities, including the police department, fire department, hospital, and State and local emergency response teams. A list of the local authorities and their phone numbers is shown in Appendix G.
- The Spill Response Team Leader is responsible for preventive maintenance, coordinating inspections and implementing inspection schedules, documenting inspections, maintaining records required by the SPCC Plan, and spill response. He is also responsible for conducting training of Operations personnel on both the contents of the SPCC Plan and any modifications made to the plan.
- The purpose of this team is to provide immediate response to the containment and cleanup of any spill. All Spill Response Team members receive updated training in January of each year.

7.2 Spill Response Equipment

Spill response equipment is stored on site. The spill response equipment includes shovels and sorbent material. Fire extinguishers are located throughout the Farmington Yard facility.

7.3 Communications Equipment

In the event of a spill, cell phones will be used for communication between the Spill Response Coordinator, the Spill Response Team Leader, the Spill Response Team, and facility personnel. For communication between the Spill Response Coordinator or his designee and offsite emergency response personnel, site telephones or cell phones will be used. This communications equipment is used daily and is maintained in good working order and repaired as necessary.

7.4 Evacuation Procedures

If the Spill Response Coordinator determines that a release, spill, fire, or explosion has occurred that could threaten human health, he will notify site personnel of evacuation of a specific area of the facility or complete evacuation of the facility by using cellular telephones, and he will take the visitors' log. Anyone requesting access to the Farmington facility is required to check in at the Farmington Yard office and sign the visitors' log. All personnel in the immediate area of an evacuation will be required to leave the designated area immediately and report to his/her supervisor at the entrance to the office building. Site personnel should be familiar with the location of the office to assure safe and efficient evacuation in case of an emergency.

When an evacuation is implemented by the Spill Response Coordinator, each supervisor will report to the entrance of the office building and take a head count of the employees he/she is responsible for. If any employees are missing, the names of those employees and their last known location will be reported to the Spill Response Coordinator immediately. Each supervisor will direct further evacuation procedures in accordance with direction received from the Spill Response Coordinator.

8.0 METHODS OF DISPOSAL OF RECOVERED MATERIAL (40 CFR 112.7(a)(v))

Following a release within the tank secondary containment areas the recoverable released material will be pumped into the appropriate storage tank. Any material released outside of the tank secondary containment areas will be removed with sorbent material and placed in drums on site for proper offsite disposal. Recovered petroleum contaminated materials will be disposed at a facility permitted to manage these types of wastes.

9.0 CONTACT LIST (40 CFR 112.7 (a)(3)(vi))

The contact list and phone numbers for the Spill Response Coordinator, National Response Center, cleanup contractors who the facility uses for spill response, and all appropriate Federal, State, and

local agencies who must be contacted in case of a discharge described in 40 CFR 112.1(b) are provided in Appendix G. The spill reporting and notification procedures to Federal and State agencies are provided in Appendix H.

10.0 SITE-SPECIFIC INFORMATION FOR REPORTING A DISCHARGE (40 CFR 112.7 (a)(4))

The following information will be provided when reporting a discharge:

- 1) Name, address, and telephone number of the person making the telephone report
- 2) Name, address, and telephone number of the facility
- 3) If different from the person making the notification, the names, addresses, and telephone numbers of the responsible person and contact person at the location of the discharge or spill
- 4) Date, time, and exact location of the spill or discharge
- 5) Specific description or identification of the oil, petroleum product or other substances discharged or spilled
- 6) Estimate of the quantity discharged or spilled
- 7) Duration of the incident
- 8) Source of the discharge or spill
- 9) Cause of the discharge or spill
- 10) Description of all affected media
- 11) Any damages or injuries caused by the discharge
- 12) Description of any actions that have been taken, are being taken, and will be taken to stop, remove, and mitigate the effects of the discharge or spill
- 13) Any known or anticipated health risks
- 14) Whether an evacuation is needed
- 15) Identity of any governmental representatives, including local authorities or third parties, responding to the discharge or spill
- 16) Names of any individuals and/or organizations who have also been contacted
- 17) Any other information that may be significant to the response action

11.0 DISCHARGE RESPONSE (40 CFR 112.7(a)(5))

The procedures described in Sections 7.0, 8.0, and 9.0 are organized to make them readily usable to respond to an emergency at the facility.

12.0 DISCHARGES FROM EQUIPMENT FAILURE (40 CFR 112.7 (b))

This section describes the potential types of equipment failure, and for each potential type of equipment failure, a prediction of the direction of flow, rate of flow, and total quantity of oil that could be discharged from the facility as a result of each type of major equipment failure.

The oil storage containers at the facility are shown on Figure 2. The activities that represent the greatest potential for release of oil from the site to the environment are tank overflows and failures, unloading from delivery trucks, and fueling of vehicles.

12.1 Tank Overflows and Leaks from Storage Tanks

Used oil, diesel fuel, and gasoline have the potential to be released from tank overflows and failures at the site. The storage tanks at the facility have secondary containment.

Direction of flow: Any potential release from overflow or failure of the onsite storage tanks, owned by Key Energy, would be contained within the secondary containment structures. Any releases from tanks to the area outside of the secondary containment structures would flow to the south, following site topography.

Rate of flow: The rate of flow for a tank failure will vary depending upon the location of the tank failure and the rate of flow from tank overflow will depend on the pumping rate to the tank.

Total quantity of oil discharged: The quantities of materials that could be released from the tanks due to a tank failure are listed in Table 1. The quantity of material that could be released from overflow of a tank would be 1,000 gallons, which is the maximum capacity of any single tank at the facility.

12.2 Unloading from Delivery Trucks

Diesel fuel and unleaded gasoline have the potential to be released during unloading activities at the facility.

Direction of flow: Any potential release from unloading materials, due to a release at the tank being filled, would be contained within the secondary containment structure. Any releases to the area outside of the secondary containment structures would flow to the south, following site topography.

Rate of flow: The rate of flow for a release during delivery truck unloading will depend on the pumping rate to the tank.

12.3 Vehicle Fueling/Loading Into Tank Trucks

There is the potential for release from the used oil tank.

Direction of flow: Any potential release loading material from the used oil tank or oil/water separator would flow to the south, following site topography.

Rate of flow: The rate of flow would depend on the pumping rate from the tank.

Total quantity of oil discharged: The maximum capacity of the used oil tank is 1,000 gallons.

13.0 APPROPRIATE CONTAINMENT OR DIVERSIONARY STRUCTURES (40 CFR 112.7 (c))

Appropriate containment or diversionary structures or equipment to prevent a discharge as described in 40 CFR 112.1(b) are described in Section 6.0, Discharge or Drainage Controls. The secondary containment systems on site, including walls and floor are concrete construction and, therefore, capable of containing oil. These containment systems are constructed such that any discharge from a primary containment system, such as a tank or pipe, will not escape the containment system before cleanup occurs. Additionally, any releases from tanks or piping would be removed by pumping the released material into the respective tank or removing the residue with sorbent materials.

14.0 PRACTICABILITY DETERMINATION (40 CFR 112.7(d))

The facility has determined that the structures and pieces of equipment listed in Sections 40 CFR 112.7(c) and (h)(1) and Sections 112.8(c)(2) and (c)(11) to prevent a discharge in harmful quantities from the facility are practicable. If at any time the facility determines that any of these structures or pieces of equipment are not practicable, the facility will provide a statement regarding why such measures are not practicable in this section of the plan and for bulk storage containers, the facility will conduct both periodic integrity testing of the containers and periodic integrity and leak testing of the valves and piping and the facility will provide in an appendix to this plan an oil spill contingency plan following the provisions of 40 CFR Part 109 and a written commitment of manpower, equipment and materials required to expeditiously control and remove any quantity of oil discharged that may be harmful.

15.0 INSPECTIONS AND TESTING (40 CFR 112.7 (e))

Key Energy conducts weekly inspections as part of its preparedness and prevention procedures. Included in the weekly inspections are the tank storage areas. The items inspected in the weekly tank storage area inspections include the general condition and integrity of the tanks,

pumps, valves, flange joints, expansion joints, catch pans, piping, tank and piping foundations and supports. whether the tank valves are closed, whether the tanks are labeled with the contents of the tank, any observed releases from the tanks, pump operation, the integrity of the concrete secondary containment, whether any releases from the secondary containment were observed, housekeeping, observation of accumulated liquids, inventory and condition of spill response equipment, and corrective actions recommended during previous weekly inspections. Additional items included in the weekly inspections are the integrity of the few drums stored inside the concrete containment area, whether drums stored on site inside the secondary containment are labeled, and any evidence of spills or releases. Areas where spills of oil could occur are described in Section 12.0.

A checklist for weekly inspections is provided in Appendix I of this plan. A copy of the completed inspection reports will be signed by the Inspector and provided quarterly to the Site Manager for review and signature. The completed reports will list the areas inspected, observations made during the inspections, and any corrective action planned or taken to address areas of non-compliance with this plan. The signed reports will be provided to the Site Manager and a copy of the inspection report placed in the Facility Inspection Log Book where the reports will be maintained for a period of three years. **Any deficiencies in the implementation of this plan will be corrected as soon as practicable.** The Facility Inspection Log Book will be maintained by the Site Manager and kept in the Site Manager 's office. Upon identification of a problem that could impact releases, a work order will be completed. Previous inspection logs will be reviewed quarterly such that confirmation of corrective actions required may be made during inspections subsequent to issuance of work orders to address areas of non compliance. **Whenever revisions or additions to the plan are recommended as a result of inspections, a summary description of the proposed changes, including time frames required to implement the proposed changes, will be attached to the inspection checklist.**

A facility inspection checklist to document the inspections conducted in accordance with this plan is included in Appendix I.

Testing required by 40 CFR 112 will be conducted in accordance with Section 21.10, Integrity Testing and Inspection. Any testing and inspection conducted in accordance with this plan will be documented and maintained at the facility for a period of three years.

16.0 PERSONNEL, TRAINING AND DISCHARGE PREVENTION PROCEDURES (40 CFR 112.7(f))

This section provides a description of the employee training program for the facility that is provided to all oil-handling personnel. The employee training includes:

- Procedures for loading and unloading from vehicles and/or tanks
- Vehicle fueling procedures
- Inspections
- Equipment operation
- Preventive maintenance
- Operations and maintenance of equipment to prevent discharges
- Discharge procedures
- Applicable pollution prevention laws rules and regulations
- General facility operations
- Spill prevention
- Location of spill response equipment
- Spill response procedures
- Material management practices for specific materials at the facility
- Spill reporting procedures
- Contents of the SPCC Plan

Training will be conducted annually during the month of January or within one month of a new employee's hire date. Records of training will be maintained by the Site Manager.

The Site Manager is responsible for discharge prevention and reports to the Site Manager.

Discharge prevention briefings will be provided to all oil-handling personnel at least once a year to assure adequate understanding of the SPCC Plan. These discharge prevention briefings include a description of known discharges or failures, malfunctioning components, and any recently developed precautionary measures.

17.0 SECURITY (40 CFR 112.7(g))

17.1 Fencing (40 CFR 112.7 (g)(1))

Each facility, as defined by the regulation, handling, processing, or storing oil at the facility will be fully fenced and the entrance gates locked and/or guarded when the facility is not in production or is unattended. The Key Energy Farmington Yard facility is surrounded by a chain-link fence and gate.

17.2 Discharge Valves (40 CFR 112.7 (g)(2))

The master flow and drain valves and any other valves that permit direct outward flow from containers on site to the surface have adequate security measures so that they remain in the closed position when in non-operating or non-standby status. The drain valves on all tanks are maintained in the closed position when in non-operating or non-standby status. This is confirmed during weekly inspections.

17.3 Locked Starter Control Valves (40 CFR 112.7 (g)(3))

The starter control valves on each pump at the facility are locked in the "off" position and located in an area accessible only to authorized personnel when the pumps are in a non-operating or non-standby status.

17.4 Cap or Blank Flange Loading/Unloading Connections (40 CFR 112.7 (g)(4))

The unloading/loading connections of facility piping will be securely capped or blank-flanged when not in service or when in standby service for an extended time. This practice will also be applied to piping that is emptied of liquid content either by draining or inert gas pressure.

17.5 Facility Lighting (40 CFR 112.7 (g)(5))

Facility lighting is provided that is commensurate with the type and location of the facility. Lighting will assist in the discovery of discharges occurring during hours of darkness, both by operating personnel, if present, and by non-operating personnel (the general public, local police, etc.), and the prevention of discharges occurring through acts of vandalism. Facility lighting is provided during operating hours. Lighting reduces the risk of vehicular impact, facilitates inspection of storage and transfer areas and discovery of discharges, and reduces the risk of discharges through acts of vandalism.

18.0 FACILITY TANK TRUCK LOADING/UNLOADING (40 CFR 112.7(h))

18.1 Tank Truck Containment System (40 CFR 112.7 (h)(1))

The SPCC Plan rule requires that, where loading/unloading area drainage does not flow into a catchment basin or treatment facility designed to handle such discharges, the facility will use a quick drainage system for tank truck unloading and loading areas and the facility will design a containment system to hold at least the maximum capacity of any single compartment of the tank truck loaded or unloaded at the facility. The loading area does not have secondary containment and are required to have it. The secondary containment must be able to contain the largest single tank truck compartment volume. Secondary containment structures sufficiently impervious to contain oil will be provided for the appropriate areas as soon as practicable.

18.2 Prevention of Departure Prior to Disconnection (40 CFR 112.7(h)(2 and 3))

As described in Section 5.0, Discharge Prevention Measures, the facility complies with the requirement to provide an interlocked warning light or physical barrier system, warning signs, wheel chocks, or vehicle brake interlock system in loading/unloading areas to prevent vehicles from departing before complete disconnection of flexible or fixed oil transfer lines. The facility also complies with the requirement that prior to filling and departure of any tank truck, the lowermost

drain and all outlets of such vehicles are closely inspected for discharges and, if necessary, they are tightened, adjusted, or replaced to prevent liquid discharge while in transit.

**19.0 BRITTLE FRACTURE OR OTHER CATASTROPHE EVALUATION
(40 CFR 112.7 (i))**

Currently, the Key site does not have any field-constructed aboveground containers. If the facility installs a field-constructed aboveground container and it undergoes a repair, alteration, reconstruction, or change in service that might affect the risk of a discharge or failure due to brittle fracture or other catastrophe, or has discharged oil or failed due to brittle fracture failure or other catastrophe, the facility will evaluate the container for risk of discharge or failure due to brittle fracture or other catastrophe and, as necessary, take appropriate action.

**20.0 CONFORMANCE WITH APPLICABLE RULES, REGULATIONS, AND
GUIDELINES (40 CFR 112.7 (j))**

In addition to the prevention standards listed in 40 CFR Part 112.7, this SPCC Plan meets the requirements of 40 CFR 112.8.

**21.0 SPILL PREVENTION, CONTROL AND COUNTERMEASURE PLAN
REQUIREMENTS FOR PETROLEUM OILS AND NON-PETROLEUM OILS AT
ONSHORE FACILITIES (EXCLUDING PRODUCTION FACILITIES) (40 CFR
112.8(a))**

This facility is an onshore facility and this plan meets the general requirements of 40 CFR 112.7 and the specific discharge prevention and containment procedures listed in 40 CFR 112.8 as described in the following sections of this SPCC Plan.

21.1 Facility Drainage From Diked Areas (40 CFR 112.8(b)(1) and (2))

The tank storage areas do not have drains to empty the containment of accumulated liquids. Any spills or leaks are pumped from the containment area to drums or truck tanks or absorbed by

sorbent materials inside the containment dikes. The sorbent material and any liquids pumped from the containment will be collected in drums for proper disposal.

If the facility installs diked storage areas that do have drains or discharge spouts; they will be installed to restrain drainage from the diked storage areas by valves to prevent a discharge into the drainage system or facility effluent treatment system, except where facility systems are designed to control such discharge, including emptying diked areas by pumps or ejectors by manually activating these pumps or ejectors and inspecting the condition of the accumulation before starting to ensure no oil will be discharged.

For these diked areas the facility will only use valves of manual, open-and-closed design for the drainage of diked areas. The facility will not use flapper-type drain valves to drain diked areas. The facility drainage does not drain directly into a watercourse or into an onsite wastewater treatment plant, and the facility will inspect retained storm water and only drain uncontaminated retained storm water as described in 40 CFR 112(c)(3)(ii), (iii), and (iv). Drainage from diked storage areas is documented on the Checklist for Secondary Containment Discharge Observation Prior to Discharge included in Appendix I.

21.2 Facility Drainage From Undiked Areas (40 CFR 112.8(b)(3))

Drainage systems from undiked areas with a potential for discharge (such as where piping is located outside containment walls or where tank truck discharges may occur outside the loading area) must be designed to flow into ponds, lagoons, or catchment basins designed to retain oil or return it to the facility. The loading/unloading areas do not have any secondary containment. Secondary containment structures sufficiently impervious to contain oil will be provided as soon as practicable.

21.3 Spill Diversion System (40 CFR 112.8(b)(4))

The drainage system from the undiked truck loading area is not engineered as required in 40 CFR 112.8(b)(3). There are no ditches located inside the facility, therefore, no diversion system has been provided for the final discharge of ditches inside the facility that would, in the event of an uncontrolled discharge, retain oil in the facility.

21.4 Facility Drainage Systems (40 CFR 112.8(b)(5))

Since drainage waters are not treated in more than one treatment unit where such treatment is continuous, and pump transfer is needed, the requirement to provide two lift pumps and permanently install at least one of the pumps is not applicable. However, facility drainage systems have been designed to prevent a discharge in harmful quantities into or upon the navigable waters of the United States or adjoining shoreline in case there is an equipment failure or human error at the facility.

21.5 Bulk Storage Container Compatibility (40 CFR 112.8(c)(1))

The containers used for storage of oil at the facility are compatible with the materials stored and the conditions of storage such as pressure and temperature.

21.6 Bulk Storage Container Secondary Containment (40 CFR 112.8(c)(2))

There is one storage area located outside with a 1,000-gallon used oil tank, a 500-gallon diesel fuel tank, a 500-gallon unleaded gasoline tank, and two 55-gallon drums of lube. The storage containers are located within a concrete secondary containment structure sufficient to contain the capacity of the largest tank plus 10% freeboard for precipitation.

There are four storage tanks inside the truck shop, located in the main facility building. They include two 400-gallon 15W-40 tanks, a 400-gallon 80W-90 tank, and a 450-gallon used oil tank.

These tanks do not have secondary containment. Secondary containment is provided for the tanks by the walls and floor of the shop.

Additionally, there are approximately fifty 55-gallon drums of various oil products, including grease and used oil, stored in the truck shop, six 55-gallon drums of recycle antifreeze stored in the auto shop, sixteen 55-gallon drums of various oil products in the rig shop, and twenty 55-gallon drums of antifreeze in the antifreeze storage area. Secondary containment is provided for the drums by the walls and floor of the shops. Two 55-gallon used oil drums are located outside the tire storage area, and approximately twenty 55-gallon drums of used antifreeze and four recycle bins for used filters are located outside the southeast corner of the truck shop with no secondary containment. Secondary containment will be provided for the drums and recycle bins as soon as practicable.

21.7 Discharge of Uncontaminated Rainwater (40 CFR 112.8(c)(3))

The facility will not allow drainage of uncontaminated rainwater from the diked areas into storm drains or discharge of effluent into an open watercourse, lake, or pond, bypassing the facility treatment system, without doing the following: 1) normally keeping the bypass valve sealed closed, 2) inspecting the retained rainwater to ensure that its presence will not cause a discharge of harmful quantities of oil into or upon navigable waters of the United States or adjoining shorelines, 3) opening the bypass valve and resealing it following drainage under responsible supervision, and 4) keeping adequate records of such events. Currently the discharge of uncontaminated rainwater from the diked storage areas at the facility is pumped out and stored in drums until proper disposal.

21.8 Completely Buried Storage Tanks (40 CFR 112.8 (c)(4))

There are no completely buried metallic storage tanks located at the facility. If any completely buried metallic storage tanks are installed at the facility, they will be protected from corrosion by

coatings or cathodic protection compatible with the local soil conditions. Each completely buried metallic storage tank will be regularly leak tested.

21.9 Partially Buried or Bunkered Tanks (40 CFR 112.8 (c)(5))

There are no partially buried or bunkered metallic tanks located at the facility for the storage of oil. If any partially buried or bunkered metallic tanks are installed for the storage of oil, the buried section of the tank will be protected from corrosion by coatings or cathodic protection compatible with local soil conditions.

21.10 Integrity Testing and Inspection (40 CFR 112.8 (c)(6))

As soon as practicable, the facility will begin to test each aboveground container for integrity on a regular schedule, and whenever material repairs are made. The frequency of and type of testing takes into account container size and design. The facility will combine visual inspection with a testing technique such as hydrostatic testing, radiographic testing, ultrasonic testing, acoustic emissions testing, or another system of non-destructive shell testing. The facility will keep comparison records and will also inspect the container's supports and foundations. The facility will frequently inspect the outside of the containers for signs of deterioration, discharges, or accumulation of oil inside diked areas. **Records of inspections and tests will be maintained at the facility for 3 years. Integrity testing will be completed annually and documented in accordance with tank standards API 12F for steel tanks and API 12P for fiberglass reinforced plastic tanks.** Integrity testing of all storage tanks will be implemented as soon as practicable.

21.11 Internal Heating Coils (40 CFR 112.8 (c)(7))

There are no tanks equipped with internal heating coils located at the facility. If any tanks are installed with internal heating coils, leakage through defective internal heating coils will be controlled by monitoring the steam return and exhaust lines for contamination from internal heating

coils that discharge into an open water course, or the facility will pass the steam return or exhaust lines through a settling tank, skimmer, or other separation or retention system.

21.12 Engineering Controls for Liquid Levels (40 CFR 112.8(c)(8))

Each container will be installed with one of the following devices to avoid a discharge: high liquid level alarm with an audible or visual signal at a constantly attended operation or surveillance station, high liquid level pump cutoff devices set to stop flow at a predetermined container content level, direct audible or code signal communication between the container gauger and the pumping station, and a fast response system for determining the liquid level of each bulk storage container such as digital computers, telepulse, or direct vision gauges. If this last alternative is used, a person will be present to monitor the gauges and the overall filling of the bulk storage containers. **The liquid level sensing devices will be regularly tested to ensure proper operation.** Liquid level gauges or high level alarms will be installed on all storage tanks as soon as practicable.

21.13 Effluent Treatment (40 CFR 112.8 (c)(9))

There is no effluent treatment system that discharges to a navigable water body. Any effluent treatment facilities installed at the facility will be observed frequently enough to detect possible system upsets that could cause a discharge of harmful quantities of oil into or upon the navigable waters of the United States or adjoining shorelines.

21.14 Correction and Removal of Visible Discharges (40 CFR 112.8 (c)(10))

The facility promptly corrects visible discharges that result in a loss of oil from containers, including but not limited to seams, gaskets, piping, pumps, valves, rivets, and bolts. Any accumulation of oil in diked areas is also promptly removed. Weekly inspections include tank integrity, tank valves, observation for releases, integrity of secondary containment structures, releases from secondary containment structures, and accumulated liquids within secondary containment structures.

21.15 Mobile or Portable Oil Storage (40 CFR 112.8 (c)(11))

The facility currently does not have any mobile or portable oil storage containers. If the facility uses mobile or portable oil storage containers in the future, the mobile or portable oil storage containers will be positioned or located to prevent a discharge of harmful quantities of oil into or upon the navigable waters of the United States or adjoining shorelines. A secondary means of containment will be provided, such as a dike or catchment basin, sufficient to contain the capacity of the largest single compartment or container with sufficient freeboard to contain precipitation.

21.16 Buried Piping (40 CFR 112.8 (d)(1))

There is currently no buried piping at the facility. However, if any buried piping is installed or replaced at the facility, it will be provided with a protective wrapping and coating. The buried piping will also either be cathodically protected or provided with another means of satisfying the corrosion protection standards for piping in 40 CFR 280 or a state program approved under 40 CFR 281. If a section of buried line is exposed for any reason, it will be carefully inspected for deterioration. If corrosion damage is found, the facility will undertake additional examination and corrective action as indicated by the magnitude of the damage.

21.17 Out Of Service Piping (40 CFR 112.8 (d)(2))

When piping is not in service or is in standby service for an extended period of time, the facility will cap or blank-flange the terminal connection at the transfer point and mark it as to origin.

21.18 Pipe Supports (40 CFR 112.8 (d)(3))

Pipe supports at the facility are to be designed to minimize abrasion and corrosion and allow for expansion and contraction.

21.19 Inspection of Aboveground Valves and Piping (40 CFR 112.8 (d)(4))

The facility will inspect all aboveground valves, piping, and appurtenances. During the inspection, the inspector will assess flange joints, expansion joints, valves, catch pans, pipeline supports, locking of valves, and metal surfaces. Integrity and leak testing of buried piping, if applicable, will be conducted at the time of installation, modification, construction, relocation, or replacement.

21.20 Vehicle Damage to Piping

All vehicles entering the facility are warned of vehicular impact that may endanger aboveground piping, tanks, or other oil transfer operations at the Farmington Yard.

22.0 SUBSTANTIAL HARM CRITERIA

The Certification of Substantial Harm Criteria required by 40 CFR 112.20(e) is attached in Appendix J.

DISTRIBUTION

Spill Prevention, Control and Countermeasure Plan
Key Energy Services, Inc.
Farmington Yard
5651 U.S. Highway 64
Farmington, New Mexico

March 10, 2005

1 copy to: Key Energy Services, Inc.
6 Destra Drive, Suite 5900
Midland, TX 79705
Attention: Gene Butler

1 copy to: Key Energy Services, Inc. Farmington Yard
5651 U.S. Highway 64
Farmington, New Mexico 78357

Attention: Equipment and Environmental Manager

1 copy to: Brown and Caldwell
Project File

QUALITY CONTROL REVIEWER

1 copy to: Key Energy Services, Inc.

Paul Siler, P.E.
Supervising Engineer

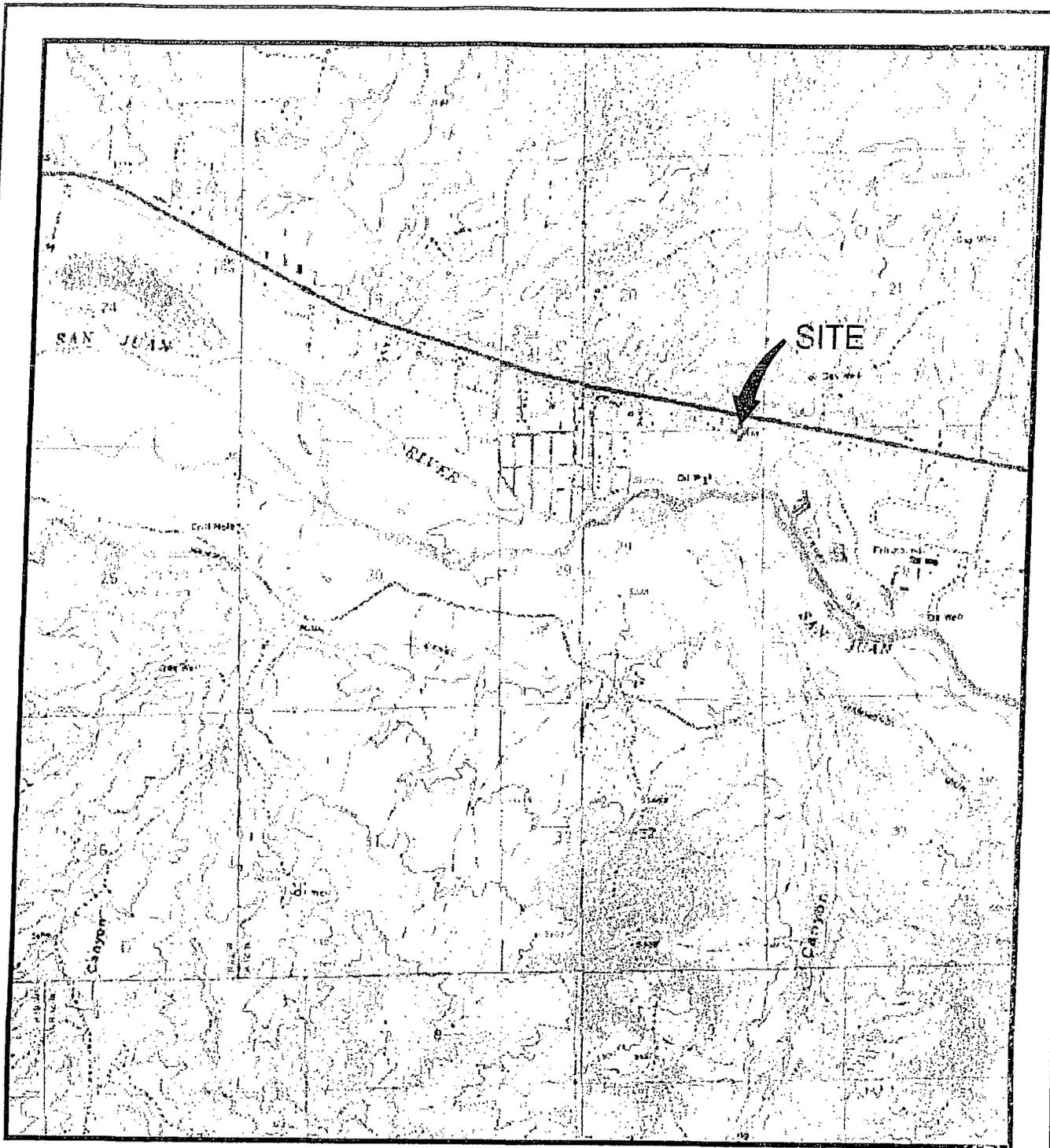
PJS:kp

TABLES

**TABLE 1
TANK AND DRUM STORAGE AREAS**

| AREA | CONTAINER | CAPACITY | CONSTRUCTION MATERIAL | MATERIAL STORED | SECONDARY CONTAINMENT |
|---|------------------------|-----------------------------------|-----------------------|----------------------|--|
| Oil storage area at northwest corner of auto shop | Used Oil Tank | 1,000 gallons | Steel | Used oil | Concrete secondary containment None |
| | Diesel Fuel Tank | 500 gallons | Steel | Diesel fuel | |
| | Unleaded Gasoline Tank | 500 gallons | Steel | Unleaded gasoline | |
| | Drums | Two, 55 gallons | Steel | Lube | |
| Truck shop | Motor oil tank | 400 gallons | Steel | 15W-40 motor oil | Floor and walls |
| | Motor oil tank | 400 gallons | Steel | 80W-90 motor oil | |
| | Motor oil tank | 400 gallons | Steel | 15W-40 motor oil | |
| | Used oil tank | 650 gallons | Steel | Used oil | |
| | Drums | Approximately fifty, 55 gallons | Steel | | |
| Auto shop | Drums | Six, 55 gallons | Steel | Recycle antifreeze | Floor and walls |
| Rig shop | Drums | Approximately sixteen, 55 gallons | Steel | Various oil products | Floor and walls |
| Antifreeze storage | Drums | Approximately twenty, 55 gallons | Steel | Antifreeze | Floor and walls |
| Outside tire storage area | Drums | Two, 55 gallons | Steel | Used oil | None. Secondary containment will be provided as soon as practicable. |

FIGURES



SOURCE: USGS 7.5 MINUTE TOPOGRAPHIC MAP - HORN CANYON QUADRANGLE



SCALE IN MILES

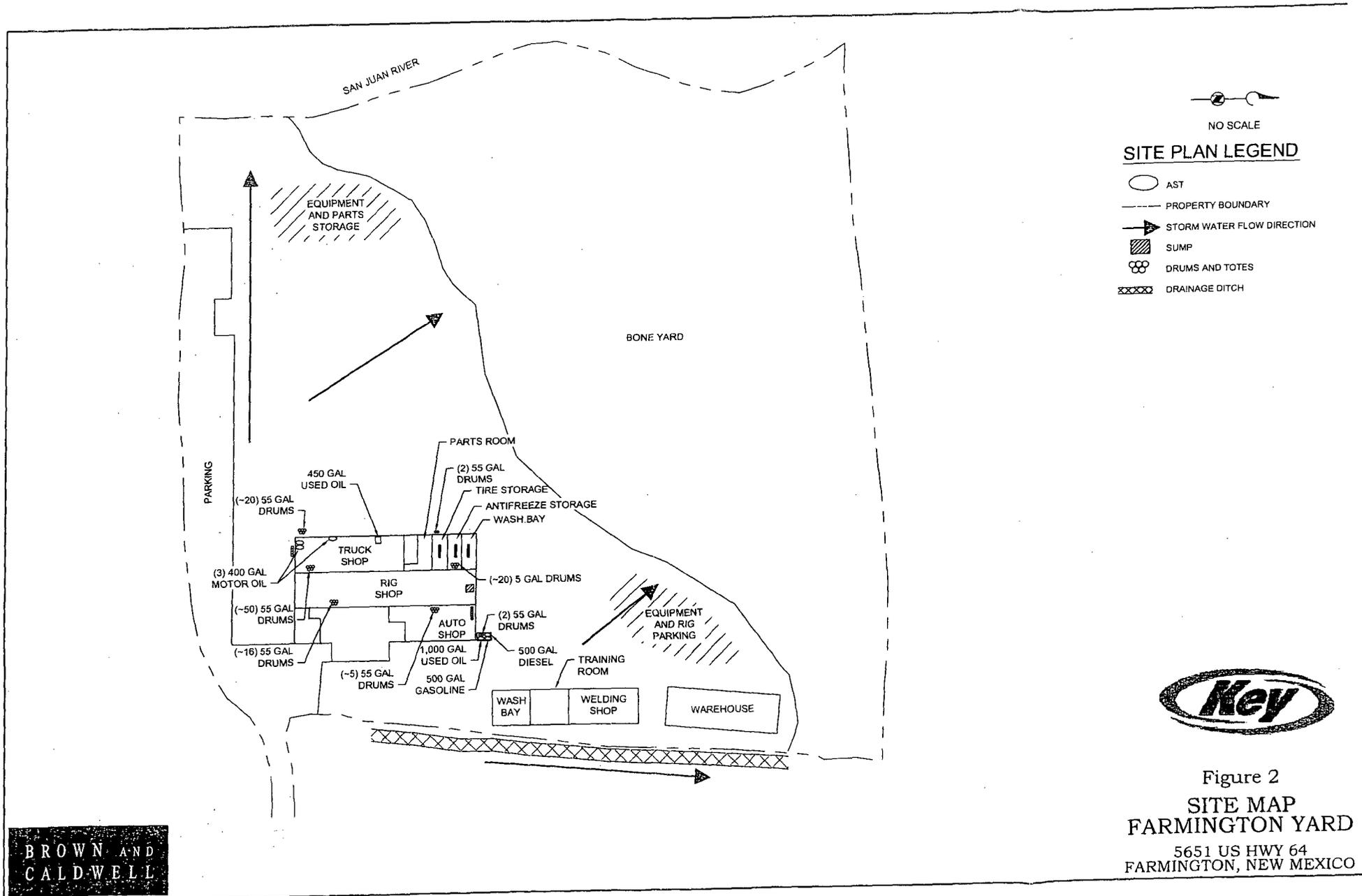


Figure 1

**SITE VICINITY MAP
FARMINGTON YARD**

5651 U.S. HWY 64
FARMINGTON, NEW MEXICO





BROWN AND CALDWELL

APPENDIX A

Plan Review and Evaluation Certification

P:\Data\GEN\Key-Energy\24041 - SPCCs and SWP3s\Petersburg\Four Corners\421_Farmington\421 Farmington Yard spec 3_3_05.doc

Use or disclosure of data contained on this sheet is subject to the restriction specified at the beginning of this document.

APPENDICES

PLAN REVIEW AND EVALUATION CERTIFICATION

I have completed review and evaluation of the SPCC Plan for the Key Energy Facility and I
will / will not amend the Plan as a result.

Site Manager Name

Title

Signature

Date

If the plan is being amended, the following amendments will be made:

The amendments do/do not include technical amendments requiring certification by a professional engineer.

If any technical amendments requiring certification by a Professional Engineer have been made, the certification is attached to this certification in Appendix A. **Any amendment to this plan will be completed within 6 months of any change requiring an amendment identified during the plan review. The amendment will be implemented within 6 months following completion of the amendment.**

APPENDIX B

Material Inventory for Trucks and Truck Shop/Yard

P:\Data\GEN\Key-Energy\24041 - SPCCs and SWP3s\Petersburg\Four Corners\421_Farmington\421 Farmington Yard spcc 3_3_05.doc

Use or disclosure of data contained on this sheet is subject to the restriction specified at the beginning of this document.

A material inventory list for this site may be found in the contents for MSDSs for this facility and is located in the office. Alternatively, it may be included here.

APPENDIX C

Unloading Procedures for Vacuum Units

P:\Data\GEN\Key-Energy\24041 - SPCCs and SWP3s\Petersburg\Four Corners\421_Farmington\421 Farmington Yard spec 3_3_05.doc

Use or disclosure of data contained on this sheet is subject to the restriction specified at the beginning of this document.



PROCEDURES FOR UNLOADING VACUUM UNITS

- Review JSA
- Spot unit
- Set parking brake
- Chock wheels
- Visually check to see if all hatches are closed
- Connect ground wire
- Connect hose to vacuum unit
- Connect hose from unit to source
 - A. If open pit or tank is involved, hose must be secured by soft line
 - B. If connected to a load line, open valve
- Open vent line
- Position valve handle on pump to "discharge"
- Start vacuum pump
- Close vent - open 4" valve at rear of unit
- After unit is empty, close 4" valve, open vent line
- Close load line
- Close 4" valve
- Bleed pressure off of bleed down line
- Disconnect hose from source and unit

APPENDIX D

Loading Procedures for Vacuum Units

P:\Data\GENKey-Energy\24041 - SPCCs and SWP3s\Petersburg\Four Corners\421_Farmington\421 Farmington Yard spec 3_3_05.doc

Use or disclosure of data contained on this sheet is subject to the restriction specified at the beginning of this document.



PROCEDURES FOR LOADING VACUUM UNITS

- Review JSA
- Spot unit
- Set parking brake
- Chock wheels
- Visually check to see if all hatches are closed
- Connect ground wire
- Connect hose to vacuum unit
- Connect hose from unit to source
 - A. If open pit or tank is involved, hose must be secured by soft line
 - B. If connected to a load line, open valve
- Open vent line
- Position valve handle on pump to "suction"
- Start vacuum pump
- Close vent - open 4" valve at rear of unit
- After unit is empty, close 4" valve, open vent line, blow air back, close load line
- Bleed pressure off, bleed down line
- Disconnect hose from source and unit

APPENDIX E

Tank Truck Material Transfer Checklist

P:\Data\GEN\Key-Energy\24041 - SPCCs and SWP3s\Petersburg\Four Corners\421_Fannington\421 Farmington Yard spec 3_3_05.doc

Use or disclosure of data contained on this sheet is subject to the restriction specified at the beginning of this document.

**TRUCK DRIVER CONFIRMATION OF ADHERENCE TO LIQUID TRANSFER
OPERATION PROCEDURES**

- The truck driver was present throughout the transfer at the hose connection to the truck until the transfer was completed.
- The truck driver chocked the wheels of the delivery truck prior to making the hose connection between the truck and the receiving pipe to prevent movement during transfer.
- The truck driver placed orange traffic cones surrounding the truck prior to making the hose connection between the truck and the receiving pipe to prevent departure of the vehicle before complete disconnection of the transfer hoses.
- The truck driver visually examined the discharge valve on the truck and the delivery hose to determine that they are both in good condition prior to connecting the hose to the receiving pipe.
- The tank was gauged prior to starting the discharge of material from the truck to determine if the tank had the capacity to accept the full shipment from the truck.
- A drip bucket was placed under the truck hose connection to catch any spillage.
- No spillage or release occurred.
- The flexible or fixed transfer lines have been disconnected prior to moving the delivery truck.
- The lower-most drain valve and all outlets have been closely inspected for discharges, and if necessary, the drains and outlets were tightened, adjusted, or replaced to prevent liquid discharge while in transit.

I confirm that the procedures listed above were followed and that no releases occurred during my transfer of liquids from the delivery truck.

Printed Name

Signature

Date

APPENDIX F
Spill Response Procedures

Spill Response Procedures

If a spill occurs at the Farmington Yard facility, the Spill Response Coordinator will notify the Spill Response Team Leader and coordinate with the Spill Response Team Leader to have the Spill Response Team implement the following Spill Response Procedures:

1. Evacuate the area if necessary following the procedures listed in Section 7.4 of the SPCC Plan.
2. Call emergency response personnel, if necessary.
3. Stop operation of equipment that is the source of the spill, including closing valves, stopping pumps, etc.
4. Contain the spill using absorbent booms, a trench dug in the soil surrounding the spill, etc.
5. Deploy absorbent materials to soak up spilled material.
6. Once spill is contained and area where spill occurred is secured, the Spill Response Coordinator or his designee will gather information required for notifications and reports described in Section 7.0 and Section 8.0 of the SPCC Plan.
7. Contact spill cleanup, transportation, and disposal vendors, if necessary.
8. Remove spilled material from ground surfaces using pumps and sorbent material and place in containers approved by the Spill Response Coordinator or his designee.
9. Remove spilled material from equipment using cloth rags and a cleaning solution approved by the Spill Response Coordinator or his designee to be compatible with the material spilled.
10. Place used rags and other disposable spill cleanup equipment in containers approved by the Spill Response Coordinator or his designee.
11. Label all containers used for storage of recovered spill material, used disposable equipment and any other waste from the spill containment and recovery with the material stored, date accumulation began, contact name and phone number.
12. Store containers in a designated storage area compatible with the materials stored.
13. Arrange for transport and disposal of waste generated from spill response off site at a permitted disposal facility.
14. Inventory all equipment used in the spill response and test non-disposable equipment for proper operation. If repair or replacement is necessary to ensure adequate equipment to respond to a release or spill is on site and available for use, order the repair or replacement immediately.
15. Prepare all notifications and reports required to be submitted in accordance with state, Federal and local regulations. A summary of the State and Federal requirements is provided in Section 7.0 and Section 8.0 of the SPCC Plan.

APPENDIX G
Emergency Contact List

EMERGENCY CONTACT LIST

| | |
|---|--|
| Facility Spill Response Coordinator | Office 505-327-4935 Home (505) 327-2704 |
| Facility Spill Response Team Leader | (505) 327-4935 |
| National Response Center | (800) 424-8802 |
| Police | 911 |
| New Mexico State Patrol | (505) 334-6000 |
| Fire | 911 |
| Hospital | 911 |
| New Mexico Oil Conservation Division | (505) 334-6178 |
| New Mexico Environment Department | 505-827-9329 |
| Emergency Spill Contractor (On Site Technologies Limited Partnership) | (505) 325-5667 24-hr on call |

APPENDIX H

Federal and State Spill Notification and Reporting Procedures

P:\Data\GEN\Key-Energy\24041 - SPCCs and SWP3s\Petersburg\Four Corners\421_Farmington\421 Farmington Yard spec 3_3_05.doc

Use or disclosure of data contained on this sheet is subject to the restriction specified at the beginning of this document.

SPILL NOTIFICATION

Upon notification of a spill, the Spill Response Coordinator will determine if the oil spill requires notification and/or reporting to regulatory agencies. Below is a summary of the notification and reporting requirements based on the U.S. Environmental Protection Agency (EPA) regulations for Discharge of Oil contained in Title 40 of the Code of Federal Regulations (CFR) Part 110.

Federal Notification Requirements

The EPA regulations regarding discharge of oil require notification by a person in charge of a facility as soon as he or she has knowledge of any discharge of oil from a facility as may be harmful. 40 CFR Part 110.3 states that discharges of oil in such quantities that the Administrator has determined may be harmful to the public health or welfare or the environment of the United States include discharges of oil that:

- 1) violate applicable water quality standards; or
- 2) cause a film or sheen upon or discoloration of the surface of the water or adjoining shorelines or cause a sludge or emulsion to be deposited beneath the surface of the water or upon adjoining shorelines.

Notification must be made to the National Response Center (NRC) at 800-424-8802.

Information Required for Notifications

The following information is required in notifications described in Sections 7.1.1 and 7.1.2:

- 1) the name, address, and telephone number of the person making the telephone report;
- 2) the name, address and telephone number of the facility;
- 3) if different from the person making the notification, the names, addresses, and telephone numbers of the responsible person and contact person at the location of the discharge or spill;

P:\Data\GEN\Key-Energy\24041 - SPCCs and SWP3s\Petersburg\Four Corners\421_Farmington\421 Farmington Yard spec 3_3_05.doc

Use or disclosure of data contained on this sheet is subject to the restriction specified at the beginning of this document.

- 4) the date, time and location of the spill or discharge;
- 5) a specific description or identification of the oil, petroleum product or other substances discharged or spilled;
- 6) an estimate of the quantity discharged or spilled;
- 7) the duration of the incident;
- 8) source of the discharge or spill;
- 9) the cause of the discharge or spill;
- 10) a description of all affected media;
- 11) a description of the extent of actual or potential water pollution or harmful impacts to the environment and an identification of any environmentally sensitive areas or natural resources at risk;
- 12) the name of the surface water or a description of the waters in the state affected or threatened by the discharge or spill;
- 13) any damages or injuries caused by the discharge;
- 14) a description of any actions that have been taken, are being taken, and will be taken to stop, remove and mitigate the effects of the discharge or spill;
- 15) any known or anticipated health risks;
- 16) whether an evacuation is needed;
- 17) the identity of any governmental representatives, including local authorities or third parties, responding to the discharge or spill; and
- 18) any other information that may be significant to the response action.

The Spill Response Coordinator must submit a report to the EPA Regional Administrator within 60 days following a release of the following quantities:

- a discharge of more than 1,000 U.S. gallons of oil in a single discharge as described in 40 CFR 112.1 (b); or
- a discharge of more than 42 U.S. gallons of oil, as described in 40 CFR 112.1 (b) in each of two discharges, within any 12-month period.

A discharge requiring reporting is defined as oil discharged in harmful quantities, defined in 40 CFR 110 as a quantity that violates applicable water quality standards or causes a film or sheen upon or discoloration of the surface of the water or adjoining shorelines or causes a sludge or

P:\Data\GEN\Key-Energy\24041 - SPCCs and SWP3s\Petersburg\Four Corners\421_Farmington\421 Farmington Yard spec 3_A_05.doc

Use or disclosure of data contained on this sheet is subject to the restriction specified at the beginning of this document.

emulsion to be deposited beneath the surface of the water or upon adjoining shorelines, into or upon the navigable waters of the United States or adjoining shorelines in two spill events, occurring within any 12-month period.

The report must include the following information:

- 1) Name of the facility;
- 2) Name(s) of the owner or operator of the facility;
- 3) Location of the facility;
- 4) Date and year of initial facility operation;
- 5) Maximum storage or handling capacity of the facility and normal daily throughput;
- 6) Description of the facility, including maps, flow diagrams, and topographical maps;
- 7) A complete copy of the SPCC Plan with any amendments;
- 8) The cause(s) of such spill, including a failure analysis of system or subsystem in which the failure occurred;
- 9) The corrective actions and/or countermeasures taken, including an adequate description of equipment repairs and/or replacements;
- 10) Additional preventive measures taken or contemplated to minimize the possibility of recurrence; Such other information as the Regional Administrator may reasonably require pertinent to the Plan or spill event.

State Notification Requirements

Notification of Spills and Unauthorized Discharges

Who Must Provide Notification? The owner, operator, or person in charge of any facility where a discharge has occurred must provide notification such release to the New Mexico Environment Department.

What Kinds of Discharges Must be Reported? Any amount of any material in such quantity as may with reasonable probability injure or be detrimental to human health, animal or plant life, or property, or may unreasonably interfere with the public welfare or the use of property. This includes chemical, biohazardous, petroleum-product, and sewage spills and incidents. In addition to recent spills, the discovery of evidence of previous unauthorized discharges, such as contaminated soil or ground water, also must be reported.

Are There Reportable Quantities? New Mexico has not established reportable quantities.

When Must Notification Be Provided? Verbal notification must be provided as soon as possible after learning of a discharge, but in no event more than twenty-four (24) hours thereafter.

How Should Notification be Provided?

For emergencies, call 505-827-9329 twenty-four hours a day.

For non-emergencies, call 866-428-6535 (voice mail, twenty-four hours a day).

For non-emergencies, and to reach an on-duty NMED staff member during normal business hours, call 505-428-2500.

APPENDIX I
Inspection Checklists

I:\Data\GENKey-Energy\24041 - SPCCs and SWP3\SPetersburg\Four Corners\421_Farmington\421 Farmington Yard spcc 3_3_05.doc

Use or disclosure of data contained on this sheet is subject to the restriction specified at the beginning of this document.

See Storm Water Pollution Prevention Plan, Appendix H.

APPENDIX J

Certification of Substantial Harm Criteria

P:\Data\GEN\Key-Energy\24041 - SPCCs and SWP3s\Petersburg\Four Corners\421_Farmington\421 Farmington Yard spec 3_3_05.doc

Use or disclosure of data contained on this sheet is subject to the restriction specified at the beginning of this document.

CERTIFICATION OF SUBSTANTIAL HARM DETERMINATION FORM

1. Does the facility transfer oil over water to or from vessels and does the facility have a total oil storage capacity greater than or equal to 42,000 gallons?
YES NO
2. Does the facility have a total oil storage capacity greater than or equal to 1 million gallons and does the facility lack secondary containment that is sufficiently large to contain the capacity of the largest aboveground oil storage tank plus sufficient freeboard to allow for precipitation within any aboveground storage tank area?
YES NO
3. Does the facility have a total storage capacity greater than or equal to 1 million gallons and is the facility located at a distance (as calculated using the appropriate formula in **Attachment C-III** to this appendix or a comparable formula) such that a discharge from the facility could cause injury to wildlife and sensitive environments? For further descriptions of fish and wildlife and sensitive environments, see Appendices I, II and III to DOC/NOAA's "Guidance for Facility and Vessel Response Plans: Fish and Wildlife and Sensitive Environments" (see **Appendix E** to this part, Section 10, for availability) and the applicable Area Contingency Plan.
YES NO
4. Does the facility have a total oil storage capacity greater than or equal to 1 million gallons and is the facility located at a distance (as calculated using the appropriate formula in **Attachment C-III** to this appendix or a comparable formula) such that a discharge from the facility would shut down a public drinking water intake?
YES NO
5. Does the facility have a total oil storage capacity greater than or equal to 1 million gallons and has the facility experienced a reportable oil spill in an amount greater than or equal to 10,000 gallons within the last 5 years?
YES NO

CERTIFICATION

I certify under penalty of law that I have personally examined and am familiar with the information submitted in this document, and that based on my inquiry of those individuals responsible for obtaining this information, I believe that the submitted information is true, accurate and complete.

Site Manager

Signature: _____ Date: _____

- I. If a comparable formula is used, documentation of the reliability and analytical soundness of the comparable formula must be attached to this form.
- II. For the purposes of 40 CFR part 112, public drinking water intakes are analogous to public water systems described in 40 CFR 143.2(c).

P:\Data\GENKey-Energy\24041 - SPCCs and SWP3s\Petersburg\Four Corners\421_Farmington\421 Farmington Yard spec 3_3_05.doc

Use or disclosure of data contained on this sheet is subject to the restriction specified at the beginning of this document.

ATTACHMENT TO THE DISCHARGE PLAN RENEWAL GW-156
KEY FOUR CORNERS, INC.
FARMINGTON SERVICE FACILITY
DISCHARGE PLAN APPROVAL CONDITIONS
(March 22, 1999)

1. **Payment of Discharge Plan Fees:** The \$50.00 filing fee has been received by the OCD. There is a required flat fee equal to one-half of the original flat fee for service company facilities. The renewal flat fee required for this facility is \$690.00 which 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 upon receipt of this approval.
2. **Key Four Corners, Inc. Commitments:** Key Four Corners, Inc. will abide by all commitments submitted in the discharge plan renewal application dated January 13, 1999 and these conditions for approval.
3. **Waste Disposal:** All wastes will be disposed of at an OCD approved facility. Only oilfield exempt wastes shall be disposed of down Class II injection wells. Non-exempt oilfield wastes that are non-hazardous may be disposed of at an OCD approved facility upon proper waste characterization per 40 CFR Part 261.
4. **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.
5. **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.
6. **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.
7. **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.
8. **Labeling:** All tanks, drums and containers will be clearly labeled to identify their contents and other emergency notification information.

9. **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.
10. **Underground Process/Wastewater Lines:** All underground process/wastewater pipelines must be tested to demonstrate their mechanical integrity a minimum of every 5 years. 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.
11. **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 fresh waters, public health and the environment, and are cost effective. Class V wells that inject domestic waste only must be permitted by the New Mexico Environment Department.
12. **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.
13. **Spill Reporting:** All spills/releases will be reported pursuant to OCD Rule 116 and WQCC 1203 to the OCD Aztec District Office.
14. **Transfer of Discharge Plan:** The OCD will be notified prior to any transfer of ownership, control, or possession of a facility with an approved discharge plan. A written commitment to comply with the terms and conditions of the previously approved discharge plan must be submitted by the purchaser and approved by the OCD prior to transfer.

15. **Closure:** The OCD will be notified when operations of the Farmington Service Facility are discontinued for a period in excess of six months. Prior to closure of the Farmington Service 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.
16. **Certification:** Key Four Corners, Inc., by the officer whose signature appears below, accepts this permit and agrees to comply with all terms and conditions contained herein. Key Four Corners, Inc. further acknowledges that these conditions and requirements of this permit may be changed administratively by the Division for good cause shown as necessary to protect fresh water, human health and the environment.

Accepted:

KEY FOUR CORNERS, INC.

by Ron Jellabaum Vice President
Title



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

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

March 22, 1999

CERTIFIED MAIL

RETURN RECEIPT NO. Z-357-870-075

Mr. Rick Vecellio
Key Four Corners, Inc.
P.O. Box 1067
Farmington, New Mexico 87499

**RE: Discharge Plan Renewal GW-156
Key Four Corners, Inc.
Farmington Service Facility
San Juan County, New Mexico**

Dear Mr. Vecellio:

The ground water discharge plan renewal GW-156 for the Key Four Corners, Inc. Farmington Service Facility located in the NE/4 of Section 29, Township 29 North, Range 12 West, NMPM, San Juan County, New Mexico, is hereby approved under the conditions contained in the enclosed attachment. The discharge plan consists of the discharge plan as approved April 18, 1994, and the renewal application dated January 13, 1999 with supplemental information dated March 1, 1999. Enclosed are two copies of the conditions of approval. **Please sign and return one copy to the New Mexico Oil Conservation Division (OCD) Santa Fe Office within 10 working days of receipt of this letter.**

The discharge plan renewal application was submitted pursuant to Section 3106 of the New Mexico Water Quality Control Commission (WQCC) Regulations. It is approved pursuant to Section 3109.A. Please note Sections 3109.E and 3109.F, which provide for possible future amendments or modifications of the plan. Please be advised that approval of this plan does not relieve Key Four Corners, Inc. of liability should operations result in pollution of surface water, ground water, or the environment.

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

Mr. Rick Vecellio
 GW- 156 Farmington Service Facility
 March 22, 1999
 Page 2

Please note that Section 3104 of the regulations provides: "When a plan has been approved, discharges must be consistent with the terms and conditions of the plan." Pursuant to Section 3107.C., Key Four Corners, Inc. is 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 renewal plan is for a period of five years. This renewal will expire on **April 18, 2004**, and Key Four Corners, Inc. should submit an application in ample time before this date. Note that under Section 3106.F. of the regulations, if a discharger submits a discharge plan renewal application at least 120 days before the discharge plan expires and is in compliance with the approved plan, then the existing discharge plan will not expire until the application for renewal has been approved or disapproved. It should be noted that all discharge plan facilities will be required to submit the results of an underground drainage testing program as a requirement for discharge plan .

The discharge plan renewal application for the Key Four Corners, Inc. Farmington Service Facility is subject to WQCC Regulation 3114. Every billable facility submitting a discharge plan application will be assessed a fee equal to the filing fee of \$50. There is a renewal flat fee assessed for service company facilities equal to one-half of the original flat fee or \$690.00. The OCD has received the filing fee.

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

Sincerely,



Roger C. Anderson
 Chief, Environmental Bureau
 Oil Conservation Division

RCA/wjf
 Attachment

xc: OCD Aztec Office

Z 357 870 075

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

| | |
|---|----------------------|
| Sent to | <i>Rick Vecellio</i> |
| Street & Number | <i>4-Corners</i> |
| Post Office, State, & ZIP Code | <i>Farmington</i> |
| 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 | <i>GW-156</i> |

PS Form 3800, April 1995

ATTACHMENT TO THE DISCHARGE PLAN RENEWAL GW-156
KEY FOUR CORNERS, INC.
FARMINGTON SERVICE FACILITY
DISCHARGE PLAN APPROVAL CONDITIONS
(March 22, 1999)

1. **Payment of Discharge Plan Fees:** The \$50.00 filing fee has been received by the OCD. There is a required flat fee equal to one-half of the original flat fee for service company facilities. The renewal flat fee required for this facility is \$690.00 which 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 upon receipt of this approval.
2. **Key Four Corners, Inc. Commitments:** Key Four Corners, Inc. will abide by all commitments submitted in the discharge plan renewal application dated January 13, 1999 and these conditions for approval.
3. **Waste Disposal:** All wastes will be disposed of at an OCD approved facility. Only oilfield exempt wastes shall be disposed of down Class II injection wells. Non-exempt oilfield wastes that are non-hazardous may be disposed of at an OCD approved facility upon proper waste characterization per 40 CFR Part 261.
4. **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.
5. **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.
6. **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.
7. **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.
8. **Labeling:** All tanks, drums and containers will be clearly labeled to identify their contents and other emergency notification information.

9. **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.
10. **Underground Process/Wastewater Lines:** All underground process/wastewater pipelines must be tested to demonstrate their mechanical integrity a minimum of every 5 years. 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.
11. **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 fresh waters, public health and the environment, and are cost effective. Class V wells that inject domestic waste only must be permitted by the New Mexico Environment Department.
12. **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.
13. **Spill Reporting:** All spills/releases will be reported pursuant to OCD Rule 116 and WQCC 1203 to the OCD Aztec District Office.
14. **Transfer of Discharge Plan:** The OCD will be notified prior to any transfer of ownership, control, or possession of a facility with an approved discharge plan. A written commitment to comply with the terms and conditions of the previously approved discharge plan must be submitted by the purchaser and approved by the OCD prior to transfer.

15. **Closure:** The OCD will be notified when operations of the Farmington Service Facility are discontinued for a period in excess of six months. Prior to closure of the Farmington Service 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.

16. **Certification:** Key Four Corners, Inc., by the officer whose signature appears below, accepts this permit and agrees to comply with all terms and conditions contained herein. Key Four Corners, Inc. further acknowledges that these conditions and requirements of this permit may be changed administratively by the Division for good cause shown as necessary to protect fresh water, human health and the environment.

Accepted:

KEY FOUR CORNERS, INC.

by _____
Title

FOR JACK FARM!

ACKNOWLEDGEMENT OF RECEIPT OF CHECK/CASH

I hereby acknowledge receipt of check No. [redacted] dated 7/28/05 or cash received on _____ in the amount of \$ 100⁰⁰ from KEY ENERGY SERVICES INC. for FARMINGTON YARD (GW-156) Submitted by: WAYNE PRICE (Facility Name) Date: 9/27/05 (DP No.) Submitted to ASD by: [Signature] Date: " Received in ASD by: _____ Date: _____

Filing Fee New Facility _____ Renewal _____ Modification _____ Other _____ (optional)

Organization Code 521.07 Applicable FY 2004

To be deposited in the Water Quality Management Fund. Full Payment _____ or Annual Increment _____

Check stub from KEY ENERGY SERVICES, INC. PNC BANK, NATIONAL ASSOCIATION. Check Date: 7/28/2005. Amount: \$100.00. Payable to: NM ENERGY, MINERALS & NAT. RESC. DEPT. OIL CONSERVATION DIVISION. 1220 SOUTH ST. FRANCIS DRIVE, SANTA FE, NM 87504. Signature: Phillip M. [redacted].

[Redacted area]

Company : KEY ENERGY SERVICES, INC.

CHECK NO. [REDACTED]

| INVOICE NO. | INVOICE DATE | GROSS | DISCOUNT | NET AMOUNT |
|--|-----------------------|-----------------------|----------|------------|
| 407 DIACHARGE PLAN Message : GW 156 | 7/19/20 FARMINGTON | YDS 167/168 100.00 | | 100.00 |
| TOTALS | | 100.00 | .00 | 100.00 |

REMOVE DOCUMENT ALONG THIS PERFORATION

ACKNOWLEDGEMENT OF RECEIPT
OF CHECK/CASH

I hereby acknowledge receipt of check No. [redacted] dated 4-8-99,
or cash received on _____ in the amount of \$ 690⁰⁰

from Key Energy Services

for Farmington Service Center GW-156

Submitted by: [Signature] Date: 4-15-99

Submitted to ASD by: [Signature] Date: 4-15-99

Received in ASD by: _____ Date: _____

Filing Fee _____ New Facility _____ Renewal

Modification _____ Other _____
(specify)

Organization Code 521.07 Applicable FY 99

To be deposited in the Water Quality Management Fund.

Full Payment or Annual Increment _____



KEY ENERGY SERVICES, INC.
FOUR CORNERS DIVISION
5651 US HIGHWAY 64 * PO BOX 900
FARMINGTON, NEW MEXICO 87499
(505) 327-4935

PNC BANK, NATIONAL ASSOCIATION
JEANNETTE, PA
60-162/433

No. [redacted]

Check Date 4/08/1999

PAY Six Hundred Ninety and 00/100 Dollars

| |
|-------------|
| AMOUNT |
| *****690.00 |

TO THE ORDER OF WATER QUALITY MANAGEMENT FUND
NM OIL CONSERVATION DIVISION
2040 S. PACHECO
SANTA FE NM 87505

[Signature]

AUTHORIZED SIGNATURE IF OVER \$10,000.00



ACKNOWLEDGEMENT OF RECEIPT
OF CHECK/CASH

I hereby acknowledge receipt of check No. [REDACTED] dated 1/13/99,
or cash received on _____ in the amount of \$ 740.00

from Key Energy Svcs

for 4-Cornered Dal. GW-156

Submitted by: _____ Date: _____
(Facility Name) (DP No.)

Submitted to ASD by: R. Clend Date: 2/1/99

Received in ASD by: _____ Date: _____

Filing Fee New Facility _____ Renewal
Modification _____ Other _____
(specify)

Organization Code 521.07 Applicable FY 99

To be deposited in the Water Quality Management Fund.

Full Payment or Annual Increment _____



KEY ENERGY SERVICES, INC.
5651 US HIGHWAY 64 * PO BOX 900
FARMINGTON, NEW MEXICO 87499
(505) 327-4935

PNC BANK, NATIONAL ASSOCIATION
JEANNETTE, PA
60-182/433

No. [REDACTED]

Check Date 1/13/1999

PAY Seven Hundred Forty and 00/100 Dollars

AMOUNT
\$*****740.00

TO THE ORDER OF
NMED WATER QUALITY MGT.
OIL CONSERVATION DIVISION
2040 S. PACHECO STREET
SANTA FE NM 87505

Ron Pellabaum

AUTHORIZED SIGNATURE IF OVER \$10,000.00



NMED WATER QUALITY MGT.

1/13/1999

CHECK NO. [REDACTED]

| INVOICE NO. | INVOICE DATE | GROSS | DISCOUNT | NET AMOUNT |
|--|--------------|--------|----------|------------|
| RENEWAL Message : DISCHARGE PLAN FEES | 1/13/1999 | 740.00 | .00 | 740.00 |
| TOTALS | | 740.00 | .00 | 740.00 |

GW-156
4-Corners Dwg. Facility
Farmington
[Signature]



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

February 5, 1998

CERTIFIED MAIL
RETURN RECEIPT NO. Z-357-869-918

Mr. Rick Vecellio
Key Four Corners, Inc.
P.O. Box 1067
Farmington, New Mexico 87499

RE: Transfer of Discharge Plan GW-156
Section 29, Township 29 North, Range 12 West, NMPM
San Juan County, New Mexico

Dear Mr. Vecellio:

The New Mexico Oil Conservation Division (OCD) has received the request from Four Corners Drilling Company dated January 28, 1998 for the transfer of Discharge Plan GW-156, located in Section 29, Township 29 North, Range 12 West, NMPM, San Juan County, New Mexico, to Key Four Corners, Inc. (Key), a wholly owned subsidiary of Key Energy Group, Inc. The request is **hereby approved** in accordance with Water Quality Control Commission Regulation §3111.

All modifications and alternatives to the approved discharge plan must receive prior OCD approval. Key is required to notify the Director of any facility expansion or process modification and to file the appropriate materials with the Division.

Please be advised, approval of this transfer does not relieve Key of liability should their operation result in pollution of surface waters, ground water or the environment.

Please be advised that all tanks exceeding 16 feet in diameter and exposed pits, ponds or lagoons must be screened, netted or otherwise rendered nonhazardous to migratory birds. Upon written application by the permittee, an exception to screening, netting, or covering may be granted by the district supervisor upon a showing that an alternative method will protect migratory birds or that the facility is not hazardous to migratory birds. In addition, OCD Rule 310 prohibits oil from being stored or retained in earthen reservoir, or in open receptacles.

Mr. Rick Vecellio
February 5, 1998
Page 2

If there are any questions, please contact Jack Ford at (505) 827-7156.

Sincerely,



Roger C. Anderson
Chief, Environment Bureau
Oil Conservation Division

RCA/wjf

xc: OCD Aztec Office

Z 357 869 918

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

| | |
|---|------------------------------|
| Sent to | <i>Rick Vecellio</i> |
| Street & Number | <i>Key Four Corners, Inc</i> |
| Post Office, State, & ZIP Code | <i>Farmington</i> |
| 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 | <i>GW-156</i> |

PS Form 3800, April 1995

ACKNOWLEDGEMENT OF RECEIPT
OF CHECK/CASH

I hereby acknowledge receipt of check No. [redacted] dated 9/8/95,
or cash received on 9/13/95 in the amount of \$ 1104.00
from Four Corners Drilling
for Farmington Facility GW-156
(Facility Name) (DP No.)

Submitted by: _____ Date: _____
Submitted to ASD by: Roger Anderson Date: 9/13/95
Received in ASD by: Angela Love Date: 9/13/95

Filing Fee _____ New Facility Renewal _____
Modification _____ Other _____
(specify)

Organization Code 521.07 Applicable FY 96

To be deposited in the Water Quality Management Fund.

Full Payment _____ or ⁴ Annual Increment X
2-5 of 5



FOUR CORNERS DRILLING COMPANY
P.O. BOX 1067
FARMINGTON, NEW MEXICO 87499
(505) 326-3371

FIRST NATIONAL BANK
FARMINGTON, NEW MEXICO 87499

95-0054/1022

CHECK No. [redacted]

*****1,104 DOLLARS AND 00 CENTS 09/08/95 [redacted] *****1,104.00

PAY
TO THE
ORDER
OF

NMED-Water Quality Management
Discharge Plan (GW-156)
P O Box 6429
Santa Fe NM 87505-6429

[Signature]
AUTHORIZED SIGNATURE

FOUR CORNERS DRILLING COMPANY

No. [REDACTED]

| OUR REF. NO. | YOUR INV. NO. | INVOICE DATE | INVOICE AMOUNT | AMOUNT PAID | DISCOUNT TAKEN | NET CHECK AMOUNT |
|--------------|---------------|--------------|----------------|-------------|----------------|------------------|
| 16403 | GW-156 | 08/31/95 | 1,104.00 | 1,104.00 | 0.00 | 1,104.00 |

RECEIVED
SEP 13 1995
Environmental Bureau
Oil Conservation Division

ACKNOWLEDGEMENT OF RECEIPT
OF CHECK/CASH

I hereby acknowledge receipt of check No. [REDACTED] dated ~~5-3-94~~ 5-3-94,
or cash received on May 13, 1994 in the amount of \$ ~~278.00~~ 50.00
from Four Corners Drilling Co.
for Farmington Service Facility

Submitted by: _____ Date: _____
(Facility Name) (DP No.)

Submitted to ASD by: Robert Myers Date: 5-13-94

Received in ASD by: D. Montoya Date: 5/13/94

Filing Fee _____ New Facility Renewal _____
Modification _____ Other _____
(specify)

Organization Code 521.07 Applicable FY 94

To be deposited in the Water Quality Management Fund.

Full Payment _____ or Annual Increment

FOUR CORNERS DRILLING CO. 1-83
P. O. BOX 1067 327-1122
FARMINGTON, NM 87499

95-54/1022

5-3- 19 94

PAY TO THE ORDER OF NMED-Water Quality Management

\$ 50.00

FOUR CORNERS DRILLING CO. 50 DOLS 00 CTS

DOLLARS



First National Bank
First In Farmington and the Four Corners
Farmington, Aztec, Bloomfield, Shiprock, New Mexico

FOR GW-156

[Handwritten Signature]

MP

FOUR CORNERS DRILLING CO. 1-83
P. O. BOX 1067 327-1122
FARMINGTON, NM 87499

95-54/1022

5-3- 19 94

PAY TO THE ORDER OF NMED-Water Quality Management

\$ 276.00

FOUR CORNERS DRILLING CO. 276 DOLS 00 CTS

DOLLARS



First National Bank
First In Farmington and the Four Corners
Farmington, Aztec, Bloomfield, Shiprock, New Mexico

FOR GW-156

[Handwritten Signature]

MP

1ST of 5 installments

ACKNOWLEDGEMENT OF RECEIPT
OF CHECK/CASH

I hereby acknowledge receipt of check No. [REDACTED] dated May 3, 1994
or cash received on May 13, 1994 in the amount of \$ 276⁰⁰
from Four Corners Drilling Co.

for Farmington Service Facility GW-156
(Facility Name) (DP No.)

Submitted by: _____ Date: _____

Submitted to ASD by: Robert Myers Date: 5/13/94

Received in ASD by: Donna Myers Date: 5/13/94

Filing Fee New Facility _____ Renewal _____
Modification _____ Other _____
(specify)

Organization Code 521.07 Applicable FY 94

To be deposited in the Water Quality Management Fund.

Full Payment _____ or Annual Increment _____

*\$1104⁰⁰
due*



STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

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

April 18, 1994

CERTIFIED MAIL

RETURN RECEIPT NO. P-111-334-311

Mr. Earl Lang
Four Corners Drilling Company
5651 U.S. Highway 64
Farmington, New Mexico 87401

**RE: DISCHARGE PLAN GW-156 APPROVAL
FOUR CORNERS DRILLING FARMINGTON SERVICE FACILITY
SAN JUAN COUNTY, NEW MEXICO**

Dear Mr. Lang:

The **discharge plan GW-156** for Four Corners Drilling Company Farmington Service Facility located in the NE/4, Section 29, Township 29 North, Range 12 West, NMPM, San Juan County, New Mexico, **is hereby approved** under the conditions contained in the enclosed attachment. The discharge plan consists of the application dated January 24, 1994.

The discharge plan was submitted pursuant to Section 3-106 of the New Mexico Water Quality Control Commission Regulations (WQCC). It is approved pursuant to Section 3-109.A. Please note Sections 3-109.E and 3-109.F which provide for possible future amendments or modifications of the plan. Please be advised that the approval of this plan does not relieve you of liability should your operation result in actual pollution of surface or ground waters or the environment which may be actionable under other laws and/or regulations. In addition, the OCD approval does not relieve you of liability for compliance with any other laws and/or regulations.

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. Earl Lang
April 18, 1994
Page 2

Please note that Section 3-104 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 3-107.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 3-109.G.4, this plan approval is for a period of five (5) years. This approval will expire April 18, 1999, and you should submit an application for renewal in ample time before this date.

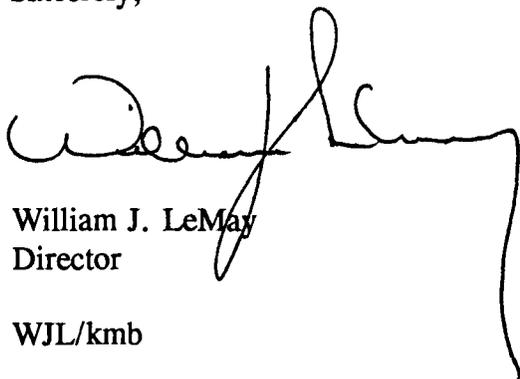
The discharge plan application for the Four Corners Drilling Co. Farmington Service Facility is subject to the WQCC Regulation 3-114 discharge plan fee. Every billable facility submitting a discharge plan will be assessed a fee equal to the filing fee of fifty (50) dollars plus the flat fee of thirteen hundred and eighty (1380) dollars for service companies.

The OCD has not received your \$50 filing fee or flat fee. The \$50 filing fee is due upon receipt of this approval. The \$1380 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 (\$276) over the duration of the discharge plan, with the first payment due upon receipt of this approval.

Please make all checks out to: **NMED - Water Quality Management** and addressed to the OCD Santa Fe Office.

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/kmb

Attachment

xc: Denny Foust, OCD Aztec Office

**ATTACHMENT TO DISCHARGE PLAN GW-156 APPROVAL
FOUR CORNERS DRILLING FARMINGTON SERVICE FACILITY
DISCHARGE PLAN REQUIREMENTS
(April 18, 1994)**

1. Sump Inspection: All sumps at this facility will be cleaned and visually inspected annually. Any new sumps or below-grade tanks will be approved by the OCD prior to installation and will incorporate secondary containment and leak detection in their designs.
2. Spills: All spills and/or leaks will be reported to the OCD district office pursuant to WQCC Rule 1-203 and OCD Rule 116.
3. Modifications: All proposed modifications that include the construction of any below grade facilities or the excavation and disposal of wastes or contaminated soils will have OCD approval prior to excavation, construction or disposal.
4. Underground Waste Water Pipelines: All underground waste water lines will be tested to ensure their integrity prior to renewal of the discharge plan or by April 18, 1999. The testing method will be approved by the OCD prior to testing.
5. Concrete Storage Area: A concrete storage area to contain the waste oil storage tank, kerosene tank, solvent tank, and all drums will be constructed by September 1, 1994. The storage area will include a sump constructed with secondary containment and leak detection to collect spills and precipitation. The effluent from the sump will be disposed of offsite at an OCD approved disposal facility after being tested for hazardous characteristics. The test for hazardous characteristics for a particular waste (effluent, sludges, solids) may be effective for one year from the date of analysis, if, the subsequent wastes are from the same waste stream and there is no change in the processes employed or the chemical stored/used at the facility.
6. Sump Sludges/Solids: All sludge/solid waste accumulating in sumps will be disposed of offsite at an OCD approved disposal facility after being tested for hazardous characteristics.
7. Washbay Effluent: The washbay effluent will be recycled for drilling fluid. If it is necessary to dispose of the effluent offsite it will be disposed of at an OCD approved disposal facility after being tested for hazardous characteristics.

GW 156

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Revised June 10, 2003

Submit Original
Plus 1 Copy
to Santa Fe
1 Copy to Appropriate
District Office

**DISCHARGE PLAN APPLICATION FOR SERVICE COMPANIES, GAS PLANTS,
REFINERIES, COMPRESSOR, GEOTHERMAL FACILITIES
AND CRUDE OIL PUMP STATIONS**

(Refer to the OCD Guidelines for assistance in completing the application)

New Renewal Modification

1. Type: Service Company

2. Operator: Key Energy Services

Address: 5651 US Highway 64; PO Box 900, Farmington, NM 87499

Contact Person: Jerry Stevens Phone: 505-327-4935

3. Location: SW /4 SW /4 Section 21 Township 29 N Range 12W
Submit large scale topographic map showing exact location.

4. Attach the name, telephone number and address of the landowner of the facility site.
Yale E. Key, Attn: DMS & Co PO Box 10190 Midland, TX 79702-9702

5. Attach the description of the facility with a diagram indicating location of fences, pits, dikes and tanks on the facility.

6. Attach a description of all materials stored or used at the facility.

7. Attach a description of present sources of effluent and waste solids. Average quality and daily volume of waste water must be included.

8. Attach a description of current liquid and solid waste collection/treatment/disposal procedures.

9. Attach a description of proposed modifications to existing collection/treatment/disposal systems.

10. Attach a routine inspection and maintenance plan to ensure permit compliance.

11. Attach a contingency plan for reporting and clean-up of spills or releases.

12. Attach geological/hydrological information for the facility. Depth to and quality of ground water must be included.

13. Attach a facility closure plan, and other information as is necessary to demonstrate compliance with any other OCD rules, regulations and/or orders.

14. CERTIFICATION I hereby certify that the information submitted with this application is true and correct to the best of my knowledge and belief.

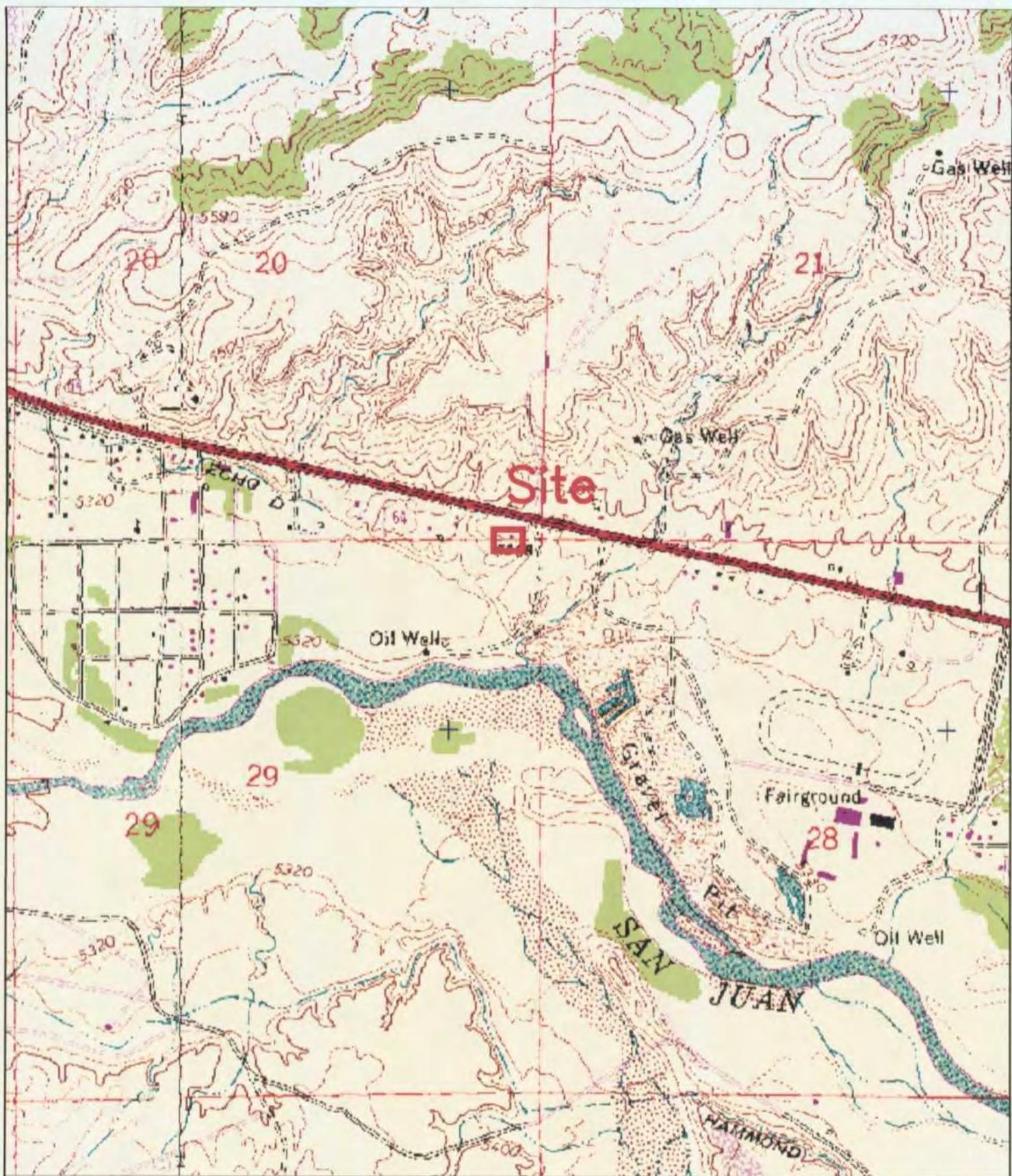
Name: Cynthia A. Gray

Title: Consultant to Key Energy

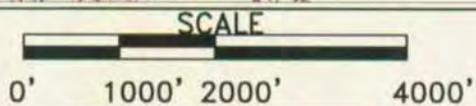
Signature: [Handwritten Signature]

Date: 4-25-06

E-mail Address: csg@soudermiller.com



SITE MAP: HORN CANYON, NEW MEXICO USGS QUADRANGLE



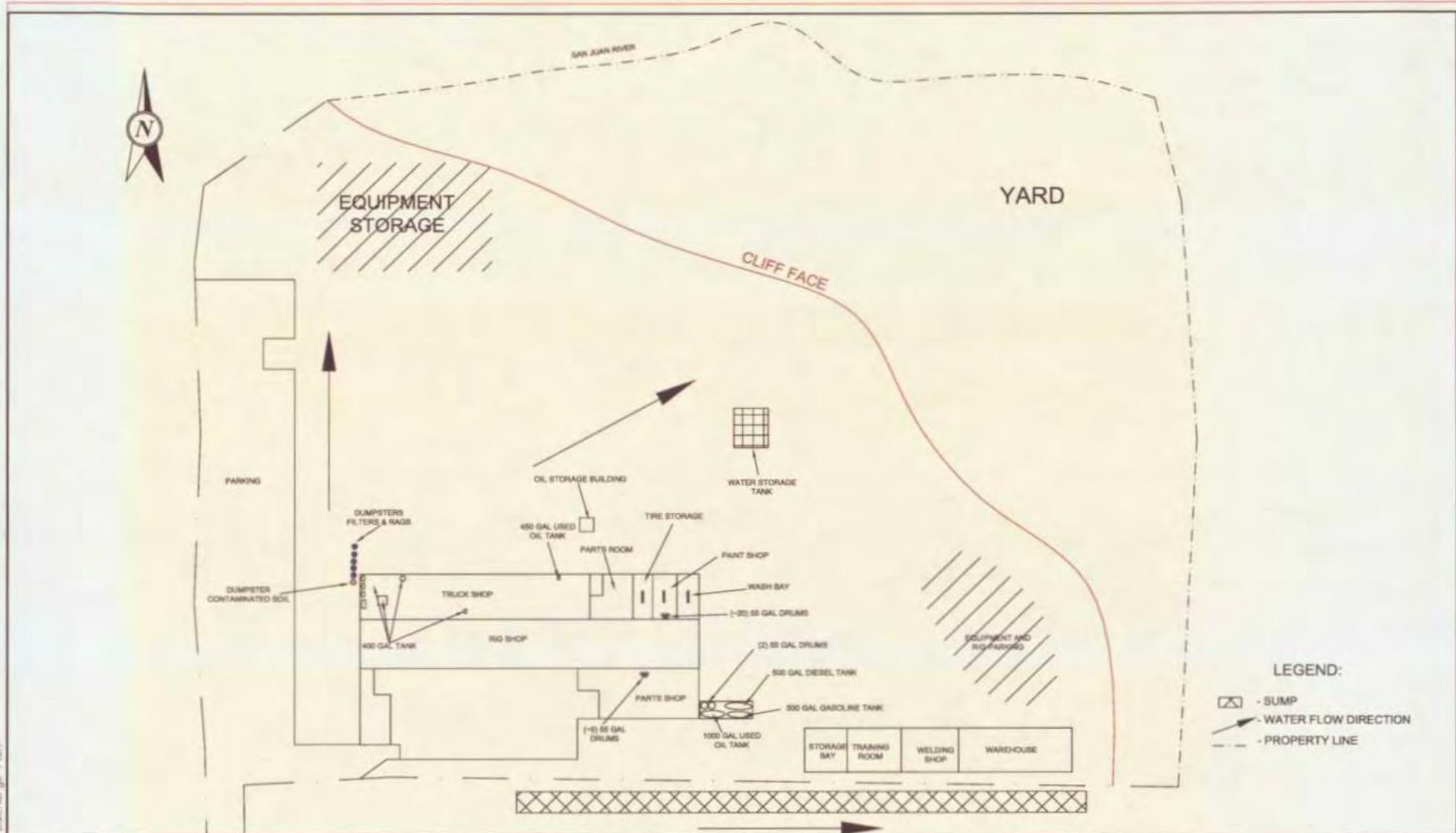
612 E. MURRAY DR. PH. (505) 325-5867
FARMINGTON, NM 87401 FAX (505) 327-1496

| | |
|---------------|---------------|
| APPROVED: | DATE: |
| DRAWN BY: SLH | DATE: 4/26/06 |
| REVISIONS BY: | DATE: |
| PROJECT | FIGURE: 1 |

VICINITY MAP
KEY ENERGY
FACILITY

5651 U.S. HIGHWAY 64
FARMINGTON, NEW MEXICO

Site Map



031:KeyEnergy/Discharge Plan



612 E. MURRAY DR.
FARMINGTON, NM 87401
PH. (505) 325-5667
FAX (505) 327-1496

| | |
|-----------------|---------------|
| APPROVED: RSA | DATE: 4/18/06 |
| REVISIONS BY: | DATE: |
| DRAWN BY: TLONG | DATE: 4/18/06 |

KEY ENERGY SERVICES

FARMINGTON, NEW MEXICO

SITE MAP

| | |
|---------------------|-----------|
| PROJECT NO: 5115935 | FIGURE: 1 |
|---------------------|-----------|

Stored & Used
Materials

Key Energy Services
 5651 US Hwy 64
 Farmington, NM 87401

| Materials Stored and Used: Name | General Makeup or Specific Brand Name | Solids(S) or Liquids(L) | Type of Container | Estimated Volume Stored | Location |
|--------------------------------------|---------------------------------------|-------------------------|-------------------|-------------------------|----------|
| Paraffin Treatment/Emulsion Breakers | | | | | |
| Others | Conoco Super Sta Grease | S | Drum | 70 lbs | Shop |
| | Conoco ASMO 10-40 wt. | L | Drum | 15 gal | Shop |
| | Conoco Anti-freeze | L | Drum | 2750 gal | Shop |
| | Fleet Supreme 15w40 Oil | L | Drum | 200 gal | Shop |
| | 10w40 | L | Can | 15 gal | Shop |
| | 30wt | L | Drum | 50 gal | Shop |
| | C3 | L | Drum | 50 gal | Shop |
| | Hyd. 46 | L | Drum | 50 gal | Shop |
| | 80w90 | L | Drum | 50 gal | Shop |
| Methanol | L | Drum | 50 gal | Shop | |

Types of Waste

Key Energy Services
 5651 US Hwy 64
 Farmington, NM 87401

| Waste Type | General Composition and Source per Month | | | Volume | Major Additives |
|---|--|--|--|------------|-----------------|
| Truck Wastes | | | | | |
| Truck , Tank & Drum Washing | | | | | |
| Steam Cleaning of Parts, Equipment, Tanks | Hydrocarbons, Mud, Soap, Water, Sand, Silt | | | 24,000 gal | Liquid Soap |
| Solvents/Degreaser Use | | | | | |
| Spent Acids, Caustics, or Completion Fluids | | | | | |
| Waste Stop Oil | | | | | |
| Waste Lubrication and Motor Oils | | | | 1300 gal | Rig Shop |
| | | | | 50 gal | Auto Shop |
| | | | | 80-100 gal | Truck Shop |
| Oil Filters | | | | | |
| Solids and sludge from Tanks | | | | | |
| Painting Wastes | Dried - Placed in Waste Management dumpster for disposal | | | | |
| Sewage | Not mixed under NMEID | | | | |
| Other Waste Liquids | Sludge for Oil Buckets | | | 20 gal | Hydrocarbon |
| Other Waste Solids | Used oil drums | | | 12 drums | |
| | | | | | |

Discharge Plan

Key Energy Services
Four Corners
Discharge Plan Parts 7-13

Part 7: Sources of Effluent and Waste Solids (includes quality and volume of wastewater)

Wastewater comes from 2 shop wash bays, where parts are washed. The average daily volume of water draining into the tank is 10 barrels (420 gallons).

Stormwater Pollution Prevention Plan is attached.

Part 8: Liquid and solid waste collection/treatment/disposal procedures.

Wastewater is collected in a double shell, double bottom tank. The wastewater is pumped out and taken to Key Energy Disposal well.

Used oil is collected and disposed of by the following methods:

- A. Transferred from the lube truck to a 1000 gallon above ground storage tank* (AST). Safety Kleen is contracted for proper disposal/recycling.*
- B. Transferred from 5 gallon buckets into 1000 gallon AST. Safety Kleen is contracted for proper disposal/recycling. Waste Management is contracted for proper disposal of 5 gallon buckets.*
- C. Transferred from 55 gallon drums into 1000 gallon AST. Safety Kleen is contracted for proper disposal/recycling. Fraley and Company is contracted for proper disposal/recycling of 55 gallon drums.*

Solid waste is disposed of in dumpsters and trash cans placed throughout the facility. Waste Management is contracted to collect the solid waste. Used oil filters are collected in 5 blue dumpsters. Safety Kleen is contracted to dispose of the oil filters.

**The 1000 gallon AST for used oil is located in a re-enforced concrete containment that measures 30 feet x35 feet with a 2 foot high retaining wall. The containment is able to hold 15,000 gallons of liquid in case of a spill. The containment is sloped so that any liquid spilled or entering the containment (i.e. rainwater) will drain into a sump. The containment area services a 500 gallon diesel AST and 500 gallon kerosene AST.*

Part 9: Proposed modifications

No plans for modifications.

Part 10: Routine inspection and maintenance plans.

A visual inspection of the used oil storage area and wastewater tank will be conducted daily in order to prevent overflows and for leak detections. A formal weekly and monthly inspection is conducted of the whole facility and documented.

Part 11: Contingency Plan for reporting and clean up of spills or releases.

Spill Prevention and Control and Countermeasure Plan is attached.

Key Energy Services
Four Corners
Discharge Plan Parts 7-13

Part 12: Geological/hydrological information (includes depth and quality of groundwater)

The nearest surface water is the San Juan River, which is located approximately a quarter of a mile south of the subject facility. There are no groundwater discharge sites or water wells within a one mile radius of the subject facility.

No ground water would be affected by discharge, as any discharge would be in a contained area.

Soil types for this facility are sand and clay mixture. A sandstone base is encountered at 3'-5'.

Part 13: Facility Closure Plan

When the facility is to be closed, Key Energy Services will remove equipment, assess the site, and perform any necessary cleanup pursuant to a work plan approved by New Mexico Oil Conservation Division.

Inspection &
Maintenance

Water Pollution Prevention

| | | | |
|-------------|-------------------|----------------|------|
| Issue Date: | September 1, 2003 | Revision Date: | |
| Revision: | 01 | Reference : | 2.19 |

Fresh water is actually only a small percentage of the total water on earth, 97% of the earth's water is contained in saline seas and oceans and 2% is locked up in ice caps and glaciers. Of the remaining 1 %, a little over half is stored as groundwater. The rest is distributed as soil and atmospheric moisture, and as surface water.

Fresh water is absolutely necessary to life. The human body is over 90% water. We consume water in the food we eat and the liquids we drink. We also use water for cleaning and bathing. Water is an important ingredient in many forms of recreation, such as swimming and fishing. We seem to take it for granted that this water will remain uncontaminated.

At Key Energy Services we use fresh water regularly in our processes. Water used in industrial processes becomes industrial waste water when it is contaminated (or potentially contaminated) and cannot be or is not reused. Examples of industrial wastewater produced at various Key Energy Services facilities include cooling water, used machine coolant/water mixtures, cleaning water, and other wash water.

Key Energy Services understand the importance of properly managing industrial waste water so that we can continue to enjoy the important natural resource of clean fresh water. Therefore, all Key Energy Services facilities shall comply with the requirements in this section as well as local and national regulations. Wastewater shall not be discharged without adequate treatment to remove contaminants to meet the national or local environmental protection standards.

In most countries where Key Energy Services has operations, a permit is required to discharge industrial wastewater directly to any ditch, stream, or other body of water or to the ground.

A permit or authorization may be required to discharge industrial wastewater to a municipal or other public or private wastewater treatment facility. Although the wastewater is going to a facility that will treat it to remove pollutants prior to discharge, the permit or authorization will almost always require some pretreatment to meet certain pollutant concentration limits prior to discharging the water.

There are two situations where wastewater is generated but no permit is required. One is where all of the wastewater is treated and recycled and none is discharged. The other situation would be where the wastewater is contained and transported off-site for disposal. (In the second case the wastewater is a industrial waste and must be carefully managed as outlined in Key Energy Services Environmental Procedure 2.8).

DIVISION OF RESPONSIBILITY

The Corporate Environmental Department

- Regulatory instruction and assistance
- Regulatory agency liaison
- Assistance with obtaining required permit(s)
- Assistance with reporting requirements

Operating Facilities

- Keep treatment systems in good working condition
- Maintaining recordkeeping files
- Submitting reports
- Budgeting for and paying fees and taxes
- Budgeting for and paying other costs

DIRECT DISCHARGE PERMITS

No facility may discharge wastewater directly to any stream or body of water (including ditches) or to the ground without first obtaining a permit or authorization from the appropriate regulatory agency or agencies. (In certain locations there may not be a permit requirement. Facilities operating in such locations shall still meet company environmental protection standards. Waste water shall be adequately treated to remove contaminants prior to its discharge.)

Permit Application - *The Corporate Environmental Department will assist with preparation of permit applications and permit renewals.* Regulations in most localities are very specific about the permit application requirements. The permit application asks for information on chemicals used in the processes and a description of each process contributing pollutants to the wastewater discharge. The applicant must also provide information as to the volumes of water used, its source and where it is discharged. Often, there will be a requirement to perform a significant number of chemical analyses on samples of the wastewater to be discharged.

Permit Compliance - *Any questions about the meaning of permit language or how to comply with wastewater discharge permits should be immediately referred to The Corporate Environmental Department.*

Permit compliance requirements can range from being non-specific to very detailed. The latter type of permits may specify the following:

- how often samples must be taken at each individual discharge point
- what analyses must be performed
- what concentration limits are acceptable
- specific sampling points from which the samples must be taken

Generally the analysis will be performed by an outside laboratory. The facility should contract only with a laboratory that performs adequate quality assurance so that the data can be relied upon as accurate. The Corporate Environmental Department will select the appropriate laboratory.

Permits normally contain definitions of terms and standard permit conditions. These items should be carefully read so that you understand all of the conditions and can comply. Examples include:

- required frequency of submitting reports
- designation of or reference to the specific methods to be used for analysis
- a listing of what documentation and records must be retained and for how long
- when and to whom to report any instances of noncompliance with terms of the permit
- under what circumstances and how to amend a permit
- notification that the permitting authority has the right to enter the property and inspect the facilities relating to water treatment and discharge
- requirements to maintain treatment facilities and instrumentation in good operating condition

Some permits may contain additional requirements, specific to a particular industry or specific to your facility, that are not covered in the standard conditions. An example would be a requirement to sample rainfall runoff from the facility to determine if it has become contaminated on the property prior to being discharged.

Permit Changes - A wastewater discharge permit remains in effect for a set period of time such as five years, but only if the facility conditions described in the permit application do not change. If conditions change during the life of the permit, the permit must be amended or modified. Examples of changes which would require a permit modification, include new processes or different chemicals used in processes such that there would be an increase in the amount of wastewater to be discharged or in the amount or type of pollutants in the wastewater.

It is extremely important that those responsible for facility production keep those responsible for permit compliance informed of all proposed changes. This information should be communicated as early as possible *but in all cases prior to any actual changes*. The regulations and permit conditions require a permit to be modified *prior* to any changes in the characteristics of the wastewater.

INDIRECT DISCHARGE PERMITS

Some facilities discharge wastewater to a municipal or other public wastewater treatment plant. The municipal treatment plant then treats the wastewater prior to discharging it. In this case the first facility is called an indirect discharger. Municipal treatment plants may or may not be designed to accommodate certain industrial pollutants so, in most cases, the industrial facility will need to apply for a permit or authorization to discharge from the governing body and meet certain limitations. The permit limits may require some amount of pretreatment of the wastewater.

Permit Application - *The Corporate Environmental Department will assist with preparation of permit applications and permit renewals.* Many of the permit application requirements may be the same as for obtaining a direct discharge permit but specific requirements will vary for each location. In general, the permit application will ask for information on chemicals used in the processes, descriptions of each process contributing pollutants to the wastewater, and estimates of the volumes of wastewater discharged. The applicant must also provide information on how the wastewater will be treated to reduce pollutants before it is discharged.

Permit Compliance - The length of time that an indirect discharge or pretreatment permit remains in effect depends on the locality, although five years is common. *Any questions about the meaning of permit language or how to comply with wastewater discharge permits should be immediately referred to The Corporate Environmental Department.*

Permit Changes - A wastewater discharge permit remains in effect for a set period, but only if the facility conditions described in the permit application do not change. If conditions change during the life of the permit, the permit must be amended or modified. Examples of changes which would require a permit modification, include new processes or different chemicals used in processes such that there would be an increase in the amount of wastewater to be discharged or in the amount or type of pollutants in the wastewater.

It is extremely important that those responsible for facility production keep those responsible for permit compliance informed of all proposed changes. This information should be communicated as early as possible *but in all cases prior to any actual changes.* Regulations and permit conditions generally require a permit to be modified *prior* to any changes in the characteristics of the wastewater.

RAIN WATER (STORMWATER) RUNOFF

Rain water or snow melt (either of which may be referred to as stormwater) running off industrial facilities may carry with it pollutants from on-site activities. For example, oil or chemicals that may leak from containers or tanks stored outside or heavy metals that may leach from stored items could be washed into ditches and/or into receiving streams.

In some countries including the United States, many types of industrial facilities are required to obtain a permit for stormwater which is discharged from a facility due to rain or melting snow.

Although an actual permit for stormwater discharges may not be required at many Key Energy Services facilities, all facilities shall adhere to the Pollution Prevention practices described below. Most Key Energy Service facilities are required to prepare Stormwater Pollution Prevention Plans (SW3P). "A"

Pollution Prevention - Each facility should form a Pollution Prevention Team of employees and develop a *Pollution Prevention Plan*. The Pollution Prevention Team should be one or more people who can work to develop a comprehensive *Pollution Prevention Plan*. The team should be formed with persons who have knowledge of the facility operations, chemicals used, potential for spills and spill history, and site drainage characteristics. In preparing for the development of the *Pollution Prevention Plan* the team should develop a site drainage map, prepare an inventory of hazardous materials stored on-site, identify past spills and leaks, and carefully evaluate all stormwater discharges for non-stormwater.

The *Pollution Prevention Plan* must incorporate Best Management Practices (BMPs.) BMPs include: Good Housekeeping, Preventive Maintenance, regular Visual Inspections, Spill Prevention and Response measures.

The following items should be included in the *Pollution Prevention Plan*, and training should be provided to all employees to observe these practices at all times:

- *Never pour anything* including oil, solvents, chemicals or even wash water into floor drains, yard drains, or sumps.
- No wastewater is to be discharged to any storm drain or onto the ground.
- Waste oil, solvents and chemicals must be segregated and containerized for proper disposal. *Never mix different substances in the same container*
- Do not place any waste material on the ground, on concrete slabs or on roads. Waste must be placed in proper containers, as soon as it is generated. Any materials, liquid or solid, that are spilled or inadvertently released must be cleaned up and containerized as soon as possible.
- Do not perform steam cleaning or other cleaning operations where the waste water is allowed to flow into a storm drain or onto the ground.
- Keep work areas cleaned of litter and debris, including, rubber and wood scraps, blasting grit, old pallets, scrap metal, metal bands, metal chips, styrofoam cups, gloves, paper, etc.
- Immediately report to their supervisor or to the facility Environmental Coordinator, any instance where there is a potential or suspected potential for pollutants to enter storm drains or floor drains.

“A” These plans require periodic site inspection and annual stormwater sampling. Refer to the site-specific plan for further information.

RECORDKEEPING

A copy of each wastewater discharge permit, SW3P, or authorization must be retained and must be readily available to person(s) responsible for compliance for as long as the permit or authorization remains in effect. All records required by permits or authorizations shall be retained at the facility in accordance with the national or local environmental regulatory requirements. Records must be stored in such a manner that they remain legible, identifiable and readily retrievable for inspection by a representative of the regulating authority. Records which must be retained:

- Copies of all reports submitted to the regulatory agency.
- Copies of any correspondence to the regulatory agency regarding the wastewater discharge(s) including any letters explaining non-compliance. Laboratory analysis records of wastewater discharges. Quality assurance documentation for laboratory analysis.
- All raw data, such as instrument recording charts.
- Documentation of preventive or other maintenance on treatment systems or measurement instrumentation.
- Documentation for inspections required by the SW3P.

Revision Log

| Revision Date | Authority | Reviser | Revision Details |
|---------------|-----------|---------|------------------|
| | | | |
| | | | |

Emergency Preparedness and Spill Response Plans

| | | | |
|--------------------|-------------------|-----------------------|-----|
| Issue Date: | September 1, 2003 | Revision Date: | |
| Revision: | 01 | Reference : | 2.7 |

INTRODUCTION

Releases or spills of petroleum or other hazardous chemicals are undesirable and must be prevented to the highest degree possible. Such materials contaminate the land and water into which they are spilled. Even a small leak of hazardous chemicals or oil can be costly to the company for a number of reasons. Many governments where we conduct our business have written regulations that require clean up of soil and water contaminated as a result of a spill. Our own commitment to preserve clean water and land for the future, and for the financial well-being of our company, requires us to endeavor to prevent spills and to promptly and properly respond if one happens.

The cost of cleaning up after a spill is not limited to the cash outlay to decontaminate soil or water. Every hour spent responding to a spill is an hour that cannot be spent conducting our business and is, therefore, lost income. A more important concern is the potential threat to the health of employees or neighbors. It is therefore important for facilities that store or use petroleum products or other hazardous chemicals to be prepared for emergency situations. Obviously, the best preparation is to prevent a spill from ever occurring. However accidents can happen. Facilities must be prepared to respond in an organized manner to an emergency that could not be prevented.

EMERGENCY RESPONSE PLANS

Each operating facility Fixed or mobile shall develop and maintain a plan or set of procedures that identify the potential for, and the method of responding to environmental accident and emergency situations. The plan shall include methods for preventing or mitigating environmental impacts associated with the emergencies.

These procedures shall comply with local, state and federal regulations and shall cover as a minimum:

- Description of potential environmental emergencies (for example, tank storage, chemical storage, hazardous waste storage) and instructions for employee recognition of emergency situations
- Pre-emergency planning arrangements made with local police department, fire department, hospitals, emergency response contractors, and government emergency response officials
- Names and contact information for Emergency Coordinators and other emergency response contacts and defined accident and emergency responsibilities of each
- Description of emergency prevention steps taken and description of what action would be taken in the event of an emergency (such as fire, explosion, unplanned release)
- List of emergency equipment and its location including, where applicable, fire extinguishers, spill control equipment, alarm systems, communication systems
- Evacuation routes, if it is possible evacuation would be necessary
- Site security and control

- Decontamination
- Emergency treatment and first aid

The facility shall regularly review the plan and revise it if necessary. Items which may require a revision include a change in facility operations, change in chemicals usage, analyses of how the plan actually worked in actual emergency or test situations.

When, and if practical, the environmental accident and emergency preparedness procedure shall be periodically tested for its effectiveness.

Model Emergency Response Plan - An outline model Emergency Response Plan is available from Environmental Department that can be modified to fit your facility. The Environmental Department may be contacted for help in completing your facility's plan.

SPILL PLANS

Facilities that fit into one of the following categories shall prepare a Spill Plan:

- An aggregate storage capacity of oil or petroleum products greater than 1320 gallons or 5000 liters, above ground. In other words, two or more tanks or containers with a total capacity greater than 1320 gallons or 5000 liters.
- A total of greater than 42,000 gallons (159,000 liters) of underground storage capacity may still be counted in the SPCC plan. (The Corporate Environmental Department is not aware of any Key facility in this category.)

The spill plan describes all the measures the facility will take to prevent spills and how it will respond to a spill if one occurs despite the prevention methods employed.

Certification and Updates - Local regulations may require Spill Plans to be reviewed and certified by a registered professional engineer. This review and certification shall be made each time the plan is amended. Spill plans must be amended whenever there is a significant change in facility design, construction, or operations that may have affect the facility's potential to have a spill.

Spill Plans shall be reviewed and, if necessary, revised every three years.

Model Spill Plan - An outline model Spill Plan is available from Environmental Department that can be modified to fit your facility. Environmental Department may be contacted for help in completing your facility's plan.

EMPLOYEE TRAINING

All employees shall receive training on the facilities Emergency Response Plans or Spill Plans annually or as the plans are updated.

Employees that may work at customer locations shall attend a customer sponsored Emergency Response Plans or Spill Plans training classes as per there policies.

RECORD KEEPING

All records required for Emergency Response Plans or Spill Plans, including training records and inspections of tanks, containers, containment areas, drain valves, waste storage areas must be retained as facility environmental records.

Records shall be retained at least three years or longer if required by the facility's local or national environmental regulations.

Revision Log

| Revision Date | Authority | Reviser | Revision Details |
|---------------|-----------|---------|------------------|
| | | | |
| | | | |

Waste Handling, Storage, and Disposal

| | | | |
|--------------------|-------------------|-----------------------|-----|
| Issue Date: | September 1, 2003 | Revision Date: | |
| Revision: | 01 | Reference : | 2.8 |

This procedure applies to the generation, storage, and disposal of waste (hazardous or non-hazardous) from industrial processes or activities. These wastes may include used oil, used solvents, used filters, steam cleaning waste, sludge, used machine coolant, metal and other scraps, and empty containers. Additional information can be found in Section 2.21, *Waste Management*.

1. Each facility must comply with local and/or national regulatory requirements and the company requirements as a minimum. A facility may, if necessary, implement a more specific procedure to supplement this guidance.
2. Each employee that handles industrial waste shall be trained in the proper waste management requirements including legal, company, and facility specific procedures.
3. Facility personnel shall conduct operations or activities in a manner that will minimize waste generation to the greatest extent practical.
4. For each type of waste generated, a determination shall be made whether that waste is hazardous or non-hazardous. These hazardous waste determinations shall be documented. See Section 2.21, *Waste Management* for more specific hazardous waste determination procedures.
5. Industrial waste shall be carefully managed prior to its removal from the facility for disposal. Proper storage includes the following elements:
 - Industrial waste shall not be placed onto the ground, but must be placed into approved waste containers of good condition.
 - The container shall be marked to indicate the contents. If the waste is considered hazardous, the container shall be marked with the words "Hazardous Waste" (or appropriate language translation) and the date marked on the container.
 - Waste containers shall be kept closed except to add waste to the container.
 - Waste containers in storage shall be regularly inspected for leaks. These inspections shall be documented.
 - In most cases, different types of wastes should not be mixed.
6. Waste transporters and disposal vendors shall be investigated to ensure that transportation and disposal of waste will be conducted according to acceptable industry standards and/or regulatory requirements.
7. Records shall be kept of each shipment of waste for disposal.
8. Waste documentation shall be retained as facility environmental records. These records shall be readily accessible and shall be retained on site in accordance with local or national regulations.

Revision Log

| Revision Date | Authority | Reviser | Revision Details |
|---------------|-----------|---------|------------------|
| | | | |
| | | | |

Storage Tanks (Petroleum and Other)

| | | | |
|--------------------|-------------------|-----------------------|-----|
| Issue Date: | September 1, 2003 | Revision Date: | |
| Revision: | 01 | Reference : | 2.9 |

These procedures are required for petroleum (oil, diesel, kerosene, gasoline, etc.) storage tanks and other chemical product storage tanks with capacities greater than 250 gallons (945 liters.) For smaller tanks, these procedures are considered best management practices and it is recommended they be implemented to the greatest extent practical.

1. Petroleum storage tanks shall be above ground, not underground.
2. Tanks shall be maintained in good repair, must not leak and shall be clearly marked indicating the contents. All valves, fittings, and hoses shall be maintained in good repair and not leak.
3. A secondary means of containment shall be provided, such as, dikes, or walls. The secondary containment shall be constructed of an impervious material to contain the contents, and not leak or seep. The containment shall be sufficiently sized to contain; (a) at least 110% of the volume of the largest single tank, or (b) the volume of the largest tanks plus two times the 5-year maximum daily rainfall (whichever is greater.) Consideration may also be given to constructing a roof over the tank and containment area to prevent rainfall from entering the containment area. A means such as piping and a valve for draining the containment area may be installed, however, the valve must normally be kept closed and locked.
4. Vendors or employees who fill the tank must take care to prevent spillage. If leaks, drips, or spillage occur, the material must be immediately cleaned up. It is the responsibility of the person filling the tank to initiate and complete the cleanup or to seek help if the spillage is too large for one person to handle.
5. Care must be taken when transferring material from the tank to prevent leaks, drips, or spillage. If leaks, drips, or spillage occur it must be cleaned up immediately. It is the responsibility of the employee transferring the material to initiate and complete the cleanup.
6. Notice shall be given to all personnel in the area that a spill has occurred. The spill plan should be reviewed and the spill should be cleaned up by a spill team. All spill team members should have been trained in spill response.
7. Precipitation shall not be allowed to remain or accumulate within a containment berm. Prior to draining water from the containment it must be inspected by the facility Environmental Coordinator (or his designee.) If the water is uncontaminated (no sheen) it may be discharged. If the water is contaminated or is suspected to be contaminated, it must be removed for proper disposal.
8. The petroleum storage tank and containment shall be inspected at least once per week for;
 - Tank, valves, fitting, hose, leakage;
 - Integrity of containment;
 - Presence of rain water in containment;
 - Ensuring containment drain valve is closed
9. Documentation of tank and containment inspections and the draining or removal of precipitation from containment area shall be maintained as environmental records.

Revision Log

| Revision Date | Authority | Reviser | Revision Details |
|---------------|-----------|---------|------------------|
| | | | |
| | | | |

Equipment Leaks

| | | | |
|--------------------|-------------------|-----------------------|------|
| Issue Date: | September 1, 2003 | Revision Date: | |
| Revision: | 01 | Reference : | 2.11 |

This procedure applies to leaks or drips from various equipment such as hydraulic equipment, workover rigs, frac tanks, trucks, air compressors, oil field equipment, storage and blending vessels, etc.

1. To the greatest extent possible, equipment shall be maintained to prevent leaks from occurring. It is however recognized that leaks and drips of oil may be inherent in some equipment and may not be completely preventable.
2. Methods shall be employed to catch and/or contain leaks to prevent soil contamination and to keep floors free of oil or chemical contamination. Such methods may include:
 - Drip pans or buckets under a leaking piece of equipment.
 - Drip pans or buckets used in work areas where oil filled tools are disassembled.
 - Absorbent "socks" or pads around machines such as lathes, mills, etc. The "socks" or pads are preferable to loose granular oil absorbent, especially clay based products.
3. Drip pans or buckets shall be regularly emptied. If the oil or other material cannot be reused, it shall be poured into a properly labeled accumulation container. It is the responsibility of the employees operating or using the particular piece of equipment to check and regularly empty the drip pan.
4. Whenever a "sock" or absorbent pad becomes saturated, it should be replaced with another, as soon as possible. The used "sock" or pad shall be properly disposed of in accordance with environmental regulatory requirements. It is the responsibility of the employee operating or using the equipment to ensure that "socks" or pads are placed into the proper disposal container.
5. It is the responsibility of employees operating or using equipment to report leaks or spillage to their supervisor.
6. A regular (at least weekly is suggested) inspection of the facility shall be conducted by the facility Site Based Environmental Coordinator (or his designee.) The inspection shall include areas of known leaks and the condition of containment efforts, as well as inspecting other equipment for new or unreported leaks.
7. Documentation record of leak inspections and response actions, if any, shall be maintained as environmental records.

Revision Log

| Revision Date | Authority | Reviser | Revision Details |
|---------------|-----------|---------|------------------|
| | | | |
| | | | |

Cleaning with Solvents

| | | | |
|--------------------|-------------------|-----------------------|------|
| Issue Date: | September 1, 2003 | Revision Date: | |
| Revision: | 01 | Reference : | 2.12 |

This directive applies to the cleaning of parts and equipment using petroleum solvents such as Safety Kleen. Thread compound, grease, and other material being cleaned may contain zinc or other metals.

1. Cleaning waste shall not be allowed to fall, spill, or drip to the soil or concrete paved areas.
2. Each facility shall develop and use a means to catch the waste in a container. (Some facilities use a large tray/cart that can be rolled along as work progresses). It is often possible to reuse the solvent after allowing the heavy greases and grit to settle.
3. Absorbent pads placed on the ground below the work area should only be used to supplement a tray/cart or catch pan. Used alone, they are not an effective means to catch the cleaning waste.
4. This waste shall be managed and disposed of or recycled according to environmental regulatory or company requirements.

Revision Log

| Revision Date | Authority | Reviser | Revision Details |
|---------------|-----------|---------|------------------|
| | | | |
| | | | |

Equipment Cleaning Waste

| | | | |
|--------------------|-------------------|-----------------------|------|
| Issue Date: | September 1, 2003 | Revision Date: | |
| Revision: | 01 | Reference : | 2.13 |

This method applies to the cleaning of equipment by using pressure washing methods. Thread compound, grease, and other material being cleaned from the equipment may contain zinc or other metals.

1. Equipment cleaning waste shall not be allowed to fall, spill or drip to the soil and steam cleaning waste shall only be allowed to go to concrete paved areas if there is adequate containment to prevent runoff to soils or to water.
2. Each facility shall develop a method of managing waste for equipment cleaning.
3. Above ground cleaning platforms are preferable to in-ground sumps for collecting equipment cleaning waste and waste water. Above ground cleaning platforms shall be constructed and utilized at new installations. The Corporate Environmental Department should be contacted for assistance with the design. New in-ground sumps shall not be constructed at any Key Energy Services location without prior approval from the Corporate Environmental Department.
4. Each facility should have integral to the process, a means to separate solids and oil from the water such as a multi-stage separator or interceptor. Where a separator or interceptor is not provided, the entire volume of waste (water, oil and solids) shall be contained for subsequent removal and disposal off-site by approved waste disposal vendors.
5. After passing through the separator or interceptor, the water fraction may be:
 - Discharged to a city or local authority waste water treatment system if prior approval has been granted; or
 - Discharged directly from the facility if such discharge has been fully permitted by the appropriate authority. Direct discharge generally will require more sophisticated treatment of the waste water to meet contaminant concentration limits; or
 - Off-site disposal by a licensed and permitted transporter. The waste must be taken to a licensed and permitted disposal facility, or
 - Recycled to the steam cleaning or other process. Recycling the wastewater usually requires additional, more sophisticated treatment, in addition to a separator or interceptor.
6. The solids and oil layers captured by the separator or interceptor shall be regularly removed for disposal in accordance with Key Energy Services Environmental Procedure 2.8, *Waste Handling, Storage, and Disposal*.

Revision Log

| Revision Date | Authority | Reviser | Revision Details |
|---------------|-----------|---------|------------------|
| | | | |
| | | | |

Used Oil and Oil Filters

| | | | |
|--------------------|-------------------|-----------------------|------|
| Issue Date: | September 1, 2003 | Revision Date: | |
| Revision: | 01 | Reference : | 2.14 |

This procedure applies to oil that has been used and is unsuitable to be reused for its original purpose.

1. Used lubricating oil shall be recycled, reclaimed, reused as oil in a less critical application, or burned for energy recovery. These activities may take place on-site or arrangements may be made to have the used oil hauled to an approved off-site facility (where only the above recycling activities will take place.) Used oil that is disposed of in any other manner shall be managed as an industrial waste (Ref 2.8) and may be determined to be a hazardous waste.
2. Used oil may not be poured or placed on the ground and may not be used as a dust suppressant.
3. Never mix any hazardous waste, hazardous solvents, or any other waste with used oil.
4. Used oil may be stored in containers (such as 55 gallon drums) or above ground tanks. The containers or tanks must be in good condition (no rusting or structural defects) and must be leak-free.
5. The drums or tanks shall be labeled or marked with the words "Used Oil."
6. A facility may burn its own used oil in an oil-fired space heater as long as the heater is designed to have a maximum output of not more than 0.5 million BTU per hour and combustion gases are vented to the ambient air (not indoors).
7. The facility personnel must ensure that any person transporting used oil off site has obtained appropriate licenses or authorizations according to local or national environmental regulatory requirements.
8. The facility shall retain records of each shipment of used oil shipped off-site.
9. In some countries including the U.S., the facility must determine if used oil transported off-site to be burned for energy recovery meets the used oil specification. A sample of the typical used oil generated at the facility shall be submitted for laboratory analysis to determine if specific constituents exceed the allowable level. Records of used oil analyses shall be kept on site. At the facility's request, the Corporate Environmental Department will assist with determining the specific analysis required for the used oil specification.
10. **OIL FILTERS** - Used oil filters shall be drained of oil prior to disposal. Acceptable methods to ensure adequate draining include puncturing the filter anti-drain back valve or the filter dome end, crushing the filter, or dismantling the filter. Drained used oil filters shall be disposed of according to Key Energy Services Environmental Procedure 2.8, *Waste Handling, Storage, and Disposal*.

Non-terne plated used oil filters are exempt from being designated by U.S. EPA as hazardous waste if they are hot-drained to remove the used oil and they are not mixed with any other hazardous waste. (Terne is an alloy of lead and tin, usually 4 parts lead to 1 part tin.)

Revision Log

| Revision Date | Authority | Reviser | Revision Details |
|---------------|-----------|---------|------------------|
| | | | |
| | | | |

Empty Containers

| | | | |
|--------------------|-------------------|-----------------------|------|
| Issue Date: | September 1, 2003 | Revision Date: | |
| Revision: | 01 | Reference : | 2.15 |

This procedure applies to containers or drums of any size which have contained chemicals, paints, adhesives or other potentially hazardous materials that will not be refilled.

1. Empty containers or drums shall be carefully managed.
2. Containers shall be emptied to the greatest extent possible prior to discarding. This is especially critical for thick or viscous liquids. If a container of hazardous chemicals is not emptied and it has more than 3% remaining of the original total volume (1 inch in the bottom of a 55-gallon drum), the *whole container* is considered hazardous waste and must be disposed of as such.
3. Empty containers or drums may be:
 - (a) returned to the vendor,
 - (b) sent to a reputable reconditioning facility,
 - (c) used on-site (trash barrels, parts storage), or
 - (d) crushed and disposed.
4. Empty containers or drums shall not be given to or sold to employees or other individuals regardless of their intended use.
5. Empty paint containers may be disposed of as non-hazardous waste if:
 - (a) as much of the paint as possible has been removed and
 - (b) any paint remaining in the container is dry.
6. Never place containers where they can collect rainwater. Replace lids and make sure there are no holes in the lid. Empty drums may be neatly lined up on their sides with both bungs tightly in place (but be sure they are completely empty, first) to prevent rainwater from getting in them until they can be disposed or sent for reconditioning.
7. Mark or designate each container as empty.

Revision Log

| Revision Date | Authority | Reviser | Revision Details |
|---------------|-----------|---------|------------------|
| | | | |
| | | | |

SWPPP

**STORMWATER POLLUTION
PREVENTION PLAN**

**KEY ENERGY SERVICES, INC.
FARMINGTON YARD
FARMINGTON, NEW MEXICO**

March 12, 2005

**STORM WATER POLLUTION PREVENTION PLAN
KEY ENERGY SERVICES, INC.
FARMINGTON YARD
FARMINGTON, NEW MEXICO**

Prepared for

Key Energy Services, Inc.

Project Number: 24401.421



Kati Petersburg
Task Manager

March 12, 2005

Brown and Caldwell
1697 Cole Boulevard Suite 200
Golden, Colorado 80401
(303) 239-5400

P:\Data\GEN\Key-Energy\24041 - SPCCs and SWP3s\Petersburg\Four Corners\421_Farmington\421 Farmington Yard SWP3 2_25_05.doc

"This is a draft report and is not intended to be a final representation of the work done or recommendations made by Brown and Caldwell. It should not be relied upon; consult the final report."

CONTENTS

| | | |
|------------|--|-----------|
| 1.0 | INTRODUCTION..... | 1 |
| 2.0 | POLLUTION PREVENTION TEAM..... | 1 |
| 3.0 | SITE DESCRIPTION..... | 3 |
| 3.1 | Buildings..... | 3 |
| 3.2 | Materials Not Stored in Buildings..... | 4 |
| 3.3 | Storm Water Drainage..... | 4 |
| 4.0 | NON-STORM WATER DISCHARGES..... | 4 |
| 4.1 | Allowable Non-Storm Water Discharges..... | 4 |
| 4.2 | Investigation For Non-Storm Water Discharges..... | 5 |
| 4.3 | Non-Storm Water Discharge Certification..... | 5 |
| 5.0 | DESCRIPTION OF POTENTIAL POLLUTANT SOURCES..... | 7 |
| 5.1 | Inventory of Exposed Materials..... | 7 |
| 5.2 | Activities and Potential Pollutant Sources..... | 8 |
| 5.2.1 | Storage Tanks..... | 9 |
| 5.2.2 | Unloading of Trucks Into Storage Tanks..... | 9 |
| 5.2.3 | Loading Procedures..... | 10 |
| 5.3 | General Location Map..... | 10 |
| 5.4 | Site Map..... | 10 |
| 6.0 | SPILLS AND LEAKS..... | 11 |
| 7.0 | SAMPLING DATA..... | 11 |
| 8.0 | POLLUTION PREVENTION MEASURES AND CONTROLS..... | 12 |
| 8.1 | Description of Existing and Planned Best Management Practices..... | 12 |
| 8.2 | Non-Structural BMPs..... | 12 |
| 8.2.1 | Good Housekeeping..... | 12 |
| 8.2.2 | Minimizing Exposure..... | 13 |
| 8.2.3 | Preventive Maintenance..... | 13 |
| 8.2.4 | Spill Prevention and Response Procedures..... | 13 |
| 8.2.4.1 | Spill Response Team..... | 14 |
| 8.2.4.2 | Spill Response Equipment..... | 15 |
| 8.2.4.3 | Communications Equipment..... | 15 |
| 8.2.4.4 | General Spill Response Procedures..... | 15 |
| 8.2.4.5 | Area-Specific Spill Prevention and Response Procedures..... | 16 |
| 8.2.4.5.1 | Storage Tanks..... | 16 |
| 8.2.4.5.2 | Truck Unloading Areas..... | 17 |
| 8.2.4.5.3 | Loading Areas..... | 17 |
| 8.2.5 | Routine Facility Inspections..... | 17 |
| 8.2.6 | Employee Training..... | 18 |
| 8.3 | Structural BMPs..... | 20 |
| 8.3.1 | Sediment and Erosion Control..... | 20 |

| | | |
|-------------|--|-----------|
| 8.3.2 | Management of Runoff | 20 |
| 8.3.3 | Other Controls | 21 |
| 9.0 | PREVENTIVE MAINTENANCE..... | 21 |
| 10.0 | QUARTERLY VISUAL MONITORING | 21 |
| 11.0 | ANNUAL SAMPLING | 22 |
| 12.0 | SECTOR SPECIFIC REQUIREMENTS..... | 22 |
| 13.0 | COMPREHENSIVE SITE COMPLIANCE EVALUATION..... | 22 |
| 13.1 | Frequency and Inspectors..... | 22 |
| 13.2 | Scope of Comprehensive Site Compliance Evaluation | 23 |
| 13.3 | Follow Up Actions..... | 24 |
| 13.4 | Compliance Evaluation Report..... | 25 |
| 13.5 | Credit as Routine Facility Inspection..... | 25 |
| 14.0 | RECORDKEEPING..... | 26 |
| 15.0 | MAINTAINING UPDATED SWP3 | 26 |
| 16.0 | ESA AND NHPA REQUIREMENTS..... | 26 |
| 17.0 | SIGNATURE, PLAN REVIEW AND MAKING PLANS AVAILABLE | 27 |

DISTRIBUTION AND QA/QC REVIEWER'S SIGNATURE

FIGURES

- 1 Site Location Map
- 2 Site Map

APPENDICES

- A Material Inventory for Farmington Yard
- B Material Inventory for Trucks
- C Procedures for Unloading Vacuum Units
- D Procedures for Loading Vacuum Units
- E Tank Truck Material Transfer Procedures Checklist
- F Inspection Checklists
- G Emergency Contact List
- H Spill Response Procedures
- I Federal and State Spill Notifications and Reporting Procedures
- J ESA and NHPA Documentation

Pollution Prevention Team

| Role | Responsibility | Title | Phone Number |
|------------------|--|-------------------------------------|--|
| SWP3 Coordinator | Primary Emergency Contact SWP3 Preparation SWP3 Implementation SWP3 Revision Spill Response Equipment Inventory | Equipment and Environmental Manager | Office 505-327-4935 Home (505) 327-2704 |
| SWP3 Team Leader | Secondary Emergency Contact Preventive Maintenance Training Inspections Recordkeeping Sampling Spill Response Best Management Practices Implementation | District Manager | 505-327-4935 |

The pollution prevention team is responsible for the following:

- Implementing all general permit and SWP3 requirements
- Defining and agreeing upon an appropriate set of goals for the facility's storm water management program
- Being aware of any changes that are made in facility operations to determine whether any changes must be made to the SWP3

The SWP3 Coordinator is responsible for preparation of the SWP3, including initial site assessment, development and implementation of best management practices (BMPs) for storm water pollution prevention, coordination of assessment of the effectiveness of the SWP3, modification of the SWP3, when necessary, but at a minimum annually and following spill events, and the spill response equipment inventory.

The SWP3 Team Leader is responsible for preventive maintenance, training, coordinating inspections and implementing inspection schedules, coordinating and implementing sampling and testing, implementing BMPs, documenting inspections, maintaining records required by the SWP3, and spill response. He is also responsible for conducting training of personnel in both the contents of the SWP3 and any modifications made to the plan.

3.0 SITE DESCRIPTION

The Farmington Yard is an oilfield drilling and well servicing maintenance and staging yard. The Farmington Yard consists of a building that houses offices and a maintenance shop, a warehouse, a building housing parts and storage and a training room, equipment and truck parking, a boneyard, and used oil storage area.

The Farmington Yard covers approximately 9 acres. The north half of the property site is generally flat with drainage to the southwest as sheet flow, and through a drainage ditch along the north property boundary to the east. The north half is almost entirely covered with concrete and asphalt. A steep face separates the north and south halves of the site. The south half is generally flat with drainage to the south as sheet flow, toward the San Juan River and is entirely bare ground.

Figure 2 provides a map of the Farmington Yard. This figure includes:

1. Tank locations and approximate drainage pathways indicated by arrows showing surface water flow.
2. Direction of surface water flow.
3. Locations of existing secondary containment or diversionary structures.

3.1 Buildings

The Farmington Yard consists of a building that houses offices and a maintenance shop, a warehouse, a building that houses a parts and storage room and a training room.

3.2 Materials Not Stored in Buildings

There is one storage area located outside with a 1,000-gallon used oil tank, a 500-gallon diesel fuel tank, a 500-gallon unleaded gasoline tank, and two 55-gallon drums of lube. The storage containers are located within a concrete secondary containment structure sufficient to contain the capacity of the largest tank plus 10% freeboard for precipitation. Equipment, rigs, tires, and empty tanks are also stored at this facility.

3.3 Storm Water Drainage

The north half of the property site is generally flat with drainage to the southwest as sheet flow, and through a drainage ditch along the north property boundary to the east. The north half is almost entirely covered with concrete and asphalt. A steep face separates the north and south halves of the site. The south half is generally flat with drainage to the south as sheet flow, toward the San Juan River and is entirely bare ground. Storm water is not directly discharged from the Farmington Yard facility through outfalls; storm water generally drains across the site as sheet flow.

4.0 NON-STORM WATER DISCHARGES

Industrial facilities that qualify for coverage under the NPDES **General Permit** may discharge specific non-storm water discharges through outfalls identified in the SWP3.

4.1 Allowable Non-Storm Water Discharges

The allowable non-storm water discharges at the Farmington Yard facility may include the following:

- Discharges from fire-fighting activities
- Potable water including drinking fountain water and water line flushings
- Uncontaminated air conditioning or compressor condensate

- Landscape watering provided all pesticides, herbicides, and fertilizer have been applied in accordance with manufacturer's instructions
- Pavement was waster where no detergents are used and no spills or leaks of toxic or hazardous materials have occurred (unless all spilled materials have been removed)
- Routine external building wash down which does not use detergents
- Uncontaminated ground water or spring water
- Foundation or footing drains where flows are not contaminated with process materials such as solvents

Any non-storm water discharge within the secondary containment structure would be contained by the earthen secondary containment structure. Any discharge that overflowed the secondary containment structure would drain across the remainder of the site to the west as sheet flow. The BMPs included in Section 8.0 of this SWP3 will minimize the impact of these non-storm water discharges by minimizing the introduction of pollutants from other non-storm water sources. These procedures include, but are not limited to, inspections of the property, employee training, spill prevention and response procedures, housekeeping procedures, waste handling procedures, liquid transfer procedures, and preventive maintenance procedures.

4.2 Investigation For Non-Storm Water Discharges

A survey for potential non-storm water discharges was performed to assess the presence of non-storm water flows. The perimeter of the property was inspected during dry weather and no non-storm water flows were observed.

4.3 Non-Storm Water Discharge Certification

This section includes a certification that the separate storm sewer system has been evaluated for the presence of non-storm water discharges and that the discharge of non-permitted, non-storm water does not occur. This certification includes the following: date of any testing or evaluation, identification of any potential significant sources of non-storm water at the site, a description of the results of any test and/or evaluation for the presence of non-storm water discharges, a description of

the evaluation criteria or testing method used, and a list of the outfalls or onsite drainage points that were directly observed during the test.

| Date | Outfall or Discharge Point Observed | Evaluation Criteria or Test Method Used | Potential Non-Storm Water Sources Observed | Results of Non-Storm Water Evaluation |
|----------|--|---|--|--|
| 06/24/03 | No direct discharge – along property boundaries where sheet flow of storm water exits the property was examined for non-storm water discharges | Visual inspection | None | Visual inspection showed that no non-storm water enters the storm water system |

NON-STORM WATER DISCHARGE CERTIFICATION

Facility: Key Energy Services, Inc.
Farmington Yard
Farmington, New Mexico

Address: 5651 U.S. Highway 64
Farmington, New Mexico

CERTIFICATION STATEMENT: "I certify that the storm water system has been evaluated for the presence of non-storm water discharges and that the discharge of non-permitted, non-storm water does not occur."

Site Manager Name Title

Signature Date

5.0 DESCRIPTION OF POTENTIAL POLLUTANT SOURCES

This section describes the activities and significant materials that may potentially be pollutant sources.

5.1 Inventory of Exposed Materials

The Farmington Yard has developed an inventory of materials currently handled at the facility that may be exposed to precipitation. This inventory includes all materials that are handled, stored, processed, treated, or disposed of in a manner that allows exposure to precipitation or runoff. An inventory of materials stored at the yard or in the truck maintenance shop is presented in Appendix A. An inventory of materials stored on trucks has also been developed at the site. The material inventory for trucks is presented in Appendix B. **The material inventory list will be maintained and updated whenever the materials handled change.** Materials stored in drums, barrels, tanks, and similar containers that are tightly sealed, in good structural condition, and do not have leaking valves are not required to be listed in the inventory. The inventory of materials also includes specific pollutants such as oil and grease, etc., that could be attributed to these materials. Table 5-1 provides a list of the materials currently handled at the Farmington Yard facility that may be exposed to precipitation, the amount of material handled, the specific pollutants in each of the materials, and the BMPs employed to prevent release of these materials into storm water at the Farmington Yard facility. The direction of flow for any of these materials, should there be any release to storm water, is sheet flow across the site to the southwest. The direction of flow is shown by the blue arrows on Figure 2.

**TABLE 5-1
INVENTORY OF EXPOSED MATERIALS**

| MATERIAL | POLLUTANT | VOLUME | ACTIVITY EXPOSING MATERIAL | BEST MANAGEMENT PRACTICES |
|-----------------|--------------------------------|---------------|-----------------------------------|--|
| Diesel | Petroleum Hydrocarbons, metals | 500 gallons | Storage, loading, unloading | Stored within concrete secondary containment berm. |

**TABLE 5-1
INVENTORY OF EXPOSED MATERIALS**

| MATERIAL | POLLUTANT | VOLUME | ACTIVITY EXPOSING MATERIAL | BEST MANAGEMENT PRACTICES |
|-------------------|--------------------------------|-----------------|-----------------------------------|--|
| Used oil | Petroleum Hydrocarbons, metals | 1,000 gallons | Storage, loading, unloading | Stored within concrete secondary containment berm. |
| Gasoline | Petroleum Hydrocarbons, metals | 500 gallons | Storage, loading, unloading | Stored within concrete secondary containment berm. |
| Lube | Petroleum Hydrocarbons, metals | Two, 55 gallons | Storage | Stored within concrete secondary containment berm. |
| Tires | | various | Storage | Stored on bare ground. |
| Equipment storage | Petroleum Hydrocarbons, metals | various | Storage, maintenance | Equipment and rigs will be cleaned before being stored on site. Maintenance will be performed to ensure no leaking occurs. |

This inventory of exposed materials will be updated within 30 days following a significant change in the types of materials that are exposed to precipitation or runoff, or significant changes in material management practices that may affect the exposure of materials to precipitation or runoff. A significant change in the types of materials is exposure of a material, not already included in the inventory, that could be transported by precipitation or storm water runoff and subsequently discharged. A significant change in material management practices is a change that would result in either initial exposure of a material not already listed in the inventory, or increased exposure of a material to the extent that the material could be transported by precipitation or storm water runoff and subsequently discharged.

5.2 Activities and Potential Pollutant Sources

This section identifies activities and potential sources of pollutants that may reasonably be expected to add pollutants to storm water discharges or that may result in dry weather discharges from the storm sewer system. For each pollutant, the direction of flow or potential flow would be to the west/northwest, following site topography. **This description will be updated within 30 days following a change in the types or quantities of materials exposed to precipitation or runoff**

that, in the judgment of the storm water pollution prevention team, may reasonably be expected to add pollutants to storm water discharges. This description will be updated to describe changes in material management practices or other factors that may affect the exposure of materials to precipitation or runoff. Table 5-2 provides a list of the activities (e.g., material storage, loading and unloading, etc.) and a list of the associated pollutants or pollutant parameters (e.g., oil, biochemical oxygen demand, pH, etc.) for each activity.

**Table 5-2
Activities and Potential Sources of Pollutants**

| Area | Activity | Pollutant Source | Pollutant |
|------------------------|---------------------------|-------------------------------------|--------------------------------------|
| Diesel Tank | Storage/Loading/Unloading | Diesel Tank | Petroleum Hydrocarbons, metals |
| Gasoline Tank | Storage/Loading/Unloading | Gasoline Tank | |
| Used Oil Tank | Storage/Loading/Unloading | Used Oil Tank | Petroleum Hydrocarbons, metals |
| Equipment storage area | Storage/Loading/Unloading | Residue on rigs and other equipment | Petroleum Hydrocarbons, metals, rust |

5.2.1 Storage Tanks

The major potential pollutants at the Farmington Yard are petroleum hydrocarbons. BMPs are in place to minimize the release of pollutants from the tank and loading operations. The entire site is surrounded by a gated chain-link fence. The storage tanks have a concrete secondary containment structure.

5.2.2 Unloading of Trucks Into Storage Tanks

Diesel fuel and unleaded gasoline are delivered to the Farmington Yard facility by delivery trucks following the procedures in Appendix C, Procedures for Unloading Vacuum Units. BMPs are in place to minimize the release of pollutants from delivery activities. The major potential pollutants from the delivery activities are petroleum hydrocarbons and volatile organics from various

chemicals. To minimize the release of pollutants during delivery activities, the delivery is performed according to the Farmington Yard standard procedures in Appendix C.

5.2.3 Loading Procedures

Used oil is loaded into trucks at the Farmington Yard facility following the procedures in Appendix D, Procedures for Loading Vacuum Units. The major potential pollutants from these activities are petroleum hydrocarbons. BMPs are in place to minimize the release of pollutants from loading activities. To minimize the release of pollutants during loading activities, the loading is performed according to the Farmington Yard standard procedures in Appendix D.

5.3 General Location Map

Figure 1 is a USGS Quadrangle Map showing the location of the Farmington Yard facility.

5.4 Site Map

Figure 2 provides a map of the facility showing the following features required by the NPDES General Permit that are applicable to the Farmington Yard.

1. Location of each outfall covered by the permit. Drainage is to the southwest as sheet flow as shown on Figure 2.
2. An outline of the drainage area that is within the facility's boundary and that contributes storm water to the sheet flow across the site. Figure 2 provides the direction of storm water flow indicated by blue arrows.
3. Connections or discharges to municipal separate storm sewer systems. No connections or discharges to municipal separate storm sewer systems exist at the site.
4. Locations of all structures (buildings, storage tanks). Structures at the Farmington Yard facility are shown on Figure 2.
5. Structural control devices that are designed to reduce pollution in storm water runoff. Storage tank secondary containment is shown on Figure 2.

6. Process wastewater treatment units (including ponds). No process wastewater treatment units exist at the Farmington Yard facility.
7. Bag house and other air treatment units exposed to precipitation and runoff. There are no air treatment units located at the Farmington Yard facility.
8. Landfills, scrap yards, surface water bodies (including wetlands). There are no landfills, scrap yards, surface water bodies or wetlands on the Farmington Yard property.
9. Vehicle and equipment maintenance areas. There are no vehicle and equipment maintenance areas at the Farmington Yard.
10. Physical features of the site that may influence storm water runoff or contribute to a dry weather flow. The slope of the property is shown on Figure 2.
11. Locations where reportable quantity spills or leaks have occurred during the three years before the NOI is submitted to obtain coverage under the NPDES General Permit. No reportable spills have occurred in the past three years.
12. Processing areas, storage areas, material loading/unloading areas, and other potential pollutant sources and locations where significant materials are exposed to precipitation or runoff. The storage tank and loading/unloading areas are shown on Figure 2.

6.0 SPILLS AND LEAKS

This section provides a list of reportable quantity spills and leaks of toxic or hazardous pollutants that occurred in areas that are exposed to precipitation or runoff, or that occurred within the drainage area that contributes to an outfall, during the three years prior to the date of the submission of the Notice of Intent. No reportable quantity spills or leaks of toxic or hazardous pollutants have occurred at the Farmington Yard facility. **The list will be updated quarterly if reportable spills or leaks occur in exposed areas of the facility during the time the facility is covered by the permit.**

7.0 SAMPLING DATA

The facility does not currently have stormwater discharge sampling data. Sampling requirements are discussed in Sections 10.0 and 11.0. Any stormwater sampling data collected will be summarized and the summary kept with this plan. The summary will be updated on an annual basis to include the results of all analyses. Any analytical results will be kept onsite with this plan.

8.0 POLLUTION PREVENTION MEASURES AND CONTROLS

8.1 Description of Existing and Planned Best Management Practices

The following sections provide a description of the type and location of existing non-structural and structural BMPs selected for each of the areas where industrial materials or activities may be exposed to storm water. For areas where BMPs are not currently in place, a description is provided of appropriate BMPs that the facility will use to control pollutants in storm water discharges. **BMPs will be maintained and updated whenever BMPs change.**

8.2 Non-Structural BMPs

Non-Structural BMPs include the following: good housekeeping, minimizing exposure, preventive maintenance, spill prevention and response procedures, employee training, and inspections. A description of how each of these BMPs is, or will be, implemented at the facility follows.

8.2.1 Good Housekeeping

All exposed areas of the facility are kept in a clean, orderly manner where such exposed areas could contribute pollutants to storm water discharges. Common problem areas include around trash containers, storage areas, unloading areas, and loading areas. Good housekeeping measures include a schedule for regular pickup and disposal of garbage and waste materials, routine inspections for leaks, and routine inspection of the labeling and condition of tanks and containers. Good housekeeping measures are included in the employee training program. Components of routine facility inspections and their frequency are included in a checklist in Appendix F of this plan.

The Farmington Yard facility inspects the ground surface near the storage areas as well as all loading areas where materials may be exposed to storm water, precipitation, or runoff and may have the potential to be discharged into storm water off site. These areas are inspected for releases and any material released in these areas will be immediately removed and properly disposed.

8.2.2 Minimizing Exposure

The storage tanks are exposed to storm water. However, the storage tanks are located within a concrete secondary containment structure. Any leaks or spills or any storm water that enters the secondary containment structure will be contained within the containment structure. After storm events, the storage tank area is inspected and any storm water is pumped out if necessary after visual observation for sheen or solids and completion of the Checklist for Secondary Containment Discharge Observation Prior to Discharge in Appendix F.

8.2.3 Preventive Maintenance

A preventive maintenance program is in place that includes periodic inspection and maintenance of facility equipment and containment systems to minimize breakdowns or failures that may result in discharges of pollutants to surface waters. Upon discovery of conditions that would compromise the integrity of containment structures, storm water management devices, or storage containers, corrective action is taken. Follow-up of corrective action is confirmed during the next scheduled facility inspection, and the corrective action is documented in the Facility Inspection Log described in Section 8.2.5. A sample facility inspection checklist is provided in Appendix F that identifies the areas to be inspected, observations made, and schedule of inspections for each area.

8.2.4 Spill Prevention and Response Procedures

This section describes the procedures that are followed for prevention of spills and responses to spills or leaks. These procedures include existing or planned material handling procedures, storage requirements, secondary containment, and equipment, which are intended to minimize or respond to spills or leaks at the facility. These procedures are included in the Employee Training Program. A checklist for inspection of the facility for spills and leaks is provided in Appendix F of this plan. The used oil storage tank will be clearly labeled with their contents to facilitate spill response procedures as soon as practicable. Spill response procedures are available on site to those

employees that may cause or detect a spill or leak. **An inventory of spill response materials is maintained and updated quarterly by the District Manager.** Spill response materials will be located at the Farmington Yard as soon as practicable. Spills are not washed down but are contained with spill response equipment including absorbent booms and sorbent material that are placed in drums on site for proper offsite disposal.

Any and all employees are responsible for reporting immediately any spill or leak of material described in this plan to the District Manager.

The employee will report the following:

- Time of spill or discovery
- Location of spill
- Type of material spilled
- Estimated quantity of material spilled
- Condition of spilled material

8.2.4.1 Spill Response Team

The spill response team members are the same as the Pollution Prevention Team. The purpose of this team is to provide immediate response to the containment and cleanup of any spill. The Spill Response Team is responsible for the following:

- The SWP3 Coordinator is responsible for determining whether the facility has had a release that could flow off site, that could reach an offsite surface water body or a navigable waterway, or that could threaten human health and the environment.
- The SWP3 Coordinator is responsible for assessing the spill, gathering the information required for notification requirements, making the proper notifications timely, and implementing the spill response procedures.
- The SWP3 Coordinator will coordinate with the SWP3 Team Leader in implementing the spill response procedures appropriate to the type of spill encountered and the SWP3 Team Leader will direct the spill response for the spill encountered.
- The SWP3 Coordinator will assess whether evacuation of the surrounding area is required and, if necessary, will notify proper local authorities, including the police department, fire department, hospital, and state and local emergency response teams. A list of the local authorities and their phone numbers is provided in Appendix G.

- The SWP3 Team Leader is responsible for preventive maintenance, coordinating inspections and implementing inspection schedules, documentation of inspections, and spill response.

8.2.4.2 Spill Response Equipment

Spill response equipment is stored onsite. The spill response equipment includes shovels and sorbent material. Fire extinguishers are located throughout the Farmington Yard facility.

8.2.4.3 Communications Equipment

In the event of a spill, cellular telephones will be used for communication between the SWP3 Coordinator and the SWP3 Team Leader as well as onsite employees. For communication between the SWP3 Coordinator or the SWP3 Team Leader and offsite emergency response personnel, cellular telephones will be used. This communications equipment is used daily and is maintained in good working order and repaired as necessary.

8.2.4.4 General Spill Response Procedures

Spill response procedures have been established to respond to a release or spill at the Farmington Yard facility so that spill response procedures are carried out in an organized manner. Material Safety Data Sheets (MSDSs) for material used at the Farmington Yard facility are located in the office and truck maintenance area.

General procedures that will be implemented by the District Manager in the event of a release or spill are contained in Appendix H.

Any written reports will be developed and submitted by the District Manager.

These reports will include the following:

- Date, time, and place spill occurred
- Amount and type of material involved
- Complete description of circumstances contributing to the spill
- Complete description of containment, removal and cleanup operations
- Procedures, methods, and precautions instituted to prevent recurrence of the spill
- Other information considered necessary or required for a complete description of the spill incident

8.2.4.5 Area-Specific Spill Prevention and Response Procedures

Areas where spills could contribute pollutants to storm water discharge are described in Section 5.2. These areas include the tank storage area, and the truck loading area.

The following spill prevention and response procedures are specific to each area where spills could contribute pollutants to storm water discharge.

8.2.4.5.1 Storage Tanks

There is one storage area located outside with a 1,000-gallon used oil tank, a 500-gallon diesel fuel tank, a 500-gallon unleaded gasoline tank, and two 55-gallon drums of lube. The storage containers are located within a concrete secondary containment structure sufficient to contain the capacity of the largest tank plus 10% freeboard for precipitation. Any spilled liquid around the storage tank would be contained within the secondary containment. No drainage valves are located on the secondary containment structure. The contained material would be pumped to the respective tank or removed with sorbent material and stored in drums prior to offsite disposal.

Inspections of tanks, valves, and all equipment are conducted and recorded weekly.

8.2.4.5.2 Truck Unloading Areas

Diesel fuel and unleaded gasolene is delivered to the Farmington Yard by delivery trucks following the procedures in Appendix C, Procedures for Unloading Vacuum Units. BMPs are in place to minimize the release of pollutants from delivery activities. The major potential pollutants from the delivery activities are petroleum hydrocarbons and volatile organics from various chemicals. To minimize the release of pollutants during delivery activities, the delivery is performed according to the Farmington Yard standard procedures in Appendix C.

Spills of liquids are not washed down but are contained with absorbent booms and sorbent material that are placed in drums on site for proper offsite disposal.

8.2.4.5.3 Loading Areas

Used oil is loaded into trucks at the Farmington Yard facility following the procedures in Appendix D, Procedures for Loading Vacuum Units. The major potential pollutants from these activities are petroleum hydrocarbons. BMPs are in place to minimize the release of pollutants from loading activities. To minimize the release of pollutants during loading activities, the loading is performed according to the Farmington Yard standard procedures in Appendix D.

Spills of liquids are not washed down, but are contained with absorbent booms and sorbent material that are placed in drums on site for proper offsite disposal.

8.2.5 Routine Facility Inspections

The Farmington Yard facility inspections will be conducted quarterly by the Storm Water Pollution Prevention Team Leader, and will include inspection of tanks, pumps, pipes, pipe fittings, secondary containment structures, catch basins, and storage areas for leaks, releases, and proper operation as well as an evaluation of good housekeeping practices, spill prevention and response measures, erosion control measures, required maintenance for

structural controls, the employee training program, SWP3 compliance, and existing BMPs. The frequency of all inspections are listed in Appendix F. **At least quarterly, the existing storm water BMPs will be evaluated in conjunction with the quarterly visual monitoring of storm water outfalls.** Written reports will be made quarterly to the District Manager. The quarterly reports will list the areas inspected, the observations made during the inspections, and any corrective action planned or taken to address areas of non-compliance with this plan. **Any deficiencies in the implementation of this plan will be corrected as soon as practicable.** The results of the inspection will be documented on a checklist, an example of which is provided in Appendix F. Whenever revisions or additions to the plan are recommended as a result of inspections, a summary description of the proposed changes will be attached to the inspection checklist, including time frames required to implement the proposed changes.

A Facility Inspection Checklist to document the inspections conducted in accordance with this plan is included in Appendix F.

A copy of the inspection reports will be issued to the District Manager and a copy of the inspection report placed in the Facility Inspection Log Book. The Facility Inspection Log Book will be maintained by the District Manager and kept in the District Manager's office. Upon identification of a problem that could impact releases to storm water, corrective action will be initiated. **Previous inspection logs will be reviewed quarterly such that confirmation of corrective actions required may be made during subsequent inspections, to address areas of non-compliance.**

8.2.6 Employee Training

This section provides a description of the storm water employee-training program for the facility that is provided for all employees responsible for implementing or maintaining activities identified in the SWP3. Employee training includes:

- Procedures for loading and unloading from vehicles and tanks
- Inspections

- Preventive maintenance
- Spill prevention
- Location of spill response equipment
- Spill response procedures
- Good housekeeping measures
- Material management practices for specific materials at the facility
- Spill reporting procedures
- BMPs
- Review of the SWP3

Training will be conducted annually during the month of January or within one month of a new employee's hire date. Records of training activities will be maintained by the District Manager.

Employee training will be provided for all employees that work in areas where industrial materials or activities are exposed to storm water, and for employees that are responsible for implementing activities identified in the SWP3. The employee training will inform them of the components and goals of the SWP3 and procedures to comply with the SWP3.

MSDSs will be reviewed to ensure that employees are familiar with the proper handling of materials used or stored on site so that they may address releases and spills appropriately.

A Spill Response Team has been designated and has been trained in the proper actions to be taken in the event of a release or spill. This team consists of:

- Equipment and Environmental Manager
- District Manager

The purpose of this team is to provide immediate response to the containment and cleanup of any spill. **All Spill Response Team members receive updated training in January of each year.**

Employees not directly responsible for implementing or maintaining activities identified in the SWP3 and that do not participate in the employee training program will be provided the basic goal

of the SWP3 and how to contact the storm water pollution prevention team regarding storm water issues.

8.3 Structural BMPs

Structural BMPs include the following: sediment and erosion control, management of runoff, and other controls. A description of how each of these BMPs is, or will be, implemented at the facility follows.

Structural BMPs are detailed in Section 8.2.4.5.1. **BMPs will be maintained and updated whenever BMPs change.**

8.3.1 Sediment and Erosion Control

This section describes the areas at the facility that, due to topography, land disturbance (e.g., construction), or other factors, have a potential for significant soil erosion. A steep face showing obvious signs of erosion divides the north and south halves of the property. If significant erosion begins to occur in the area that is not covered by concrete, this section will be updated to include a description of the structural, vegetative, and/or stabilization BMPs that will be implemented to limit erosion.

8.3.2 Management of Runoff

This section describes those traditional storm water management practices (permanent structural BMPs other than those which control the generation or sources of pollutants) that currently exist or that are planned for the facility. These types of BMPs are used to divert, infiltrate, reuse, or otherwise reduce pollutants in storm water discharges from the facility. All BMPs that are determined to be reasonable and appropriate or are required by State or local authority, or are necessary to maintain eligibility for the permit will be implemented and maintained. Drainage at

the site is primarily by sheet flow to the southwest as shown on Figure 2. The structural BMPs at the facility include those described in Section 8.2.4.5.

8.3.3 Other Controls

None.

9.0 PREVENTIVE MAINTENANCE

All BMPs identified will be maintained in effective operating condition. Inspection checklists and the frequency of inspection for storm water structural controls are provided in Appendix F. The areas to be inspected by the Pollution Prevention Team and preventive maintenance performed, if necessary, include any storm water discharge pumps and the secondary containment surrounding the storage tank. If site inspections identify BMPs that are not operating effectively, maintenance will be performed before the next anticipated storm event, or as necessary to maintain the continued effectiveness of storm water controls. **If maintenance prior to the next anticipated storm event is impracticable, maintenance will be scheduled and accomplished as soon as practicable.** In the case of non-structural BMPs, the effectiveness of the BMP will be maintained by the appropriate means (e.g., spill response supplies available and personnel trained, etc.). **BMPs will be maintained and updated whenever BMPs change.**

10.0 QUARTERLY VISUAL MONITORING

Storm water discharges from the property will be visually examined on a quarterly basis during or right after storm events.

Where practicable, the same individual will collect the samples and examine the samples for the entire permit term to ensure consistency. Monitoring will be conducted during daylight hours, samples will be examined in a well lit area and findings will document observations of

color, clarity, floating solids, settled solids, suspended solids, foam, oil sheen, and other obvious indicators of storm water pollution. Any noticeable odors will also be noted.

Records of quarterly visual monitoring will include date and time samples were collected and examined, names of personnel that collected and examined the samples, nature of discharge (runoff), and the visual quality of the storm water discharge.

Results of the examination will be attached to this plan in Appendix F and reviewed by the Storm Water Pollution Prevention Team. The team will investigate and identify probable sources of any observed storm water contamination and modify the SWP3 as necessary to address the conclusions of the Storm Water Pollution Prevention Team.

11.0 ANNUAL SAMPLING

No annual sampling is required at the Farmington Yard.

12.0 SECTOR SPECIFIC REQUIREMENTS

The Farmington Yard facility operations meet the criteria for classification under SIC Code 1389, which requires the facility comply with Sector I requirements.

There are no Sector I requirements applicable to the operations at this facility.

13.0 COMPREHENSIVE SITE COMPLIANCE EVALUATION

13.1 Frequency and Inspectors

A comprehensive site compliance evaluation will be conducted at least once a year as an overall assessment of the effectiveness of the current SWP3. The evaluation will be conducted by qualified personnel, which may be qualified employees or designated representatives who are

familiar with the industrial activities performed at the facility and the elements of the SWP3. The qualified personnel will be knowledgeable and possess the skills to assess conditions at the facility that could impact storm water quality and assess the effectiveness of the BMPs chosen to control the quality of the facility's storm water discharges. As part of the comprehensive site evaluation, qualified facility personnel will inspect all areas of the facility where industrial materials or activities are exposed to storm water. The inspections will include an evaluation of existing storm water BMPs. **Any deficiencies in implementation of the SWP3 will be corrected as soon as practicable, but not later than 12 weeks of the inspection.** The results of the inspections and the corrective actions taken in response to any deficiencies or opportunities for improvement identified will be made available to authorized NMED personnel upon request.

13.2 Scope of Comprehensive Site Compliance Evaluation

The inspections included in the comprehensive site compliance evaluation will cover all areas where industrial materials or activities are exposed to storm water as identified in Section 5.0, and areas where spills and leaks have occurred within the past 3 years. The evaluation will include:

- Inspection of all areas identified in Section 5.1, Inventory of Exposed Materials
- Inspection of all structural controls, including their maintenance and effectiveness
- Inspection of all non-structural controls, including BMP effectiveness, good housekeeping measures, and spill prevention
- Inspection of all reasonably accessible areas immediately downstream of the outfall
- A review of all records required by this plan and the General Permit

Inspectors will look for industrial materials, residue or trash on the ground that could contaminate or be washed away in storm water; leaks or spills from industrial equipment, drums, barrels, tanks, or similar containers; offsite tracking of industrial materials or sediment where vehicles enter or exit the site; tracking or blowing of waste materials from areas of no exposure to exposed areas; and evidence of, or the potential for, pollutants entering the drainage system. Storm water BMPs identified in this SWP3 will be observed to insure that they are operating correctly. Structural

controls will be inspected, including their maintenance and effectiveness. Non structural controls, including BMP effectiveness, good housekeeping measures, and spill prevention will be inspected. Where discharge locations or points are accessible, they will be inspected to see whether BMPs are effective in preventing significant impacts to receiving waters. **BMPs will be maintained and updated whenever BMPs change.** All reasonably accessible areas immediately downstream of each storm water outfall authorized under this permit will be inspected if possible. All records required under this permit will be reviewed.

13.3 Follow Up Actions

Based on the findings of the site compliance evaluation, the SWP3 will be modified as necessary (e.g., show additional controls on map; revise description of controls) to include additional or modified BMPs designed to correct problems identified. **Revisions to the SWP3 to include and address the findings of the Site Compliance Evaluation Report will be completed within 30 calendar days following the evaluation.** Revisions will include all applicable changes that result from the Comprehensive Site Compliance Evaluation Report and applicable updates to:

- Elements of the SWP3 that require modification for effectiveness
- Any additional elements (e.g., structural controls or BMPs) that should be added or modified for prevention of pollution
- Site map
- Inventory of exposed materials
- Description of the good housekeeping measures
- Description of the structural and non-structural controls
- Any other element of the plan that was either found to be inaccurate or that will be modified

If the compliance evaluation report indicates an incident of non-compliance, all necessary actions to come into compliance will be completed as soon as practicable, but no later than 12 weeks following the evaluation.

13.4 Compliance Evaluation Report

A report summarizing the scope of the evaluation, names of personnel making the evaluation, the dates of the evaluation, and major observations relating to the implementation of the SWP3, including any incidents of non-compliance will be completed and retained as part of the SWP3 for at least three years from the date permit coverage expires or is terminated. Major observations will include: locations of discharges of pollutants from the site, locations of BMPs that need to be maintained, locations of BMPs that failed to operate as designed or proved inadequate for a particular location, and locations where additional BMPs are needed that did not exist at the time of the evaluation.

A record of actions taken in accordance with the requirements of the comprehensive compliance evaluation will be retained as part of the SWP3 for at least three years from the date that permit coverage expires or is terminated.

The inspection reports will identify any incidents of non-compliance. A non-compliance incident is any instance where an element of the SWP3 is either not implemented or where specific conditions of the permit are not met. Where an inspection report does not identify any incidents of non-compliance, the report will contain a certification that the facility is in compliance with the SWP3 and the permit. Both the evaluation report and reports of follow-up actions must be signed in accordance with the reporting requirements of the permit and will be made available for inspection by authorized NMED personnel upon request.

13.5 Credit as Routine Facility Inspection

Where compliance evaluation schedules overlap with routine facility inspections referenced in Section 8.2.5, the annual compliance evaluation may also be used as one of the routine facility inspections.

14.0 RECORDKEEPING

Records of quarterly visual monitoring, inspections, spills, discharge quality, any good housekeeping practices, spill prevention and response measures, BMPs, erosion control measures developed subsequent to the date of this plan, maintenance activities performed on structural controls, employee training and education conducted, and updates and modifications to the SWP3 will be maintained by the District Manager in a storm water file in the District Manager's office.

15.0 MAINTAINING UPDATED SWP3

The SWP3 will be revised to address the findings of the Comprehensive Site Compliance Report within 30 days following the evaluation. Revisions will include all applicable changes that result from the Comprehensive Site Compliance Report and applicable updates to:

- Elements of the SWP3 that require modification for effectiveness
- Any additional elements (structural controls or BMPs) that should be added or modified for prevention of pollution
- Site map
- Inventory of exposed materials
- Description of good housekeeping measures
- Description of structural and non-structural controls
- Any other element of the plan that was either found to be inaccurate or that will be modified

Each revision to the SWP3 will be dated and all revisions retained for three years from the date of submittal of the Notice of Intent.

16.0 ESA AND NHPA REQUIREMENTS

Letters of inquiry were sent to the U.S. Fish and Wildlife Service (USFWS) and the State Historic Preservation Officer (SHPO) to demonstrate permit eligibility with regard to

requirements of the Endangered Species Act (ESA) and the National Historic Preservation Act (NHPA). Copies of the letters and responses/documentation, if a response was received, from each entity are provided in Appendix J. No response from USFWS and SHPO was received at the time when this report was compiled. If a response is received in the future, it will be kept with this SWPPP and any issues will be addressed as needed.

Information required for the ESA includes:

- Whether listed endangered or threatened species, or critical habitat, are found in proximity to the facility
- Whether such species may be jeopardized by the stormwater discharges or stormwater discharge-related activities
- Results of the screening for endangered species
- Description of measures necessary to protect federally listed endangered or threatened species or critical habitat.

Information required for the NHPA includes:

- Whether the storm water discharges or storm water discharge-related activities would have an effect on a property that is listed or eligible for listing on the National Register of Historic Places.
- Results of the screening for historic places.
- Description of measures necessary to avoid or minimize adverse impacts on places listed or eligible for listing on the National Register of Historic Places.

17.0 SIGNATURE, PLAN REVIEW AND MAKING PLANS AVAILABLE

This SWP3 has been signed in accordance with the signatory requirements of the permit. This SWP3 will be retained with a copy of the general permit on site at the facility covered by the permit. This SWP3 will be available to authorized personnel for review at the time of an onsite inspection.

"I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gathered and evaluated the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations."

Site Manager Name

Title

Signature

Date

DISTRIBUTION

Storm Water Pollution Prevention Plan
Key Energy Services, Inc.
Farmington Yard
Farmington, New Mexico

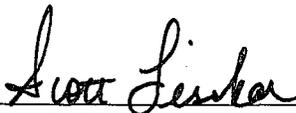
March 24, 2003

1 copy to: Key Energy Services, Inc.
5651 U.S. Highway 64
Farmington, New Mexico
Attention: Equipment and Environmental Manager

1 copy to: Key Energy Services, Inc.
6 Desta Drive, Suite 5900
Midland, Texas 79705
Attention: Dan Gibson

1 copy to: Brown and Caldwell
Project File

QUALITY CONTROL REVIEWER



Scott E. Lesikar
Supervising Scientist

SEL:kp



SOURCE: USGS 7.5 MINUTE TOPOGRAPHIC MAP - HORN CANYON QUADRANGLE



SCALE IN MILES

**BROWN AND
CALDWELL**



Figure 1

**SITE VICINITY MAP
FARMINGTON YARD**

5651 U.S. HWY 64
FARMINGTON, NEW MEXICO

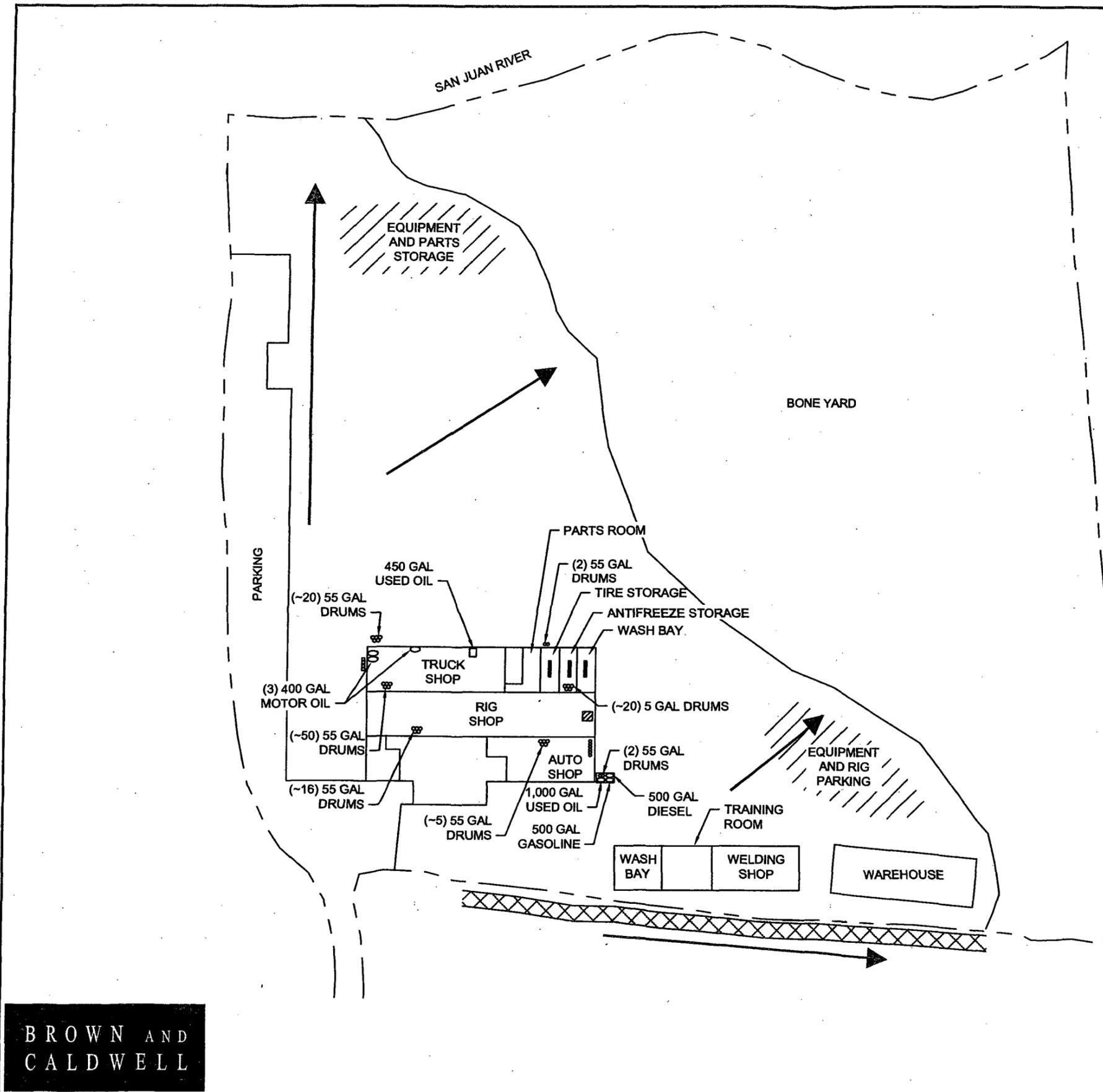


Figure 2
SITE MAP
FARMINGTON YARD
 5651 US HWY 64
 FARMINGTON, NEW MEXICO

BROWN AND CALDWELL

APPENDIX A

Material Inventory for Farmington Yard

A materials inventory list can be found in the contents of the MSDSs in the office and maintenance shop at the yard. Alternatively, the list can be included in this appendix.

APPENDIX B

Material Inventory for Trucks

Not applicable at this facility.

APPENDIX C

Procedures for Unloading Vacuum Units



PROCEDURES FOR UNLOADING VACUUM UNITS

- Review JSA
- Spot unit
- Set parking brake
- Chock wheels
- Visually check to see if all hatches are closed
- Connect ground wire
- Connect hose to vacuum unit
- Connect hose from unit to source
 - A. If open pit or tank is involved, hose must be secured by soft line
 - B. If connected to a load line, open valve
- Open vent line
- Position valve handle on pump to "discharge"
- Start vacuum pump
- Close vent - open 4" valve at rear of unit
- After unit is empty, close 4" valve, open vent line
- Close load line
- Close 4" valve
- Bleed pressure off of bleed down line
- Disconnect hose from source and unit

APPENDIX D

Procedures for Loading Vacuum Units



PROCEDURES FOR LOADING VACUUM UNITS

- Review JSA
- Spot unit
- Set parking brake
- Chock wheels
- Visually check to see if all hatches are closed
- Connect ground wire
- Connect hose to vacuum unit
- Connect hose from unit to source
 - A. If open pit or tank is involved, hose must be secured by soft line
 - B. If connected to a load line, open valve
- Open vent line
- Position valve handle on pump to "suction"
- Start vacuum pump
- Close vent - open 4" valve at rear of unit
- After unit is empty, close 4" valve, open vent line, blow air back, close load line
- Bleed pressure off, bleed down line
- Disconnect hose from source and unit

APPENDIX E

Tank Truck Material Transfer Procedures Checklist

**TRUCK DRIVER CONFIRMATION OF ADHERENCE TO LIQUID TRANSFER
OPERATION PROCEDURES**

- The truck driver was present throughout the transfer at the hose connection to the truck until the transfer was completed.
- The truck driver chocked the wheels of the delivery truck prior to making the hose connection between the truck and the receiving pipe to prevent movement during transfer.
- The truck driver placed orange traffic cones surrounding the truck prior to making the hose connection between the truck and the receiving pipe to prevent departure of the vehicle before complete disconnection of the transfer hoses.
- The truck driver visually examined the discharge valve on the truck and the delivery hose to determine that they are both in good condition prior to connecting the hose to the receiving pipe.
- The tank was gauged prior to starting the discharge of material from the truck to determine if the tank had the capacity to accept the full shipment from the truck.
- A drip bucket was placed under the truck hose connection to catch any spillage.
- No spillage or release occurred.
- The flexible or fixed transfer lines have been disconnected prior to moving the delivery truck.
- The lower-most drain valve and all outlets have been closely inspected for discharges, and if necessary, the drains and outlets were tightened, adjusted, or replaced to prevent liquid discharge while in transit.

I confirm that the procedures listed above were followed and that no releases occurred during my transfer of liquids from the delivery truck.

Printed Name

Signature

Date

APPENDIX F

Inspection Checklists

WEEKLY INSPECTION LOG AND CHECKLISTS

**STORM WATER POLLUTION PREVENTION PLAN
WEEKLY INSPECTION CHECKLIST
WEEK ENDING _____, 20__**

| Inspector | Inspection Frequency | Date | Area Inspected | Items to Inspect | Observation | Corrective Action Recommended |
|------------------|-----------------------------|-------------|-------------------------------------|---|--------------------|--------------------------------------|
| | Weekly | | Outside Storage Area | Integrity of Tank, Foundations, Piping and Supports | | |
| | | | | Tank Valves Closed | | |
| | | | | Tank Labeled with Contents | | |
| | | | | Releases from Tank | | |
| | | | | Integrity of Secondary Containment | | |
| | | | | Releases from Secondary Containment | | |
| | | | | Housekeeping | | |
| | | | | Accumulated Liquids Observed for Sheen, Solids | | |
| | Weekly | | Unloading Area: Diesel and Gasoline | Spills | | |
| | | | | Housekeeping | | |
| | Weekly | | Loading Area: Used Oil | Spills | | |
| | | | | Housekeeping | | |

| Inspector | Inspection Frequency | Date | Area Inspected | Items to Inspect | Observation | Corrective Action Recommended |
|---|----------------------|------|--|---|-------------|-------------------------------|
| | Weekly | | Spill Response Equipment | Spill Response Drums in Correct Locations On Site | | |
| Drums Labeled as Spill Response Equipment | | | | | | |
| Fire Extinguishers in Correct Locations On Site | | | | | | |
| | Weekly | | Farmington Yard Property | Housekeeping | | |
| Lighting | | | | | | |
| | Weekly | | Visual Observation of Any Standing Storm Water | Evidence of a Release | | |
| | Weekly | | Previous Week Inspection Checklist | Status of Corrective Actions Recommended | | |

* If any actions recommended for deficiencies that could impact releases to storm water, a work order must be completed and a copy attached to this checklist.

QUARTERLY INSPECTION LOG AND CHECKLISTS

**STORM WATER POLLUTION PREVENTION PLAN
 QUARTERLY INSPECTION CHECKLIST
 _____ QUARTER , 20__**

| Inspector | Inspection Frequency | Date | Area Inspected | Items to Inspect | Observation | Corrective Action Recommended |
|------------------|-----------------------------|-------------|--|--|--------------------|--------------------------------------|
| | Quarterly | | Outside Storage Area | Integrity of Tank, Foundations, Piping and Supports | | |
| | | | | Tank Valves Closed | | |
| | | | | Tank Labeled with Contents | | |
| | | | | Releases from Tank | | |
| | | | | Integrity of Secondary Containment | | |
| | | | | Releases from Secondary Containment | | |
| | | | | Housekeeping | | |
| | | | | Accumulated Liquids Observed for Sheen, Solids | | |
| | Quarterly | | Unloading Area: Diesel and Gasoline | Spills | | |
| | | | | Housekeeping | | |
| | Quarterly | | Loading Area: Used Oil | Spills | | |
| | | | | Housekeeping | | |

| Inspector | Inspection Frequency | Date | Area Inspected | Items to Inspect | Observation | Corrective Action Recommended |
|---|----------------------|------|--|---|-------------|-------------------------------|
| | Quarterly | | Spill Response Equipment | Spill Response Drums in Correct Locations On Site | | |
| Drums Labeled as Spill Response Equipment | | | | | | |
| Fire Extinguishers in Correct Locations On Site | | | | | | |
| | Quarterly | | Farmington Yard Property | Housekeeping | | |
| Lighting | | | | | | |
| | Quarterly | | Visual Observation of Any Standing Storm Water | Evidence of a Release | | |
| | Quarterly | | Previous Week Inspection Checklist | Status of Corrective Actions Recommended | | |

* If any actions recommended for deficiencies that could impact releases to storm water, a work order must be completed and a copy attached to this checklist.

**QUARTERLY OUTFALL VISUAL MONITORING
LOG AND CHECKLISTS**

QUARTERLY OUTFALL VISUAL MONITORING CHECKLIST

| | |
|--|--|
| Outfall | 001 (To be determine where, if possible, storm water samples can be collected) |
| Date | |
| Time Sample Collected | |
| Time Sample Examined | |
| Sampler/Examiner | |
| Nature of Discharge (i.e., Run-off) | |
| Color | |
| Odor | |
| Clarity | |
| Floating Solids | |
| Settled Solids | |
| Suspended Solids | |
| Foam | |
| Oil Sheen | |
| Other Indications of Pollution | |
| Probable Source of Pollution | |

Grab samples of storm water must be taken of discharges at the final outfall, either immediately prior to entering water in the state or immediately prior to leaving the permitted facility property.

Sampling must be conducted on discharges of runoff from a representative storm event with at least 0.1 inch of measured precipitation that occurs with a minimum interval from the preceding measurable storm of at least 72 hours. The 72-hour interval is not required if either the preceding storm event did not yield a discharge that was sufficient for obtaining a sample, or if it is documented in the SWP3 that a less than 72-hour interval is representative for local storm events for the sampling period.

If sampling not conducted on discharges of runoff from a representative storm event with at least 0.1 inch of measured precipitation that occurs with a minimum interval from the preceding measurable storm of at least 72 hours, explain:

_____.

**SECONDARY CONTAINMENT DISCHARGE OBSERVATION AND TESTING
LOGS AND CHECKLISTS**

SECONDARY CONTAINMENT DISCHARGE LOG

| | | |
|------------|------------|----------------|
| DATE _____ | AREA _____ | OBSERVER _____ |
| DATE _____ | AREA _____ | OBSERVER _____ |
| DATE _____ | AREA _____ | OBSERVER _____ |
| DATE _____ | AREA _____ | OBSERVER _____ |
| DATE _____ | AREA _____ | OBSERVER _____ |
| DATE _____ | AREA _____ | OBSERVER _____ |
| DATE _____ | AREA _____ | OBSERVER _____ |
| DATE _____ | AREA _____ | OBSERVER _____ |
| DATE _____ | AREA _____ | OBSERVER _____ |
| DATE _____ | AREA _____ | OBSERVER _____ |
| DATE _____ | AREA _____ | OBSERVER _____ |
| DATE _____ | AREA _____ | OBSERVER _____ |
| DATE _____ | AREA _____ | OBSERVER _____ |
| DATE _____ | AREA _____ | OBSERVER _____ |
| DATE _____ | AREA _____ | OBSERVER _____ |

**SECONDARY CONTAINMENT DISCHARGE OBSERVATION AND TESTING
CHECKLIST**

**CHECKLIST FOR SECONDARY CONTAINMENT
DISCHARGE OBSERVATION PRIOR TO DISCHARGE**

| INSPECTOR | INSPECTION FREQUENCY | AREA INSPECTED | ITEMS TO INSPECT | OBSERVATION | VOLUME OF ACCUMULATED LIQUIDS DISCHARGED | CORRECTIVE ACTION RECOMMENDED |
|-----------|-------------------------|-------------------|---------------------|-------------|---|-------------------------------------|
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |

APPENDIX G

Emergency Contact List

EMERGENCY CONTACT LIST

| | |
|--|--|
| Facility Spill Response Coordinator | Office 505-327-4935 Home (505) 327-2704 |
| Facility Spill Response Team Leader | (505) 327-4935 |
| National Response Center | (800) 424-8802 |
| Police | 911 |
| New Mexico State Patrol | (505) 334-6000 |
| Fire | 911 |
| Hospital | 911 |
| New Mexico Oil Conservation Division | (505) 334-6178 |
| New Mexico Environment Department | 505-827-9329 |
| Emergency Spill Contractor (On Site Technologies Limited Partnership) | (505) 325-5667 24-hr on call |

APPENDIX H

Spill Response Procedures

SPILL RESPONSE PROCEDURES

If a spill occurs at the Farmington SWD facility, the Spill Response Coordinator will notify the Spill Response Team Leader and coordinate with the Spill Response Team Leader to have the Spill Response Team implement the following Spill Response Procedures:

1. Evacuate the area if necessary following the procedures listed in Section 8.2.4 of the SWP3 Plan.
2. Call emergency response personnel, if necessary.
3. Stop operation of equipment that is the source of the spill, including closing valves, stopping pumps, etc.
4. Contain the spill using absorbent booms, a trench dug in the soil surrounding the spill, etc.
5. Deploy absorbent materials to soak up spilled material.
6. Once spill is contained and area where spill occurred is secured, the Spill Response Coordinator or his designee will gather information required for notifications and reports described in Appendix I of this SWP3.
7. Contact spill cleanup, transportation, and disposal vendors, if necessary.
8. Remove spilled material from ground surfaces using pumps and sorbent material and place in containers approved by the Spill Response Coordinator or his designee.
9. Remove spilled material from equipment using cloth rags and a cleaning solution approved by the Spill Response Coordinator or his designee to be compatible with the material spilled.
10. Place used rags and other disposable spill cleanup equipment in containers approved by the Spill Response Coordinator or his designee.
11. Label all containers used for storage of recovered spill material, used disposable equipment and any other waste from the spill containment and recovery with the material stored, date accumulation began, contact name and phone number.
12. Store containers in a designated storage area compatible with the materials stored.
13. Arrange for transport and disposal of waste generated from spill response off site at a permitted disposal facility.
14. Inventory all equipment used in the spill response and test non-disposable equipment for proper operation. If repair or replacement is necessary to ensure adequate equipment to respond to a release or spill is on site and available for use, order the repair or replacement immediately.
15. Prepare all notifications and reports required to be submitted in accordance with state, Federal and local regulations. A summary of the State and Federal requirements is provided Appendix I of this SWP3.

APPENDIX I

Federal and State Spill Notification and Reporting Procedures

SPILL NOTIFICATION

Upon notification of a spill, the Spill Response Coordinator will determine if the oil spill requires notification and/or reporting to regulatory agencies. Below is a summary of the notification and reporting requirements based on the U.S. Environmental Protection Agency (EPA) regulations for Discharge of Oil contained in Title 40 of the Code of Federal Regulations (CFR) Part 110.

Federal Notification Requirements

The EPA regulations regarding discharge of oil require notification by a person in charge of a facility as soon as he or she has knowledge of any discharge of oil from a facility as may be harmful. 40 CFR Part 110.3 states that discharges of oil in such quantities that the Administrator has determined may be harmful to the public health or welfare or the environment of the United States include discharges of oil that:

- 1) violate applicable water quality standards; or
- 2) cause a film or sheen upon or discoloration of the surface of the water or adjoining shorelines or cause a sludge or emulsion to be deposited beneath the surface of the water or upon adjoining shorelines.

Notification must be made to the National Response Center (NRC) at 800-424-8802.

Information Required for Notifications

The following information is required in notifications described in Sections 7.1.1 and 7.1.2:

- 1) the name, address, and telephone number of the person making the telephone report;
- 2) the name, address and telephone number of the facility;

- 3) if different from the person making the notification, the names, addresses, and telephone numbers of the responsible person and contact person at the location of the discharge or spill;
- 4) the date, time and location of the spill or discharge;
- 5) a specific description or identification of the oil, petroleum product or other substances discharged or spilled;
- 6) an estimate of the quantity discharged or spilled;
- 7) the duration of the incident;
- 8) source of the discharge or spill;
- 9) the cause of the discharge or spill;
- 10) a description of all affected media;
- 11) a description of the extent of actual or potential water pollution or harmful impacts to the environment and an identification of any environmentally sensitive areas or natural resources at risk;
- 12) the name of the surface water or a description of the waters in the state affected or threatened by the discharge or spill;
- 13) any damages or injuries caused by the discharge;
- 14) a description of any actions that have been taken, are being taken, and will be taken to stop, remove and mitigate the effects of the discharge or spill;
- 15) any known or anticipated health risks;
- 16) whether an evacuation is needed;
- 17) the identity of any governmental representatives, including local authorities or third parties, responding to the discharge or spill; and
- 18) any other information that may be significant to the response action.

The Spill Response Coordinator must submit a report to the EPA Regional Administrator within 60 days following a release of the following quantities:

- a discharge of more than 1,000 U.S. gallons of oil in a single discharge as described in 40 CFR 112.1 (b); or

- a discharge of more than 42 U.S. gallons of oil, as described in 40 CFR 112.1 (b) in each of two discharges, within any 12-month period.

A discharge requiring reporting is defined as oil discharged in harmful quantities, defined in 40 CFR 110 as a quantity that violates applicable water quality standards or causes a film or sheen upon or discoloration of the surface of the water or adjoining shorelines or causes a sludge or emulsion to be deposited beneath the surface of the water or upon adjoining shorelines, into or upon the navigable waters of the United States or adjoining shorelines in two spill events, occurring within any 12-month period.

The report must include the following information:

- 1) Name of the facility;
- 2) Name(s) of the owner or operator of the facility;
- 3) Location of the facility;
- 4) Date and year of initial facility operation;
- 5) Maximum storage or handling capacity of the facility and normal daily throughput;
- 6) Description of the facility, including maps, flow diagrams, and topographical maps;
- 7) A complete copy of the SPCC Plan with any amendments;
- 8) The cause(s) of such spill, including a failure analysis of system or subsystem in which the failure occurred;
- 9) The corrective actions and/or countermeasures taken, including an adequate description of equipment repairs and/or replacements;
- 10) Additional preventive measures taken or contemplated to minimize the possibility of recurrence; Such other information as the Regional Administrator may reasonably require pertinent to the Plan or spill event.

State Notification Requirements

Notification of Spills and Unauthorized Discharges

Who Must Provide Notification? The owner, operator, or person in charge of any facility where a discharge has occurred must provide notification such release to the New Mexico Environment Department.

What Kinds of Discharges Must be Reported? Any amount of any material in such quantity as may with reasonable probability injure or be detrimental to human health, animal or plant life, or property, or may unreasonably interfere with the public welfare or the use of property. This includes chemical, biohazardous, petroleum-product, and sewage spills and incidents. In

addition to recent spills, the discovery of evidence of previous unauthorized discharges, such as contaminated soil or ground water, also must be reported.

Are There Reportable Quantities? New Mexico has not established reportable quantities.

When Must Notification Be Provided? Verbal notification must be provided as soon as possible after learning of a discharge, but in no event more than twenty-four (24) hours thereafter.

How Should Notification be Provided?

For emergencies, call 505-827-9329 twenty-four hours a day.

For non-emergencies, call 866-428-6535 (voice mail, twenty-four hours a day).

For non-emergencies, and to reach an on-duty NMED staff member during normal business hours, call 505-428-2500.

APPENDIX J

ESA AND NHPA DOCUMENTATION

1697 Cole Boulevard
Suite 200
Golden, CO 80401

Tel: (303) 239-5400
Fax: (303) 239-5454

December 13, 2004

BROWN AND
CALDWELL

Kak Slick, SHPO
Historic Preservation Division
Room 320, La Villa Rivera
228 East Palace Avenue
Santa Fe, New Mexico 87501

Subject: Information Regarding Historical Sites for Sites in New Mexico

Dear Mr. Slick,

On behalf of our client, Key Energy Services, Inc. (Key), Brown and Caldwell is respectfully submitting this request for evaluation of potential impacts to properties listed on the National Register of Historic Places in connection with facilities located in New Mexico.

1. Lea County:
 - a. 1901 Main Street in Eunice
 - b. 2105 Avenue O Avenue in Eunice
 - c. North Loop in Eunice
 - d. Weaver Road 9 miles west of Eunice
 - e. South Loop east of Eunice
 - f. 720 South Texaco Road in Hobbs
2. Eddy County:
 - a. 11345 Lovington Highway Avenue in Artesia
 - b. 11254 Lovington Highway in Artesia
3. San Juan County:
 - a. 5651 U.S. Highway 64 in Farmington
 - b. 708 South Tucker Avenue in Farmington
 - c. 345 San Juan County Road in Aztec
 - d. 328 San Juan County Road 3500 on Crouch Mesa approximately 5 miles east of Farmington
4. Rio Arriba County:
 - a. Highway 527, mile marker 8 in Rio Arriba County

These sites are in the process of submitting a notice of intent for storm water discharges associated with industrial activity under an NPDES general permit. For

multi-sector permit applicants, it is necessary to determine the potential adverse impact on historical sites. Please advise us of any other requirements in order to fulfill this obligation. A site location map for each of the facilities is provided for your reference and use.

Thank you for your assistance in the matter. If you have any questions or require additional information, please call me at (303) 239-5430.

Very truly yours,

BROWN AND CALDWELL

Kati Petersburg
Task Manager



**SPILL PREVENTION, CONTROL, AND
COUNTERMEASURE PLAN**

**KEY ENERGY SERVICES, INC.
FARMINGTON YARD
FARMINGTON, NEW MEXICO**

March 10, 2005

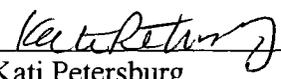
**SPILL PREVENTION, CONTROL AND COUNTERMEASURE PLAN
KEY ENERGY SERVICES, INC.
FARMINGTON YARD
FARMINGTON, NEW MEXICO**

Prepared for

Key Energy Services, Inc.

Project Number: 24041.421

Prepared by:



Kati Petersburg
Task Manager

March 10, 2005

Brown and Caldwell
1697 Cole Boulevard
Golden, CO 80401

CONTENTS

CONTENTS

| | | |
|-------------|--|----------|
| 1.0 | INTRODUCTION..... | 1 |
| 1.1 | Applicability (40 CFR 112.1) | 1 |
| 1.2 | Plan Availability, Professional Engineer's Certification and Industry Standards (40 CFR 112.3)..... | 1 |
| 1.2.1 | Plan Availability | 1 |
| 1.2.2 | Professional Engineer's Certification | 1 |
| 1.2.3 | Applicable Industry Standards (40 CFR 112.3(d)(iii)) | 1 |
| 1.3 | Amendment, Review and Evaluation (40 CFR 112.4 and 112.5)..... | 1 |
| 1.4 | Plan Preparation and Management Approval (40 CFR 112.7) | 1 |
| 1.5 | Deviations From 40 CFR 112 Requirements (40 CFR 112.7(a)(2))..... | 1 |
| 2.0 | PHYSICAL LAYOUT OF FACILITY (40 CFR 112.7(a)(3))..... | 1 |
| 2.1 | Buildings | 1 |
| 2.2 | Tanks..... | 1 |
| 3.0 | FACILITY DIAGRAM (40 CFR 112.7(a)(3)) | 1 |
| 4.0 | OIL STORAGE CONTAINERS (40 CFR 112.7 (a)(3)(i)) | 1 |
| 5.0 | DISCHARGE PREVENTION MEASURES (40 CFR 112.7 (a)(3)(ii)) | 1 |
| 6.0 | DISCHARGE OR DRAINAGE CONTROLS (40 CFR 112.7(a)(3)(iii)) | 1 |
| 7.0 | COUNTERMEASURES FOR DISCHARGE DISCOVERY, RESPONSE, AND CLEANUP (40 CFR 112.7 (a)(3)(iv))..... | 1 |
| 7.1 | Spill Response Team..... | 1 |
| 7.2 | Spill Response Equipment | 1 |
| 7.3 | Communications Equipment..... | 1 |
| 7.4 | Evacuation Procedures..... | 1 |
| 8.0 | METHODS OF DISPOSAL OF RECOVERED MATERIAL (40 CFR 112.7(a)(v))..... | 1 |
| 9.0 | CONTACT LIST (40 CFR 112.7 (a)(3)(vi))..... | 1 |
| 10.0 | SITE-SPECIFIC INFORMATION FOR REPORTING A DISCHARGE (40 CFR 112.7 (a)(4))..... | 1 |
| 11.0 | DISCHARGE RESPONSE (40 CFR 112.7(a)(5)) | 1 |
| 12.0 | DISCHARGES FROM EQUIPMENT FAILURE (40 CFR 112.7 (b))..... | 1 |
| 12.1 | Tank Overflows and Leaks from Storage Tanks..... | 1 |
| 12.2 | Unloading from Delivery Trucks..... | 1 |
| 12.3 | Vehicle Fueling/Loading Into Tank Trucks..... | 1 |
| 13.0 | APPROPRIATE CONTAINMENT OR DIVERSIONARY STRUCTURES (40 CFR 112.7 (c)) | 1 |
| 14.0 | PRACTICABILITY DETERMINATION (40 CFR 112.7(d)) | 1 |
| 15.0 | INSPECTIONS AND TESTING (40 CFR 112.7 (e))..... | 1 |
| 16.0 | PERSONNEL, TRAINING AND DISCHARGE PREVENTION PROCEDURES (40 CFR 112.7(f)) | 1 |
| 17.0 | SECURITY (40 CFR 112.7(g)) | 1 |
| 17.1 | Fencing (40 CFR 112.7 (g)(1)) | 1 |

CONTENTS (Continued)

| | | |
|-------------|--|----------|
| 17.2 | Discharge Valves (40 CFR 112.7 (g)(2))..... | 1 |
| 17.3 | Locked Starter Control Valves (40 CFR 112.7 (g)(3))..... | 1 |
| 17.4 | Cap or Blank Flange Loading/Unloading Connections (40 CFR 112.7 (g)(4))..... | 1 |
| 17.5 | Facility Lighting (40 CFR 112.7 (g)(5))..... | 1 |
| 18.0 | FACILITY TANK TRUCK LOADING/UNLOADING (40 CFR 112.7(h))..... | 1 |
| 18.1 | Tank Truck Containment System (40 CFR 112.7 (h)(1))..... | 1 |
| 18.2 | Prevention of Departure Prior to Disconnection (40 CFR 112.7(h)(2 and 3))..... | 1 |
| 19.0 | BRITTLE FRACTURE OR OTHER CATASTROPHE EVALUATION (40 CFR 112.7 (i))..... | 1 |
| 20.0 | CONFORMANCE WITH APPLICABLE RULES, REGULATIONS, AND GUIDELINES (40 CFR 112.7 (j))..... | 1 |
| 21.0 | SPILL PREVENTION, CONTROL AND COUNTERMEASURE PLAN REQUIREMENTS FOR PETROLEUM OILS AND NON-PETROLEUM OILS AT ONSHORE FACILITIES (EXCLUDING PRODUCTION FACILITIES) (40 CFR 112.8(a))..... | 1 |
| 21.1 | Facility Drainage From Diked Areas (40 CFR 112.8(b)(1) and (2))..... | 1 |
| 21.2 | Facility Drainage From Undiked Areas (40 CFR 112.8(b)(3))..... | 1 |
| 21.3 | Spill Diversion System (40 CFR 112.8(b)(4))..... | 1 |
| 21.4 | Facility Drainage Systems (40 CFR 112.8(b)(5))..... | 1 |
| 21.5 | Bulk Storage Container Compatibility (40 CFR 112.8(c)(1))..... | 1 |
| 21.6 | Bulk Storage Container Secondary Containment (40 CFR 112.8(c)(2))..... | 1 |
| 21.7 | Discharge of Uncontaminated Rainwater (40 CFR 112.8(c)(3))..... | 1 |
| 21.8 | Completely Buried Storage Tanks (40 CFR 112.8 (c)(4))..... | 1 |
| 21.9 | Partially Buried or Bunkered Tanks (40 CFR 112.8 (c)(5))..... | 1 |
| 21.10 | Integrity Testing and Inspection (40 CFR 112.8 (c)(6))..... | 1 |
| 21.11 | Internal Heating Coils (40 CFR 112.8 (c)(7))..... | 1 |
| 21.12 | Engineering Controls for Liquid Levels (40 CFR 112.8(c)(8))..... | 1 |
| 21.13 | Effluent Treatment (40 CFR 112.8 (c)(9))..... | 1 |
| 21.14 | Correction and Removal of Visible Discharges (40 CFR 112.8 (c)(10))..... | 1 |
| 21.15 | Mobile or Portable Oil Storage (40 CFR 112.8 (c)(11))..... | 1 |
| 21.16 | Buried Piping (40 CFR 112.8 (d)(1))..... | 1 |
| 21.17 | Out Of Service Piping (40 CFR 112.8 (d)(2))..... | 1 |
| 21.18 | Pipe Supports (40 CFR 112.8 (d)(3))..... | 1 |
| 21.19 | Inspection of Aboveground Valves and Piping (40 CFR 112.8 (d)(4))..... | 1 |
| 21.20 | Vehicle Damage to Piping..... | 1 |
| 22.0 | SUBSTANTIAL HARM CRITERIA..... | 1 |

DISTRIBUTION AND QA/QC REVIEWER'S SIGNATURE

CONTENTS (Continued)

FIGURES

- 1 Site Location Map
- 2 Site Map

TABLES

- 1 Tank and Drum Storage Areas

APPENDICES

- A Plan Review and Evaluation Certification
- B Material Inventory for Trucks
- C Unloading Procedures for Vacuum Units
- D Loading Procedures for Vacuum Units
- E Tank Truck Material Transfer Checklist
- F Spill Response Procedures
- G Emergency Contact List
- H Federal and State Spill Notification and Reporting Procedures
- I Inspection Checklists
- J Certification of Substantial Harm Criteria

1.0 INTRODUCTION

This Spill Prevention, Control and Countermeasure (SPCC) Plan has been developed for the Key Energy Services, Inc. (Key Energy) Farmington Yard (Farmington Yard) site located 5651 U.S. Highway 64 in Farmington, New Mexico. The approximate location of the site is shown on the Site Vicinity Map, Figure 1. This SPCC Plan complies with the requirements of Title 40 of the Code of Federal Regulations, Part 112 as amended July 17, 2002. This SPCC Plan was prepared in accordance with good engineering practices and with the full approval of management at a level with authority to commit the resources necessary to fully implement the plan.

The Site Manager is responsible for oil spill and discharge prevention.

Bold text indicates that an item is to be updated based on a change in facility operations and tasks that are to be performed at a specified frequency.

The following personnel are responsible for implementing the SPCC plan.

Spill Response Team

| Role | Responsibility | Title | Phone Number |
|----------------------------|--|-------------------------------------|--|
| Spill Response Coordinator | Primary Emergency Contact Spill Response Equipment Inventory | Equipment and Environmental Manager | Office 505-327-4935 Home (505) 327-2704 |
| Spill Response Team Leader | Secondary Emergency Contact Preventive Maintenance Training Inspections Recordkeeping Spill Response | District Manager | 505-327-4935 |
| Spill Response Team Member | Spill Response | Site staff employee | 505-327-4935 |

See Section 7.1 for a detailed description of responsibilities.

FACILITY CONTACT INFORMATION

Facility Name: Key Energy Services, Inc., Farmington Yard

Facility Contact: Site Manager

Facility Address: 5651 U.S. Highway 64
Farmington, New Mexico
Latitude: 36° 42.283'
Longitude: -108° 06.861'

Facility Telephone Number: (505) 327-4935

1.1 Applicability (40 CFR 112.1)

This plan was prepared in accordance with the new SPCC plan regulations, published in Federal Register Volume 67, No. 137, July 17, 2002. Provisions of this plan required by the existing SPCC plan regulations are effective immediately. Provisions required only by the new regulations will be implemented upon the effective date of those regulations or as soon as practicable.

The Key Energy Yard facility meets the following criteria for applicability under 40 CFR 112.1:

- The facility is engaged in drilling, producing, gathering, storing, processing, refining, transferring, distributing, using, or consuming oil and oil products.
- The facility which, due to its location, could reasonably be expected to discharge oil in quantities that may be harmful, as defined in 40 CFR 110, into or upon the navigable waters of the United States or adjoining shorelines.
- The facility has oil in any aboveground container, any completely buried tank, any container used for standby storage, for seasonal storage or for temporary storage, and any bunkered tank or partially buried tank.

- The facility has an aggregate aboveground storage capacity of greater than 1,320 gallons of oil and only containers of oil with a capacity of 55 gallons or greater are counted in this aggregate.

The requirements for preparation of an SPCC Plan do not apply to containers with a storage capacity of less than 55 gallons of oil and for the purposes of counting the total oil storage capacity of the facility, only containers with a capacity of 55 gallons or greater are counted. Those portions of the facility used exclusively for wastewater treatment, excluding production, recovery, or recycling of oil, and not used to satisfy the requirements of 40 CFR Part 112 are also not subject to the SPCC Plan requirements and are not included in the calculation of oil storage capacity of the facility.

For the purposes of this plan, oil means oil of any kind or in any form including, but not limited to, fats, oils, or greases of animal, fish, or marine mammal origin; vegetable oils, including oils from seeds, nuts, fruits or kernels; and other oils and greases, including petroleum, fuel oil, sludge, synthetic oils, mineral oils, oil refuse, or oil mixed with wastes other than dredged spoil.

Figure 1, Site Location Map, indicates the approximate location of the site and the nearest surface water body.

1.2 Plan Availability, Professional Engineer's Certification and Industry Standards (40 CFR 112.3)

1.2.1 Plan Availability

This plan will be maintained at the facility and made available to the Regional Administrator for onsite review during normal working hours.

1.2.2 Professional Engineer's Certification

This plan and any technical amendments must be certified by a licensed professional engineer.

I hereby certify that I am familiar with the requirements of 40 CFR Part 112, that I or my agent visited and examined the facility, that this plan has been prepared in accordance with good engineering practice, including consideration of applicable industry standards and the requirements of 40 CFR Part 112, that the procedures for required inspections and testing have been established, and that the plan is adequate for the facility.

Signature of Professional Engineer Paul J. Siler

Name of Professional Engineer Paul J. Siler

Registration Number 16270

Date 3/18/05



Seal:

1.2.3 Applicable Industry Standards (40 CFR 112.3(d)(iii))

The following industry standards were taken into consideration in preparation of this plan:

- API 12F for steel storage tanks
- API 12P for fiberglass reinforced plastic tanks

All tanks to be replaced will be constructed and tested in accordance with the appropriate industry standards and documented annually.

1.3 Amendment, Review and Evaluation (40 CFR 112.4 and 112.5)

This Plan will be reviewed and evaluated every five years (every three years until the July 17, 2002 SPCC Plan regulations are effective) from the date of the preparation of this Plan and subsequently from the date of the last review of this Plan. Documentation of completion of the review and evaluation and documentation of whether the Plan will be amended based on the review and evaluation is provided in Appendix A.

This Plan will be amended whenever required by the Regional Administrator and whenever there is a change in the facility design, construction, operation, or maintenance that materially affects its potential for a discharge of oil in harmful quantities into or upon the waters of the United States or adjoining shorelines. This Plan will also be amended if, as a result of the review and evaluation required to be performed every five years, it is determined that more effective prevention and control technology that has been field-proven at the time of the review will significantly reduce the likelihood of a discharge of oil in harmful quantities into or upon the waters of the United States or adjoining shorelines.

Any amendment to this Plan will be completed within six months of identification of the need for an amendment, and implemented as soon as possible, but not later than six months following preparation of the amendment. A professional engineer will certify any technical amendment to the Plan.

1.4 Plan Preparation and Management Approval (40 CFR 112.7)

This SPCC Plan was prepared in accordance with good engineering practices and with the full approval of management at a level with authority to commit the resources necessary to fully implement the plan.

I certify that this plan has the approval of management at a level with authority to commit the resources necessary to fully implement the Plan.

Site Manager Name

Title

Signature

Date

GENERAL REQUIREMENTS (40 CFR 112.7(a)(1))

This SPCC Plan complies with the requirements of the following:

FEDERAL REQUIREMENTS: 40 CFR Part 112, as amended July 17, 2002

1.5 Deviations From 40 CFR 112 Requirements (40 CFR 112.7(a)(2))

In preparing this Plan, no specific deviations from 40 CFR Part 112 were included. However, if any deviations from the requirements of 40 CFR Part 112 are included during subsequent review and amendment, they will be described in this section of the Plan.

2.0 PHYSICAL LAYOUT OF FACILITY (40 CFR 112.7(a)(3))

The Farmington Yard is an oilfield drilling and well servicing maintenance and staging yard. The Farmington Yard consists of a building that houses offices and a maintenance shop, a warehouse, a building housing parts and storage and a training room, equipment and truck parking, a boneyard, and used oil storage area.

The Farmington Yard covers approximately 9 acres. The north half of the property site is generally flat with drainage to the southwest as sheet flow, and through a drainage ditch along the north property boundary to the east. The north half is almost entirely covered with concrete and asphalt. A steep face separates the north and south halves of the site. The south half is generally flat with drainage to the south as sheet flow, toward the San Juan River and is entirely bare ground.

Figure 2 provides a map of the Farmington Yard. This figure includes:

- Tank locations and approximate drainage pathways indicated by arrows showing surface water flow
- Direction of surface water flow
- Locations of existing secondary containment or diversionary structures

2.1 Buildings

The Farmington Yard consists of a building that houses offices and a maintenance shop, a warehouse, a building that houses a parts and storage room and a training room.

2.2 Tanks

There is one storage area located outside with a 1,000-gallon used oil tank, a 500-gallon diesel fuel tank, a 500-gallon unleaded gasoline tank, and two 55-gallon drums of lube. The storage containers are located within a concrete secondary containment structure sufficient to contain the capacity of the largest tank plus 10% freeboard for precipitation.

There are four storage tanks inside the truck shop, located in the main facility building. They include two 400-gallon 15W-40 tanks, a 400-gallon 80W-90 tank, and a 450-gallon used oil tank. These tanks do not have secondary containment. Secondary containment will be provided for the tanks as soon as practicable.

3.0 FACILITY DIAGRAM (40 CFR 112.7(a)(3))

Figure 2 is a map of the facility, which provides the physical layout of the facility and the location and contents of each oil storage container. Although there are currently no buried tanks at the facility, if any buried tanks are installed at the facility, these figures would show the location of any completely buried tanks that are subject to all of the technical requirements of 40 CFR 280 or a

State program approved under 40 CFR 281 and, therefore, otherwise exempted from 40 CFR 112.7 requirements.

4.0 OIL STORAGE CONTAINERS (40 CFR 112.7 (a)(3)(i))

This section of the plan provides a description of each oil storage container and its capacity.

There is one storage area located outside with a 1,000-gallon used oil tank, a 500-gallon diesel fuel tank, a 500-gallon unleaded gasoline tank, and two 55-gallon drums of lube. The storage containers are located within a concrete secondary containment structure sufficient to contain the capacity of the largest tank plus 10% freeboard for precipitation.

There are four storage tanks inside the truck shop, located in the main facility building. They include two 400-gallon 15W-40 tanks, a 400-gallon 80W-90 tank, and a 450-gallon used oil tank. Secondary containment is provided for the tanks by the walls and floor of the shop.

Additionally, there are approximately fifty 55-gallon drums of various oil products, including grease and used oil, stored in the truck shop, six 55-gallon drums of recycle antifreeze stored in the auto shop, sixteen 55-gallon drums of various oil products in the rig shop, and twenty 55-gallon drums of antifreeze in the antifreeze storage area. Secondary containment is provided for the drums by the walls and floor of the shops. Two 55-gallon used oil drums are located outside the tire storage area, and approximately twenty 55-gallon drums of used antifreeze and four recycle bins for used filters are located outside the southeast corner of the truck shop with no secondary containment. Secondary containment will be provided for the drums and recycle bins as soon as practicable.

5.0 DISCHARGE PREVENTION MEASURES (40 CFR 112.7 (a)(3)(ii))

This section of the plan describes the discharge prevention measures used at the facility, including procedures for the routine handling of products (loading, unloading, and facility transfers).

To minimize the release of pollutants during truck loading activities, the delivery is performed following the procedures in Appendix D, Procedures for Loading Vacuum Units.

In addition, the following procedures for transfer of materials from or into tank trucks are followed:

- Materials may be received/collected during normal business hours at the Farmington Yard. The Farmington Yard is not manned 24 hours a day.
- All vehicles entering the facility are warned of possible vehicular impact that may endanger aboveground piping, tanks, or other oil transfer operations.
- The truck driver is present at the hose connection and observes the material transfer until completed.
- Prior to departure of the tank truck the lowermost drain and all outlets of the vehicle are examined for leakage, and if necessary, tightened, adjusted, or replaced to prevent liquid leakage while in transit.
- The truck driver involved in the transfer is required to complete and sign a sign-off sheet at the main office confirming that each of the steps listed on the Tank Truck Material Transfer Checklist, included in Appendix E, was completed and that no spillage or release occurred.

Any and all employees are responsible for reporting immediately any spill or leak of material described in this plan to the Site Manager .

6.0 DISCHARGE OR DRAINAGE CONTROLS (40 CFR 112.7(a)(3)(iii))

This section describes the discharge or drainage controls used at the facility, including secondary containment and other structures, equipment, or procedures for the control of a discharge.

There is one storage area located outside with a 1,000-gallon used oil tank, a 500-gallon diesel fuel tank, a 500-gallon unleaded gasoline tank, and two 55-gallon drums of lube. The storage containers are located within a concrete secondary containment structure sufficient to contain the capacity of the largest tank plus 10% freeboard for precipitation.

There are four storage tanks inside the truck shop, located in the main facility building. They include two 400-gallon 15W-40 tanks, a 400-gallon 80W-90 tank, and a 450-gallon used oil tank.

These tanks do not have secondary containment. Secondary containment is provided for the tanks by the walls and floor of the shop.

Additionally, there are approximately fifty 55-gallon drums of various oil products, including grease and used oil, stored in the truck shop, six 55-gallon drums of recycle antifreeze stored in the auto shop, sixteen 55-gallon drums of various oil products in the rig shop, and twenty 55-gallon drums of antifreeze in the antifreeze storage area. Secondary containment is provided for the drums by the walls and floor of the shops. Two 55-gallon used oil drums are located outside the tire storage area, and approximately twenty 55-gallon drums of used antifreeze and four recycle bins for used filters are located outside the southeast corner of the truck shop with no secondary containment. Secondary containment will be provided for the drums and recycle bins as soon as practicable.

7.0 COUNTERMEASURES FOR DISCHARGE DISCOVERY, RESPONSE, AND CLEANUP (40 CFR 112.7 (a)(3)(iv))

This section describes the procedures that are followed for responses to spills or leaks. These procedures are consistent with the facility's Storm Water Pollution Prevention Plan and these procedures are included in the Employee Training Program. Spill response procedures have been established to respond to a release or spill at the Key facility so that spill response procedures are carried out in an organized manner. Material Safety Data Sheets (MSDSs) for materials used at the Farmington Yard facility are located in the Site Manager's office. All tanks are clearly labeled with their contents to facilitate spill response procedures. An inventory of spill response equipment materials is maintained and updated quarterly by the Site Manager.

EMPLOYEES ARE RESPONSIBLE FOR REPORTING IMMEDIATELY ANY SPILL OR LEAK OF MATERIAL DESCRIBED IN THIS PLAN TO THEIR SUPERVISOR.

In the event of a release or spill, the employee discovering the spill will report the following:

- **Time of spill or discovery**
- **Location of spill**
- **Type of material spilled**
- **Estimated quantity of spilled material**
- **Condition of spilled material**

The supervisor will immediately notify the Spill Response Coordinator.

7.1 Spill Response Team

A Spill Response Team has been designated and trained in the proper actions to be taken in the event of a release or spill. The purpose of the team is to provide immediate response to the containment and cleanup of any spill. All Spill Response Team members receive updated training in January of each year. The Spill Response Team members and their individual responsibilities are listed below.

Spill Response Team

| Role | Responsibility | Title | Phone Number |
|----------------------------|---|-------------------------------------|--|
| Spill Response Coordinator | Primary Emergency Contact Spill Response Equipment Inventory | Equipment and Environmental Manager | Office 505-327-4935 Home (505) 327-2704 |
| Spill Response Team Leader | Secondary Emergency Contact Preventive Maintenance Training Inspections Recordkeeping Spill Response | District Manager | 505-327-4935 |
| Spill Response Team Member | Spill Response | Site staff employee | 505-327-4935 |

The Spill Response Team is responsible for the following:

- The Spill Response Coordinator is responsible for determining whether the facility has had a release that could flow off site, that could reach an offsite surface water body or a navigable waterway, or that could threaten human health or the environment.
- The Spill Response Coordinator is responsible for assessing the spill, gathering the information required for notification requirements, making the proper notifications timely, and implementing the spill response procedures.
- The Spill Response Coordinator will coordinate with the Spill Response Team Leader in implementing the spill response procedures appropriate to the type of spill encountered and the Spill Response Team Leader will direct the Spill Response Team Members in spill response for the type of spill encountered. **Spill response procedures are provided in Appendix F.**
- The Spill Response Coordinator will assess whether evacuation of the surrounding area is required and, if necessary, will notify proper local authorities, including the police department, fire department, hospital, and State and local emergency response teams. A list of the local authorities and their phone numbers is shown in Appendix G.
- The Spill Response Team Leader is responsible for preventive maintenance, coordinating inspections and implementing inspection schedules, documenting inspections, maintaining records required by the SPCC Plan, and spill response. He is also responsible for conducting training of Operations personnel on both the contents of the SPCC Plan and any modifications made to the plan.
- The purpose of this team is to provide immediate response to the containment and cleanup of any spill. All Spill Response Team members receive updated training in January of each year.

7.2 Spill Response Equipment

Spill response equipment is stored on site. The spill response equipment includes shovels and sorbent material. Fire extinguishers are located throughout the Farmington Yard facility.

7.3 Communications Equipment

In the event of a spill, cell phones will be used for communication between the Spill Response Coordinator, the Spill Response Team Leader, the Spill Response Team, and facility personnel. For communication between the Spill Response Coordinator or his designee and offsite emergency response personnel, site telephones or cell phones will be used. This communications equipment is used daily and is maintained in good working order and repaired as necessary.

7.4 Evacuation Procedures

If the Spill Response Coordinator determines that a release, spill, fire, or explosion has occurred that could threaten human health, he will notify site personnel of evacuation of a specific area of the facility or complete evacuation of the facility by using cellular telephones, and he will take the visitors' log. Anyone requesting access to the Farmington facility is required to check in at the Farmington Yard office and sign the visitors' log. All personnel in the immediate area of an evacuation will be required to leave the designated area immediately and report to his/her supervisor at the entrance to the office building. Site personnel should be familiar with the location of the office to assure safe and efficient evacuation in case of an emergency.

When an evacuation is implemented by the Spill Response Coordinator, each supervisor will report to the entrance of the office building and take a head count of the employees he/she is responsible for. If any employees are missing, the names of those employees and their last known location will be reported to the Spill Response Coordinator immediately. Each supervisor will direct further evacuation procedures in accordance with direction received from the Spill Response Coordinator.

8.0 METHODS OF DISPOSAL OF RECOVERED MATERIAL (40 CFR 112.7(a)(v))

Following a release within the tank secondary containment areas the recoverable released material will be pumped into the appropriate storage tank. Any material released outside of the tank secondary containment areas will be removed with sorbent material and placed in drums on site for proper offsite disposal. Recovered petroleum contaminated materials will be disposed at a facility permitted to manage these types of wastes.

9.0 CONTACT LIST (40 CFR 112.7 (a)(3)(vi))

The contact list and phone numbers for the Spill Response Coordinator, National Response Center, cleanup contractors who the facility uses for spill response, and all appropriate Federal, State, and

local agencies who must be contacted in case of a discharge described in 40 CFR 112.1(b) are provided in Appendix G. The spill reporting and notification procedures to Federal and State agencies are provided in Appendix H.

10.0 SITE-SPECIFIC INFORMATION FOR REPORTING A DISCHARGE (40 CFR 112.7 (a)(4))

The following information will be provided when reporting a discharge:

- 1) Name, address, and telephone number of the person making the telephone report
- 2) Name, address, and telephone number of the facility.
- 3) If different from the person making the notification, the names, addresses, and telephone numbers of the responsible person and contact person at the location of the discharge or spill
- 4) Date, time, and exact location of the spill or discharge
- 5) Specific description or identification of the oil, petroleum product or other substances discharged or spilled
- 6) Estimate of the quantity discharged or spilled
- 7) Duration of the incident
- 8) Source of the discharge or spill
- 9) Cause of the discharge or spill
- 10) Description of all affected media
- 11) Any damages or injuries caused by the discharge
- 12) Description of any actions that have been taken, are being taken, and will be taken to stop, remove, and mitigate the effects of the discharge or spill
- 13) Any known or anticipated health risks
- 14) Whether an evacuation is needed
- 15) Identity of any governmental representatives, including local authorities or third parties, responding to the discharge or spill
- 16) Names of any individuals and/or organizations who have also been contacted
- 17) Any other information that may be significant to the response action

11.0 DISCHARGE RESPONSE (40 CFR 112.7(a)(5))

The procedures described in Sections 7.0, 8.0, and 9.0 are organized to make them readily usable to respond to an emergency at the facility.

12.0 DISCHARGES FROM EQUIPMENT FAILURE (40 CFR 112.7 (b))

This section describes the potential types of equipment failure, and for each potential type of equipment failure, a prediction of the direction of flow, rate of flow, and total quantity of oil that could be discharged from the facility as a result of each type of major equipment failure.

The oil storage containers at the facility are shown on Figure 2. The activities that represent the greatest potential for release of oil from the site to the environment are tank overflows and failures, unloading from delivery trucks, and fueling of vehicles.

12.1 Tank Overflows and Leaks from Storage Tanks

Used oil, diesel fuel, and gasoline have the potential to be released from tank overflows and failures at the site. The storage tanks at the facility have secondary containment.

Direction of flow: Any potential release from overflow or failure of the onsite storage tanks, owned by Key Energy, would be contained within the secondary containment structures. Any releases from tanks to the area outside of the secondary containment structures would flow to the south, following site topography.

Rate of flow: The rate of flow for a tank failure will vary depending upon the location of the tank failure and the rate of flow from tank overflow will depend on the pumping rate to the tank.

Total quantity of oil discharged: The quantities of materials that could be released from the tanks due to a tank failure are listed in Table 1. The quantity of material that could be released from overflow of a tank would be 1,000 gallons, which is the maximum capacity of any single tank at the facility.

12.2 Unloading from Delivery Trucks

Diesel fuel and unleaded gasoline have the potential to be released during unloading activities at the facility.

Direction of flow: Any potential release from unloading materials, due to a release at the tank being filled, would be contained within the secondary containment structure. Any releases to the area outside of the secondary containment structures would flow to the south, following site topography.

Rate of flow: The rate of flow for a release during delivery truck unloading will depend on the pumping rate to the tank.

12.3 Vehicle Fueling/Loading Into Tank Trucks

There is the potential for release from the used oil tank.

Direction of flow: Any potential release loading material from the used oil tank or oil/water separator would flow to the south, following site topography.

Rate of flow: The rate of flow would depend on the pumping rate from the tank.

Total quantity of oil discharged: The maximum capacity of the used oil tank is 1,000 gallons.

13.0 APPROPRIATE CONTAINMENT OR DIVERSIONARY STRUCTURES (40 CFR 112.7 (c))

Appropriate containment or diversionary structures or equipment to prevent a discharge as described in 40 CFR 112.1(b) are described in Section 6.0, Discharge or Drainage Controls. The secondary containment systems on site, including walls and floor are concrete construction and, therefore, capable of containing oil. These containment systems are constructed such that any discharge from a primary containment system, such as a tank or pipe, will not escape the containment system before cleanup occurs. Additionally, any releases from tanks or piping would be removed by pumping the released material into the respective tank or removing the residue with sorbent materials.

14.0 PRACTICABILITY DETERMINATION (40 CFR 112.7(d))

The facility has determined that the structures and pieces of equipment listed in Sections 40 CFR 112.7(c) and (h)(1) and Sections 112.8(c)(2) and (c)(11) to prevent a discharge in harmful quantities from the facility are practicable. If at any time the facility determines that any of these structures or pieces of equipment are not practicable, the facility will provide a statement regarding why such measures are not practicable in this section of the plan and for bulk storage containers, the facility will conduct both periodic integrity testing of the containers and periodic integrity and leak testing of the valves and piping and the facility will provide in an appendix to this plan an oil spill contingency plan following the provisions of 40 CFR Part 109 and a written commitment of manpower, equipment and materials required to expeditiously control and remove any quantity of oil discharged that may be harmful.

15.0 INSPECTIONS AND TESTING (40 CFR 112.7 (e))

Key Energy conducts weekly inspections as part of its preparedness and prevention procedures. Included in the weekly inspections are the tank storage areas. The items inspected in the weekly tank storage area inspections include the general condition and integrity of the tanks,

pumps, valves, flange joints, expansion joints, catch pans, piping, tank and piping foundations and supports, whether the tank valves are closed, whether the tanks are labeled with the contents of the tank, any observed releases from the tanks, pump operation, the integrity of the concrete secondary containment, whether any releases from the secondary containment were observed, housekeeping, observation of accumulated liquids, inventory and condition of spill response equipment, and corrective actions recommended during previous weekly inspections. Additional items included in the weekly inspections are the integrity of the few drums stored inside the concrete containment area, whether drums stored on site inside the secondary containment are labeled, and any evidence of spills or releases. Areas where spills of oil could occur are described in Section 12.0.

A checklist for weekly inspections is provided in Appendix I of this plan. A copy of the completed inspection reports will be signed by the Inspector and provided quarterly to the Site Manager for review and signature. The completed reports will list the areas inspected, observations made during the inspections, and any corrective action planned or taken to address areas of non-compliance with this plan. The signed reports will be provided to the Site Manager and a copy of the inspection report placed in the Facility Inspection Log Book where the reports will be maintained for a period of three years. **Any deficiencies in the implementation of this plan will be corrected as soon as practicable.** The Facility Inspection Log Book will be maintained by the Site Manager and kept in the Site Manager 's office. Upon identification of a problem that could impact releases, a work order will be completed. Previous inspection logs will be reviewed quarterly such that confirmation of corrective actions required may be made during inspections subsequent to issuance of work orders to address areas of non compliance. **Whenever revisions or additions to the plan are recommended as a result of inspections, a summary description of the proposed changes, including time frames required to implement the proposed changes, will be attached to the inspection checklist.**

A facility inspection checklist to document the inspections conducted in accordance with this plan is included in Appendix I.

Testing required by 40 CFR 112 will be conducted in accordance with Section 21.10, Integrity Testing and Inspection. Any testing and inspection conducted in accordance with this plan will be documented and maintained at the facility for a period of three years.

16.0 PERSONNEL, TRAINING AND DISCHARGE PREVENTION PROCEDURES (40 CFR 112.7(f))

This section provides a description of the employee training program for the facility that is provided to all oil-handling personnel. The employee training includes:

- Procedures for loading and unloading from vehicles and/or tanks
- Vehicle fueling procedures
- Inspections
- Equipment operation
- Preventive maintenance
- Operations and maintenance of equipment to prevent discharges
- Discharge procedures
- Applicable pollution prevention laws rules and regulations
- General facility operations
- Spill prevention
- Location of spill response equipment
- Spill response procedures
- Material management practices for specific materials at the facility
- Spill reporting procedures
- Contents of the SPCC Plan

Training will be conducted annually during the month of January or within one month of a new employee's hire date. Records of training will be maintained by the Site Manager.

The Site Manager is responsible for discharge prevention and reports to the Site Manager.

Discharge prevention briefings will be provided to all oil-handling personnel at least once a year to assure adequate understanding of the SPCC Plan. These discharge prevention briefings include a description of known discharges or failures, malfunctioning components, and any recently developed precautionary measures.

17.0 SECURITY (40 CFR 112.7(g))

17.1 Fencing (40 CFR 112.7 (g)(1))

Each facility, as defined by the regulation, handling, processing, or storing oil at the facility will be fully fenced and the entrance gates locked and/or guarded when the facility is not in production or is unattended. The Key Energy Farmington Yard facility is surrounded by a chain-link fence and gate.

17.2 Discharge Valves (40 CFR 112.7 (g)(2))

The master flow and drain valves and any other valves that permit direct outward flow from containers on site to the surface have adequate security measures so that they remain in the closed position when in non-operating or non-standby status. The drain valves on all tanks are maintained in the closed position when in non-operating or non-standby status. This is confirmed during weekly inspections.

17.3 Locked Starter Control Valves (40 CFR 112.7 (g)(3))

The starter control valves on each pump at the facility are locked in the "off" position and located in an area accessible only to authorized personnel when the pumps are in a non-operating or non-standby status.

17.4 Cap or Blank Flange Loading/Unloading Connections (40 CFR 112.7 (g)(4))

The unloading/loading connections of facility piping will be securely capped or blank-flanged when not in service or when in standby service for an extended time. This practice will also be applied to piping that is emptied of liquid content either by draining or inert gas pressure.

17.5 Facility Lighting (40 CFR 112.7 (g)(5))

Facility lighting is provided that is commensurate with the type and location of the facility. Lighting will assist in the discovery of discharges occurring during hours of darkness, both by operating personnel, if present, and by non-operating personnel (the general public, local police, etc.), and the prevention of discharges occurring through acts of vandalism. Facility lighting is provided during operating hours. Lighting reduces the risk of vehicular impact, facilitates inspection of storage and transfer areas and discovery of discharges, and reduces the risk of discharges through acts of vandalism.

18.0 FACILITY TANK TRUCK LOADING/UNLOADING (40 CFR 112.7(h))

18.1 Tank Truck Containment System (40 CFR 112.7 (h)(1))

The SPCC Plan rule requires that, where loading/unloading area drainage does not flow into a catchment basin or treatment facility designed to handle such discharges, the facility will use a quick drainage system for tank truck unloading and loading areas and the facility will design a containment system to hold at least the maximum capacity of any single compartment of the tank truck loaded or unloaded at the facility. The loading area does not have secondary containment and are required to have it. The secondary containment must be able to contain the largest single tank truck compartment volume. Secondary containment structures sufficiently impervious to contain oil will be provided for the appropriate areas as soon as practicable.

18.2 Prevention of Departure Prior to Disconnection (40 CFR 112.7(h)(2 and 3))

As described in Section 5.0, Discharge Prevention Measures, the facility complies with the requirement to provide an interlocked warning light or physical barrier system, warning signs, wheel chocks, or vehicle brake interlock system in loading/unloading areas to prevent vehicles from departing before complete disconnection of flexible or fixed oil transfer lines. The facility also complies with the requirement that prior to filling and departure of any tank truck, the lowermost

drain and all outlets of such vehicles are closely inspected for discharges and, if necessary, they are tightened, adjusted, or replaced to prevent liquid discharge while in transit.

19.0 BRITTLE FRACTURE OR OTHER CATASTROPHE EVALUATION (40 CFR 112.7 (i))

Currently, the Key site does not have any field-constructed aboveground containers. If the facility installs a field-constructed aboveground container and it undergoes a repair, alteration, reconstruction, or change in service that might affect the risk of a discharge or failure due to brittle fracture or other catastrophe, or has discharged oil or failed due to brittle fracture failure or other catastrophe, the facility will evaluate the container for risk of discharge or failure due to brittle fracture or other catastrophe and, as necessary, take appropriate action.

20.0 CONFORMANCE WITH APPLICABLE RULES, REGULATIONS, AND GUIDELINES (40 CFR 112.7 (j))

In addition to the prevention standards listed in 40 CFR Part 112.7, this SPCC Plan meets the requirements of 40 CFR 112.8.

21.0 SPILL PREVENTION, CONTROL AND COUNTERMEASURE PLAN REQUIREMENTS FOR PETROLEUM OILS AND NON-PETROLEUM OILS AT ONSHORE FACILITIES (EXCLUDING PRODUCTION FACILITIES) (40 CFR 112.8(a))

This facility is an onshore facility and this plan meets the general requirements of 40 CFR 112.7 and the specific discharge prevention and containment procedures listed in 40 CFR 112.8 as described in the following sections of this SPCC Plan.

21.1 Facility Drainage From Diked Areas (40 CFR 112.8(b)(1) and (2))

The tank storage areas do not have drains to empty the containment of accumulated liquids. Any spills or leaks are pumped from the containment area to drums or truck tanks or absorbed by

sorbent materials inside the containment dikes. The sorbent material and any liquids pumped from the containment will be collected in drums for proper disposal.

If the facility installs diked storage areas that do have drains or discharge spouts; they will be installed to restrain drainage from the diked storage areas by valves to prevent a discharge into the drainage system or facility effluent treatment system, except where facility systems are designed to control such discharge, including emptying diked areas by pumps or ejectors by manually activating these pumps or ejectors and inspecting the condition of the accumulation before starting to ensure no oil will be discharged.

For these diked areas the facility will only use valves of manual, open-and-closed design for the drainage of diked areas. The facility will not use flapper-type drain valves to drain diked areas. The facility drainage does not drain directly into a watercourse or into an onsite wastewater treatment plant, and the facility will inspect retained storm water and only drain uncontaminated retained storm water as described in 40 CFR 112(c)(3)(ii), (iii), and (iv). Drainage from diked storage areas is documented on the Checklist for Secondary Containment Discharge Observation Prior to Discharge included in Appendix I.

21.2 Facility Drainage From Undiked Areas (40 CFR 112.8(b)(3))

Drainage systems from undiked areas with a potential for discharge (such as where piping is located outside containment walls or where tank truck discharges may occur outside the loading area) must be designed to flow into ponds, lagoons, or catchment basins designed to retain oil or return it to the facility. The loading/unloading areas do not have any secondary containment. Secondary containment structures sufficiently impervious to contain oil will be provided as soon as practicable.

21.3 Spill Diversion System (40 CFR 112.8(b)(4))

The drainage system from the undiked truck loading area is not engineered as required in 40 CFR 112.8(b)(3). There are no ditches located inside the facility, therefore, no diversion system has been provided for the final discharge of ditches inside the facility that would, in the event of an uncontrolled discharge, retain oil in the facility.

21.4 Facility Drainage Systems (40 CFR 112.8(b)(5))

Since drainage waters are not treated in more than one treatment unit where such treatment is continuous, and pump transfer is needed, the requirement to provide two lift pumps and permanently install at least one of the pumps is not applicable. However, facility drainage systems have been designed to prevent a discharge in harmful quantities into or upon the navigable waters of the United States or adjoining shoreline in case there is an equipment failure or human error at the facility.

21.5 Bulk Storage Container Compatibility (40 CFR 112.8(c)(1))

The containers used for storage of oil at the facility are compatible with the materials stored and the conditions of storage such as pressure and temperature.

21.6 Bulk Storage Container Secondary Containment (40 CFR 112.8(c)(2))

There is one storage area located outside with a 1,000-gallon used oil tank, a 500-gallon diesel fuel tank, a 500-gallon unleaded gasoline tank, and two 55-gallon drums of lube. The storage containers are located within a concrete secondary containment structure sufficient to contain the capacity of the largest tank plus 10% freeboard for precipitation.

There are four storage tanks inside the truck shop, located in the main facility building. They include two 400-gallon 15W-40 tanks, a 400-gallon 80W-90 tank, and a 450-gallon used oil tank.

These tanks do not have secondary containment. Secondary containment is provided for the tanks by the walls and floor of the shop.

Additionally, there are approximately fifty 55-gallon drums of various oil products, including grease and used oil, stored in the truck shop, six 55-gallon drums of recycle antifreeze stored in the auto shop, sixteen 55-gallon drums of various oil products in the rig shop, and twenty 55-gallon drums of antifreeze in the antifreeze storage area. Secondary containment is provided for the drums by the walls and floor of the shops. Two 55-gallon used oil drums are located outside the tire storage area, and approximately twenty 55-gallon drums of used antifreeze and four recycle bins for used filters are located outside the southeast corner of the truck shop with no secondary containment. Secondary containment will be provided for the drums and recycle bins as soon as practicable.

21.7 Discharge of Uncontaminated Rainwater (40 CFR 112.8(c)(3))

The facility will not allow drainage of uncontaminated rainwater from the diked areas into storm drains or discharge of effluent into an open watercourse, lake, or pond, bypassing the facility treatment system, without doing the following: 1) normally keeping the bypass valve sealed closed, 2) inspecting the retained rainwater to ensure that its presence will not cause a discharge of harmful quantities of oil into or upon navigable waters of the United States or adjoining shorelines, 3) opening the bypass valve and resealing it following drainage under responsible supervision, and 4) keeping adequate records of such events. Currently the discharge of uncontaminated rainwater from the diked storage areas at the facility is pumped out and stored in drums until proper disposal.

21.8 Completely Buried Storage Tanks (40 CFR 112.8 (c)(4))

There are no completely buried metallic storage tanks located at the facility. If any completely buried metallic storage tanks are installed at the facility, they will be protected from corrosion by

coatings or cathodic protection compatible with the local soil conditions. Each completely buried metallic storage tank will be regularly leak tested.

21.9 Partially Buried or Bunkered Tanks (40 CFR 112.8 (c)(5))

There are no partially buried or bunkered metallic tanks located at the facility for the storage of oil. If any partially buried or bunkered metallic tanks are installed for the storage of oil, the buried section of the tank will be protected from corrosion by coatings or cathodic protection compatible with local soil conditions.

21.10 Integrity Testing and Inspection (40 CFR 112.8 (c)(6))

As soon as practicable, the facility will begin to test each aboveground container for integrity on a regular schedule, and whenever material repairs are made. The frequency of and type of testing takes into account container size and design. The facility will combine visual inspection with a testing technique such as hydrostatic testing, radiographic testing, ultrasonic testing, acoustic emissions testing, or another system of non-destructive shell testing. The facility will keep comparison records and will also inspect the container's supports and foundations. The facility will frequently inspect the outside of the containers for signs of deterioration, discharges, or accumulation of oil inside diked areas. **Records of inspections and tests will be maintained at the facility for 3 years. Integrity testing will be completed annually and documented in accordance with tank standards API 12F for steel tanks and API 12P for fiberglass reinforced plastic tanks.** Integrity testing of all storage tanks will be implemented as soon as practicable.

21.11 Internal Heating Coils (40 CFR 112.8 (c)(7))

There are no tanks equipped with internal heating coils located at the facility. If any tanks are installed with internal heating coils, leakage through defective internal heating coils will be controlled by monitoring the steam return and exhaust lines for contamination from internal heating

coils that discharge into an open water course, or the facility will pass the steam return or exhaust lines through a settling tank, skimmer, or other separation or retention system.

21.12 Engineering Controls for Liquid Levels (40 CFR 112.8(c)(8))

Each container will be installed with one of the following devices to avoid a discharge: high liquid level alarm with an audible or visual signal at a constantly attended operation or surveillance station, high liquid level pump cutoff devices set to stop flow at a predetermined container content level, direct audible or code signal communication between the container gauger and the pumping station, and a fast response system for determining the liquid level of each bulk storage container such as digital computers, telepulse, or direct vision gauges. If this last alternative is used, a person will be present to monitor the gauges and the overall filling of the bulk storage containers. **The liquid level sensing devices will be regularly tested to ensure proper operation.** Liquid level gauges or high level alarms will be installed on all storage tanks as soon as practicable.

21.13 Effluent Treatment (40 CFR 112.8 (c)(9))

There is no effluent treatment system that discharges to a navigable water body. Any effluent treatment facilities installed at the facility will be observed frequently enough to detect possible system upsets that could cause a discharge of harmful quantities of oil into or upon the navigable waters of the United States or adjoining shorelines.

21.14 Correction and Removal of Visible Discharges (40 CFR 112.8 (c)(10))

The facility promptly corrects visible discharges that result in a loss of oil from containers, including but not limited to seams, gaskets, piping, pumps, valves, rivets, and bolts. Any accumulation of oil in diked areas is also promptly removed. Weekly inspections include tank integrity, tank valves, observation for releases, integrity of secondary containment structures, releases from secondary containment structures, and accumulated liquids within secondary containment structures.

21.15 Mobile or Portable Oil Storage (40 CFR 112.8 (c)(11))

The facility currently does not have any mobile or portable oil storage containers. If the facility uses mobile or portable oil storage containers in the future, the mobile or portable oil storage containers will be positioned or located to prevent a discharge of harmful quantities of oil into or upon the navigable waters of the United States or adjoining shorelines. A secondary means of containment will be provided, such as a dike or catchment basin, sufficient to contain the capacity of the largest single compartment or container with sufficient freeboard to contain precipitation.

21.16 Buried Piping (40 CFR 112.8 (d)(1))

There is currently no buried piping at the facility. However, if any buried piping is installed or replaced at the facility, it will be provided with a protective wrapping and coating. The buried piping will also either be cathodically protected or provided with another means of satisfying the corrosion protection standards for piping in 40 CFR 280 or a state program approved under 40 CFR 281. If a section of buried line is exposed for any reason, it will be carefully inspected for deterioration. If corrosion damage is found, the facility will undertake additional examination and corrective action as indicated by the magnitude of the damage.

21.17 Out Of Service Piping (40 CFR 112.8 (d)(2))

When piping is not in service or is in standby service for an extended period of time, the facility will cap or blank-flange the terminal connection at the transfer point and mark it as to origin.

21.18 Pipe Supports (40 CFR 112.8 (d)(3))

Pipe supports at the facility are to be designed to minimize abrasion and corrosion and allow for expansion and contraction.

21.19 Inspection of Aboveground Valves and Piping (40 CFR 112.8 (d)(4))

The facility will inspect all aboveground valves, piping, and appurtenances. During the inspection, the inspector will assess flange joints, expansion joints, valves, catch pans, pipeline supports, locking of valves, and metal surfaces. Integrity and leak testing of buried piping, if applicable, will be conducted at the time of installation, modification, construction, relocation, or replacement.

21.20 Vehicle Damage to Piping

All vehicles entering the facility are warned of vehicular impact that may endanger aboveground piping, tanks, or other oil transfer operations at the Farmington Yard.

22.0 SUBSTANTIAL HARM CRITERIA

The Certification of Substantial Harm Criteria required by 40 CFR 112.20(e) is attached in Appendix J.

DISTRIBUTION

Spill Prevention, Control and Countermeasure Plan
Key Energy Services, Inc.
Farmington Yard
5651 U.S. Highway 64
Farmington, New Mexico

March 10, 2005

1 copy to: Key Energy Services, Inc.
6 Destra Drive, Suite 5900
Midland, TX 79705
Attention: Gene Butler

1 copy to: Key Energy Services, Inc. Farmington Yard
5651 U.S. Highway 64
Farmington, New Mexico 78357

Attention: Equipment and Environmental Manager

1 copy to: Brown and Caldwell
Project File

QUALITY CONTROL REVIEWER

1 copy to: Key Energy Services, Inc.

Paul Siler, P.E.
Supervising Engineer

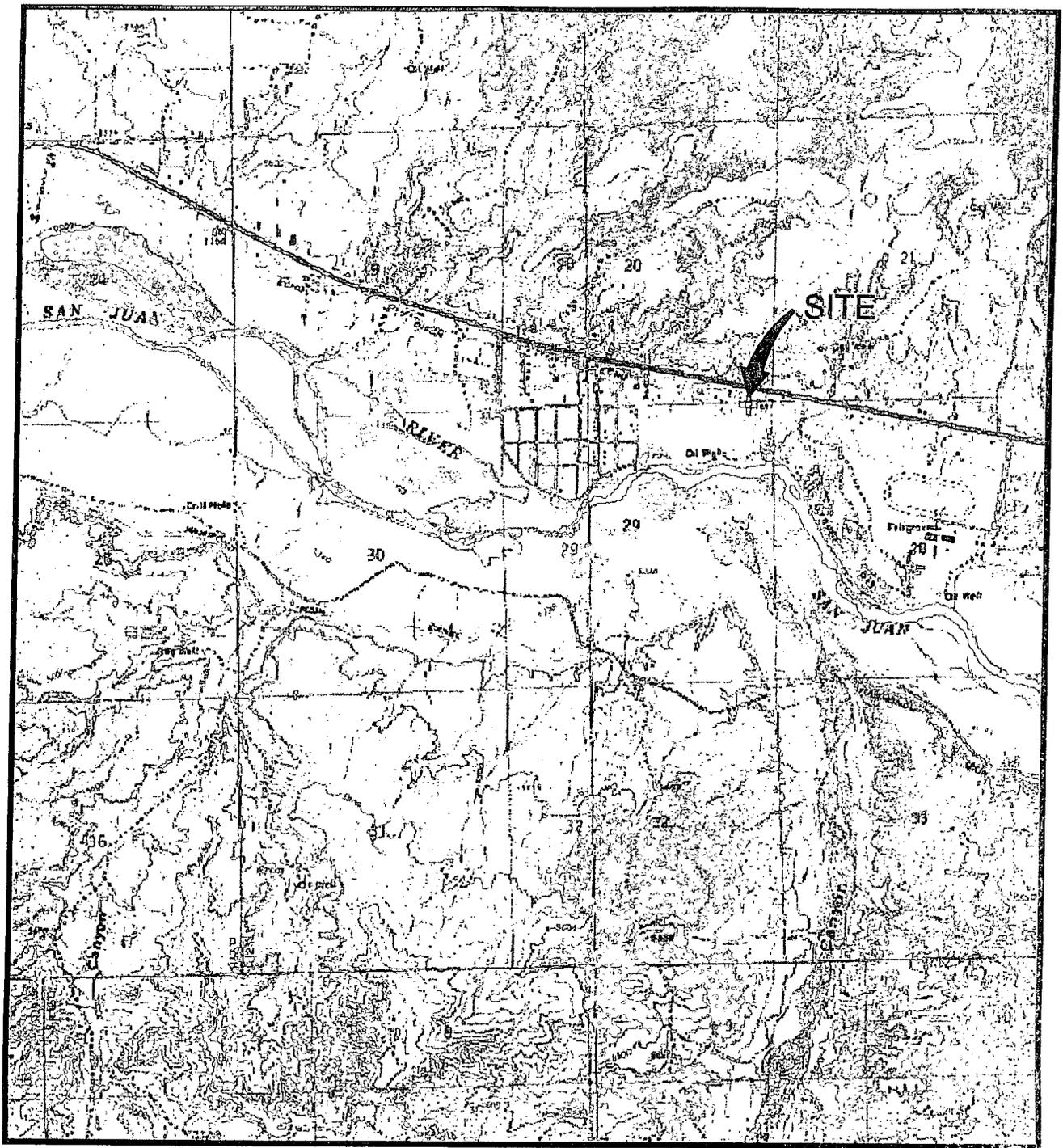
PJS:kp

TABLES

**TABLE 1
TANK AND DRUM STORAGE AREAS**

| AREA | CONTAINER | CAPACITY | CONSTRUCTION MATERIAL | MATERIAL STORED | SECONDARY CONTAINMENT |
|---|------------------------|-----------------------------------|------------------------------|------------------------|--|
| Oil storage area at northwest corner of auto shop | Used Oil Tank | 1,000 gallons | Steel | Used oil | Concrete secondary containment None |
| | Diesel Fuel Tank | 500 gallons | Steel | Diesel fuel | |
| | Unleaded Gasoline Tank | 500 gallons | Steel | Unleaded gasoline | |
| | Drums | Two, 55 gallons | Steel | Lube | |
| Truck shop | Motor oil tank | 400 gallons | Steel | 15W-40 motor oil | Floor and walls |
| | Motor oil tank | 400 gallons | Steel | 80W-90 motor oil | |
| | Motor oil tank | 400 gallons | Steel | 15W-40 motor oil | |
| | Used oil tank | 650 gallons | Steel | Used oil | |
| | Drums | Approximately fifty, 55 gallons | Steel | | |
| Auto shop | Drums | Six, 55 gallons | Steel | Recycle antifreeze | Floor and walls |
| Rig shop | Drums | Approximately sixteen, 55 gallons | Steel | Various oil products | Floor and walls |
| Antifreeze storage | Drums | Approximately twenty, 55 gallons | Steel | Antifreeze | Floor and walls |
| Outside tire storage area | Drums | Two, 55 gallons | Steel | Used oil | None. Secondary containment will be provided as soon as practicable. |

FIGURES



SOURCE: USGS 7.5 MINUTE TOPOGRAPHIC MAP - HORN CANYON QUADRANGLE



SCALE IN MILES



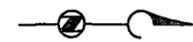
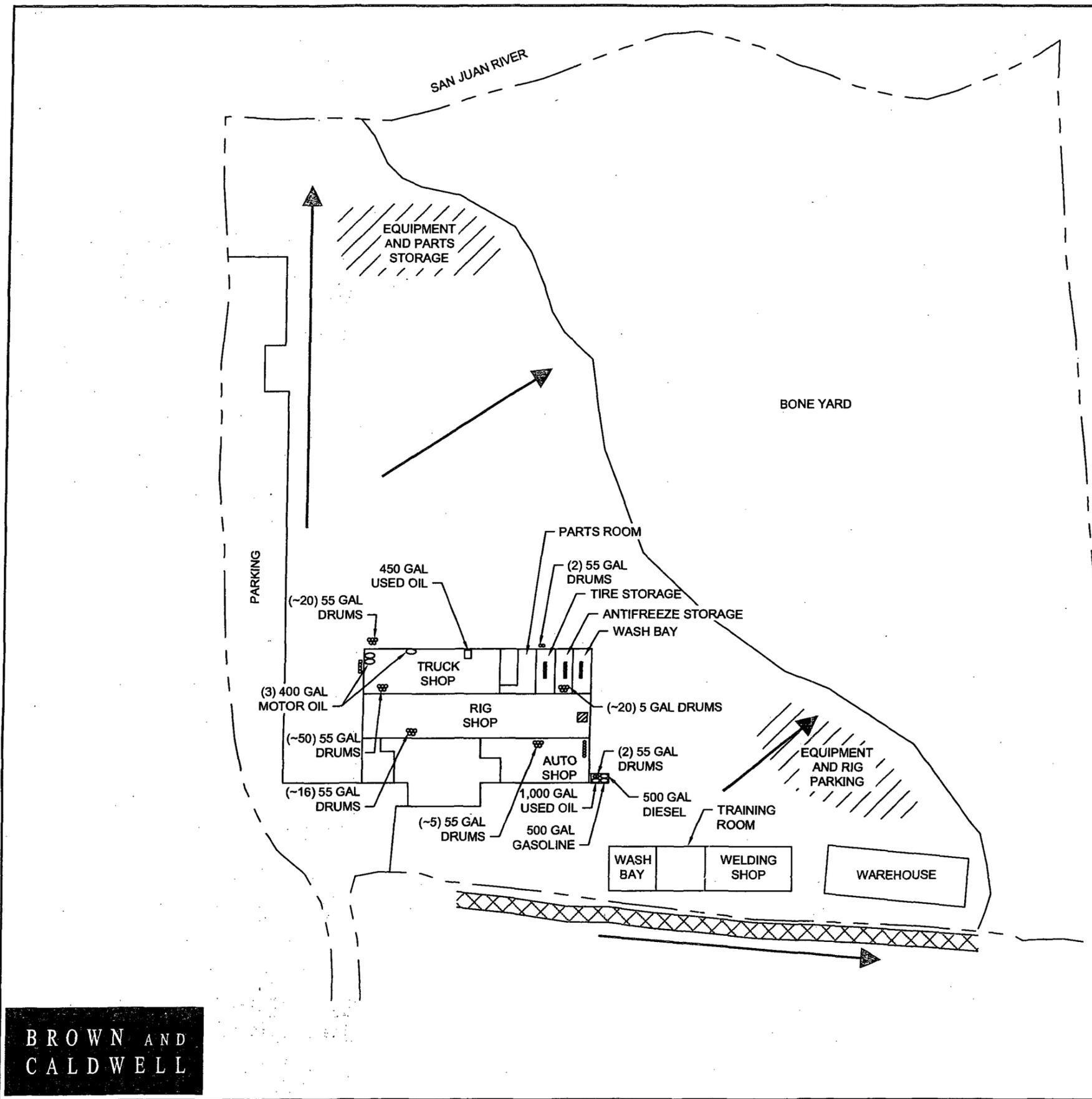
Figure 1

**SITE VICINITY MAP
FARMINGTON YARD**

5651 U.S. HWY 64
FARMINGTON, NEW MEXICO

**BROWN AND
CALDWELL**

3/12



NO SCALE

SITE PLAN LEGEND

-  AST
-  PROPERTY BOUNDARY
-  STORM WATER FLOW DIRECTION
-  SUMP
-  DRUMS AND TOTES
-  DRAINAGE DITCH



Figure 2
SITE MAP
FARMINGTON YARD
 5651 US HWY 64
 FARMINGTON, NEW MEXICO

BROWN AND CALDWELL

58"

APPENDIX A

Plan Review and Evaluation Certification

APPENDICES

PLAN REVIEW AND EVALUATION CERTIFICATION

I have completed review and evaluation of the SPCC Plan for the Key Energy Facility and I will / will not amend the Plan as a result.

Site Manager Name Title

Signature Date

If the plan is being amended, the following amendments will be made:

The amendments do/do not include technical amendments requiring certification by a professional engineer.

If any technical amendments requiring certification by a Professional Engineer have been made, the certification is attached to this certification in Appendix A. **Any amendment to this plan will be completed within 6 months of any change requiring an amendment identified during the plan review. The amendment will be implemented within 6 months following completion of the amendment.**

APPENDIX B

Material Inventory for Trucks and Truck Shop/Yard

A material inventory list for this site may be found in the contents for MSDSs for this facility and is located in the office. Alternatively, it may be included here.

APPENDIX C

Unloading Procedures for Vacuum Units



PROCEDURES FOR UNLOADING VACUUM UNITS

- Review JSA
- Spot unit
- Set parking brake
- Chock wheels
- Visually check to see if all hatches are closed
- Connect ground wire
- Connect hose to vacuum unit
- Connect hose from unit to source
 - A. If open pit or tank is involved, hose must be secured by soft line
 - B. If connected to a load line, open valve
- Open vent line
- Position valve handle on pump to "discharge"
- Start vacuum pump
- Close vent - open 4" valve at rear of unit
- After unit is empty, close 4" valve, open vent line
- Close load line
- Close 4" valve
- Bleed pressure off of bleed down line
- Disconnect hose from source and unit

APPENDIX D

Loading Procedures for Vacuum Units



PROCEDURES FOR LOADING VACUUM UNITS

- Review JSA
- Spot unit
- Set parking brake
- Chock wheels
- Visually check to see if all hatches are closed
- Connect ground wire
- Connect hose to vacuum unit
- Connect hose from unit to source
 - A. If open pit or tank is involved, hose must be secured by soft line
 - B. If connected to a load line, open valve
- Open vent line
- Position valve handle on pump to "suction"
- Start vacuum pump
- Close vent - open 4" valve at rear of unit
- After unit is empty, close 4" valve, open vent line, blow air back, close load line
- Bleed pressure off, bleed down line
- Disconnect hose from source and unit

APPENDIX E

Tank Truck Material Transfer Checklist

**TRUCK DRIVER CONFIRMATION OF ADHERENCE TO LIQUID TRANSFER
OPERATION PROCEDURES**

- The truck driver was present throughout the transfer at the hose connection to the truck until the transfer was completed.
- The truck driver chocked the wheels of the delivery truck prior to making the hose connection between the truck and the receiving pipe to prevent movement during transfer.
- The truck driver placed orange traffic cones surrounding the truck prior to making the hose connection between the truck and the receiving pipe to prevent departure of the vehicle before complete disconnection of the transfer hoses.
- The truck driver visually examined the discharge valve on the truck and the delivery hose to determine that they are both in good condition prior to connecting the hose to the receiving pipe.
- The tank was gauged prior to starting the discharge of material from the truck to determine if the tank had the capacity to accept the full shipment from the truck.
- A drip bucket was placed under the truck hose connection to catch any spillage.
- No spillage or release occurred.
- The flexible or fixed transfer lines have been disconnected prior to moving the delivery truck.
- The lower-most drain valve and all outlets have been closely inspected for discharges, and if necessary, the drains and outlets were tightened, adjusted, or replaced to prevent liquid discharge while in transit.

I confirm that the procedures listed above were followed and that no releases occurred during my transfer of liquids from the delivery truck.

Printed Name

Signature

Date

APPENDIX F

Spill Response Procedures

Spill Response Procedures

If a spill occurs at the Farmington Yard facility, the Spill Response Coordinator will notify the Spill Response Team Leader and coordinate with the Spill Response Team Leader to have the Spill Response Team implement the following Spill Response Procedures:

1. Evacuate the area if necessary following the procedures listed in Section 7.4 of the SPCC Plan.
2. Call emergency response personnel, if necessary.
3. Stop operation of equipment that is the source of the spill, including closing valves, stopping pumps, etc.
4. Contain the spill using absorbent booms, a trench dug in the soil surrounding the spill, etc.
5. Deploy absorbent materials to soak up spilled material.
6. Once spill is contained and area where spill occurred is secured, the Spill Response Coordinator or his designee will gather information required for notifications and reports described in Section 7.0 and Section 8.0 of the SPCC Plan.
7. Contact spill cleanup, transportation, and disposal vendors, if necessary.
8. Remove spilled material from ground surfaces using pumps and sorbent material and place in containers approved by the Spill Response Coordinator or his designee.
9. Remove spilled material from equipment using cloth rags and a cleaning solution approved by the Spill Response Coordinator or his designee to be compatible with the material spilled.
10. Place used rags and other disposable spill cleanup equipment in containers approved by the Spill Response Coordinator or his designee.
11. Label all containers used for storage of recovered spill material, used disposable equipment and any other waste from the spill containment and recovery with the material stored, date accumulation began, contact name and phone number.
12. Store containers in a designated storage area compatible with the materials stored.
13. Arrange for transport and disposal of waste generated from spill response off site at a permitted disposal facility.
14. Inventory all equipment used in the spill response and test non-disposable equipment for proper operation. If repair or replacement is necessary to ensure adequate equipment to respond to a release or spill is on site and available for use, order the repair or replacement immediately.
15. Prepare all notifications and reports required to be submitted in accordance with state, Federal and local regulations. A summary of the State and Federal requirements is provided in Section 7.0 and Section 8.0 of the SPCC Plan.

APPENDIX G

Emergency Contact List

EMERGENCY CONTACT LIST

| | |
|--|--|
| Facility Spill Response Coordinator | Office 505-327-4935 Home (505) 327-2704 |
| | |
| Facility Spill Response Team Leader | (505) 327-4935 |
| | |
| National Response Center | (800) 424-8802 |
| | |
| Police | 911 |
| | |
| New Mexico State Patrol | (505) 334-6000 |
| | |
| Fire | 911 |
| | |
| Hospital | 911 |
| | |
| New Mexico Oil Conservation Division | (505) 334-6178 |
| | |
| New Mexico Environment Department | 505-827-9329 |
| | |
| Emergency Spill Contractor (On Site Technologies Limited Partnership) | (505) 325-5667 24-hr on call |

APPENDIX H

Federal and State Spill Notification and Reporting Procedures

SPILL NOTIFICATION

Upon notification of a spill, the Spill Response Coordinator will determine if the oil spill requires notification and/or reporting to regulatory agencies. Below is a summary of the notification and reporting requirements based on the U.S. Environmental Protection Agency (EPA) regulations for Discharge of Oil contained in Title 40 of the Code of Federal Regulations (CFR) Part 110.

Federal Notification Requirements

The EPA regulations regarding discharge of oil require notification by a person in charge of a facility as soon as he or she has knowledge of any discharge of oil from a facility as may be harmful. 40 CFR Part 110.3 states that discharges of oil in such quantities that the Administrator has determined may be harmful to the public health or welfare or the environment of the United States include discharges of oil that:

- 1) violate applicable water quality standards; or
- 2) cause a film or sheen upon or discoloration of the surface of the water or adjoining shorelines or cause a sludge or emulsion to be deposited beneath the surface of the water or upon adjoining shorelines.

Notification must be made to the National Response Center (NRC) at 800-424-8802.

Information Required for Notifications

The following information is required in notifications described in Sections 7.1.1 and 7.1.2:

- 1) the name, address, and telephone number of the person making the telephone report;
- 2) the name, address and telephone number of the facility;
- 3) if different from the person making the notification, the names, addresses, and telephone numbers of the responsible person and contact person at the location of the discharge or spill;

- 4) the date, time and location of the spill or discharge;
- 5) a specific description or identification of the oil, petroleum product or other substances discharged or spilled;
- 6) an estimate of the quantity discharged or spilled;
- 7) the duration of the incident;
- 8) source of the discharge or spill;
- 9) the cause of the discharge or spill;
- 10) a description of all affected media;
- 11) a description of the extent of actual or potential water pollution or harmful impacts to the environment and an identification of any environmentally sensitive areas or natural resources at risk;
- 12) the name of the surface water or a description of the waters in the state affected or threatened by the discharge or spill;
- 13) any damages or injuries caused by the discharge;
- 14) a description of any actions that have been taken, are being taken, and will be taken to stop, remove and mitigate the effects of the discharge or spill;
- 15) any known or anticipated health risks;
- 16) whether an evacuation is needed;
- 17) the identity of any governmental representatives, including local authorities or third parties, responding to the discharge or spill; and
- 18) any other information that may be significant to the response action.

The Spill Response Coordinator must submit a report to the EPA Regional Administrator within 60 days following a release of the following quantities:

- a discharge of more than 1,000 U.S. gallons of oil in a single discharge as described in 40 CFR 112.1 (b); or
- a discharge of more than 42 U.S. gallons of oil, as described in 40 CFR 112.1 (b) in each of two discharges, within any 12-month period.

A discharge requiring reporting is defined as oil discharged in harmful quantities, defined in 40 CFR 110 as a quantity that violates applicable water quality standards or causes a film or sheen upon or discoloration of the surface of the water or adjoining shorelines or causes a sludge or

emulsion to be deposited beneath the surface of the water or upon adjoining shorelines, into or upon the navigable waters of the United States or adjoining shorelines in two spill events, occurring within any 12-month period.

The report must include the following information:

- 1) Name of the facility;
- 2) Name(s) of the owner or operator of the facility;
- 3) Location of the facility;
- 4) Date and year of initial facility operation;
- 5) Maximum storage or handling capacity of the facility and normal daily throughput;
- 6) Description of the facility, including maps, flow diagrams, and topographical maps;
- 7) A complete copy of the SPCC Plan with any amendments;
- 8) The cause(s) of such spill, including a failure analysis of system or subsystem in which the failure occurred;
- 9) The corrective actions and/or countermeasures taken, including an adequate description of equipment repairs and/or replacements;
- 10) Additional preventive measures taken or contemplated to minimize the possibility of recurrence; Such other information as the Regional Administrator may reasonably require pertinent to the Plan or spill event.

State Notification Requirements

Notification of Spills and Unauthorized Discharges

Who Must Provide Notification? The owner, operator, or person in charge of any facility where a discharge has occurred must provide notification such release to the New Mexico Environment Department.

What Kinds of Discharges Must be Reported? Any amount of any material in such quantity as may with reasonable probability injure or be detrimental to human health, animal or plant life, or property, or may unreasonably interfere with the public welfare or the use of property. This includes chemical, biohazardous, petroleum-product, and sewage spills and incidents. In addition to recent spills, the discovery of evidence of previous unauthorized discharges, such as contaminated soil or ground water, also must be reported.

Are There Reportable Quantities? New Mexico has not established reportable quantities.

When Must Notification Be Provided? Verbal notification must be provided as soon as possible after learning of a discharge, but in no event more than twenty-four (24) hours thereafter.

How Should Notification be Provided?

For emergencies, call 505-827-9329 twenty-four hours a day.

For non-emergencies, call 866-428-6535 (voice mail, twenty-four hours a day).

For non-emergencies, and to reach an on-duty NMED staff member during normal business hours, call 505-428-2500.

APPENDIX I
Inspection Checklists

See Storm Water Pollution Prevention Plan, Appendix H.

APPENDIX J

Certification of Substantial Harm Criteria

CERTIFICATION OF SUBSTANTIAL HARM DETERMINATION FORM

1. Does the facility transfer oil over water to or from vessels and does the facility have a total oil storage capacity greater than or equal to 42,000 gallons?
YES NO
2. Does the facility have a total oil storage capacity greater than or equal to 1 million gallons and does the facility lack secondary containment that is sufficiently large to contain the capacity of the largest aboveground oil storage tank plus sufficient freeboard to allow for precipitation within any aboveground storage tank area?
YES NO
3. Does the facility have a total storage capacity greater than or equal to 1 million gallons and is the facility located at a distance (as calculated using the appropriate formula in **Attachment C-III** to this appendix or a comparable formula) such that a discharge from the facility could cause injury to wildlife and sensitive environments? For further descriptions of fish and wildlife and sensitive environments, see Appendices I, II and III to DOC/NOAA's "Guidance for Facility and Vessel Response Plans: Fish and Wildlife and Sensitive Environments" (see **Appendix E** to this part, Section 10, for availability) and the applicable Area Contingency Plan.
YES NO
4. Does the facility have a total oil storage capacity greater than or equal to 1 million gallons and is the facility located at a distance (as calculated using the appropriate formula in **Attachment C-III** to this appendix or a comparable formula) such that a discharge from the facility would shut down a public drinking water intake?
YES NO
5. Does the facility have a total oil storage capacity greater than or equal to 1 million gallons and has the facility experienced a reportable oil spill in an amount greater than or equal to 10,000 gallons within the last 5 years?
YES NO

CERTIFICATION

I certify under penalty of law that I have personally examined and am familiar with the information submitted in this document, and that based on my inquiry of those individuals responsible for obtaining this information, I believe that the submitted information is true, accurate and complete.

Site Manager

Signature: _____ Date: _____

- I. If a comparable formula is used, documentation of the reliability and analytical soundness of the comparable formula must be attached to this form.
- II. For the purposes of 40 CFR part 112, public drinking water intakes are analogous to public water systems described in 40 CFR 143.2(c).