GW - 166

PERMITS, RENEWALS, & MODS Application

ACKNOWLEDGEMENT OF RECEIPT
OF CHECK/CASH

I hereby acknowledge receipt of check No _____ dated 9/17/09

or cash received on _____ in the amount of $ 1700 00

from Chevron

for GW-166

Submitted by: Lawrence Romero Date: 11/20/09

Submitted to ASD by: [signature] Date: 11/20/09

Received in ASD by: _____ Date: _____

Filing Fee _____ New Facility _____ Renewal _____

Modification _____ Other Facility Fee

Organization Code 521.07 Applicable FY 2004

To be deposited in the Water Quality Management Fund.

Full Payment _____ or Annual Increment _____

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 Oil Conservation Division ("OCD") has received the required $100.00 filing fee. The flat fee for a compressor station with total horse power greater than 1001 hp is $1700.00. Please submit this amount with a signed copy of the permit and return to the OCD within 30 days. Checks should be made out to the New Mexico 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 June 6, 2014** and an application for renewal should be submitted no later than 120 days before that 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 that all discharges shall 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, 2009 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 discharge of water contaminants. The Division Director may require a permit modification if any water quality standard specified at 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 oil field RCRA-exempt wastes may be disposed of by injection in a Class

II well. RCRA non-hazardous, non-exempt oil field 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 Part 35 Waste:** Pursuant to OCD Part 35 (19.15.35.8 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 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. The OCD does not consider covering contaminated areas a remediation of the spill/release.

16. **OCD Inspections:** Brandon Powell and Leonard Lowe of the OCD performed an inspection of this facility on September 28, 2009. Mr. Dave Estes and Ms. Suzanne Shore witnessed the inspection.

- Three below-grade tanks were identified on site. No fluids within their leak detection system.
- No drain lines testing had ever been conducted while Chevron has had the facility. Owner/Operator shall perform hydrostatic drain line testing on all drain lines.
- OCD sent several inquires to the Owner/Operator on September 29, 2009. Owner/Operator shall respond by **December 31, 2009**.
- The facility is over all in good condition. OCD appreciates the Owner/Operator's efforts in maintaining a facility in accordance with its discharge permit.

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 run-off. 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: The owner/operator shall ensure that all employees understand all permit conditions.

21. Transfer of Discharge Permit (WQCC 20.6.2.3111) 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 that 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."

CHEVRON USA
Company Name-print name above

NIGEL BLACK
Company Representative- print name

Company Representative- Signature

Title OPERATIONS SUPERVISOR

Date: NOVEMBER 16, 2009

New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor
Joanna Prukop
Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division

October 26, 2009

Mr. Nigel Black
Operations Supervisor San Juan
Chevron USA
332 Road 3100
Aztec, N.M. 87410

Re: Renewal Discharge Permit, GW-166
Chevron USA, La Plata CDP # 7 Compressor Station
NE/4 SE/4 Section 1, Township 31 North, Range 13 West, NMPM,
San Juan County, New Mexico

Dear Mr. Cannon:

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 **Chevron USA's** discharge permit 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 including permit fees.**

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 contact Leonard Lowe of my staff at (505-476-3492) or E-mail leonard.lowe@state.nm.us. On behalf of the staff of the OCD, I wish to thank you and your staff for your cooperation during this discharge permit review.

Sincerely,

Glenn von Gonten
Acting Environmental Bureau Chief

Attachments-1
xc: OCD District Office

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 Oil Conservation Division ("OCD") has received the required $100.00 filing fee. The flat fee for a compressor station with total horse power greater than 1001 hp is $1700.00. Please submit this amount with a signed copy of the permit and return to the OCD within 30 days. Checks should be made out to the New Mexico 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 June 6, 2014** and an application for renewal should be submitted no later than 120 days before that 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 that all discharges shall 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, 2009 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 discharge of water contaminants. The Division Director may require a permit modification if any water quality standard specified at 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 oil field RCRA-exempt wastes may be disposed of by injection in a Class

II well. RCRA non-hazardous, non-exempt oil field 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 Part 35 Waste:** Pursuant to OCD Part 35 (19.15.35.8 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.

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secondary containment systems used to facilitate fluid removal are exempt from these requirements if fluids are removed within 72 hours.

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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.

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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).

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16. OCD Inspections: Brandon Powell and Leonard Lowe of the OCD performed an inspection of this facility on September 28, 2009. Mr. Dave Estes and Ms. Suzanne Shore witnessed the inspection.

- Three below-grade tanks were identified on site. No fluids within their leak detection system.
- No drain lines testing had ever been conducted while Chevron has had the facility. Owner/Operator shall perform hydrostatic drain line testing on all drain lines.
- OCD sent several inquires to the Owner/Operator on September 29, 2009. Owner/Operator shall respond by **December 31, 2009**.
- The facility is over all in good condition. OCD appreciates the Owner/Operator's efforts in maintaining a facility in accordance with its discharge permit.

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 run-off. 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: The owner/operator shall ensure that all employees understand all permit conditions.

21. Transfer of Discharge Permit (WQCC 20.6.2.3111) 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 that 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."

_____
Company Name-print name above

_____
Company Representative- print name

_____
Company Representative- Signature

Title_____

Date:_____

Lowe, Leonard, EMNRD

From: Lowe, Leonard, EMNRD
Sent: Wednesday, July 29, 2009 1:31 PM
To: 'Cannon, John T'
Cc: Bailey, Rodney G
Subject: GW-166, La Plata CDP # 7 Admin. Complete
Attachments: GW-166, Admin Complete Letter.pdf; GW-166, OCD PN.pdf; GW-166, Renewal Draft Permit.pdf; 5.GW-XXX, Example PN.doc; Renewal WQCC PN Rules.pdf

Mr. John Cannon,

The OCD has determined your application to be administratively complete for GW-166.

Attached are:

- Admin. Complete letter
- OCD Public Notice
- DRAFT renewal permit

Chevron USA may submit the applicant version of the public notice for review. I have attached an example of the public notice and the WQCC rules and regs for notice requirements.

If you have any questions please feel free to contact me.

llowe

Leonard Lowe
Environmental Engineer
Oil Conservation Division/EMNRD
1220 S. St. Francis Drive
Santa Fe, N.M. 87505
Office: 505-476-3492
Fax: 505-476-3462
E-mail: leonard.lowe@state.nm.us
Website: http://www.emnrd.state.nm.us/ocd/

New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor
Joanna Prukop
Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division

July 29, 2009

Dear Mr. John Cannon:

Re: Discharge Plan Renewal Permit GW-166
Chevron USA
La Plata CDP # 7 Compressor Station
San Juan County, New Mexico

The New Mexico Oil Conservation Division (NMOCD) has received Chevron USA's request and initial fee, dated May 21, 2009, to renew GW-166 for their La Plata CDP # 7 (formerly CDP # 4) Compressor Station located the NE/4 SE/4 of Section 1, Township 31 North, Range 13 West, NMPM, San Juan County, New Mexico. The initial submittal provided the required information in order to deem the application "administratively" complete.

Therefore, the New Mexico Water Quality Control Commission regulations (WQCC) notice requirements of 20.6.2.3108 NMAC must be satisfied and demonstrated to the NMOCD. NMOCD 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) 476-3492 or leonard.lowe@state.nm.us. On behalf of the staff of the NMOCD, I wish to thank you and your staff for your cooperation during this discharge permit review.

Sincerely,

Leonard Lowe
Environmental Engineer

LRL/lrl

xc: OCD District III Office, Aztec

New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor
Joanna Prukop
Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division

July 29, 2009

Mr. John Cannon
332 Road 3100
Aztec, N.M. 87410

Re: Renewal Discharge Permit, GW-166
Chevron USA, La Plata CDP # 7 Compressor Station
NE/4 SE/4 Section 1, Township 31 North, Range 13 West, NMPM
San Juan County, New Mexico

Dear Mr. Cannon:

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 **Chevron USA's** discharge permit 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 including permit fees.**

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 contact Leonard Lowe of my staff at (505-476-3492) or E-mail leonard.lowe@state.nm.us. On behalf of the staff of the OCD, I wish to thank you and your staff for your cooperation during this discharge permit review.

Sincerely,

Glenn von Gonten
Acting Environmental Bureau Chief

Attachments-1
xc: OCD District Office

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 Oil Conservation Division ("OCD") has received the required $100.00 filing fee. The flat fee for a compressor station with total horse power less than 1001 hp is $400.00. Please submit this amount with a signed copy of the permit and return to the OCD within 30 days. Checks should be made out to the New Mexico 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 June 6, 2014** and an application for renewal should be submitted no later than 120 days before that 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 that all discharges shall 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, 2009 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 discharge of water contaminants. The Division Director may require a permit modification if any water quality standard specified at 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 oil field RCRA-exempt wastes may be disposed of by injection in a Class

II well. RCRA non-hazardous, non-exempt oil field 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 Part 35 Waste: Pursuant to OCD Part 35 (19.15.35.8 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 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. The OCD does not consider covering contaminated areas a remediation of the spill/release.

16. OCD Inspections: The OCD performed an inspection of this facility on Month, Day, Year. All photographs referenced below are located in the attachment of this permit. The inspection concluded the following:

1. **Photo 1:**

Chevron USA shall resolve these concerns and report **by Month, Day, Year**. The report shall be submitted, with photographs, to the Environmental Bureau Oil Conservation Division identifying the resolutions to the concerns.

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 run-off. 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: The owner/operator shall ensure that all employees understand all permit conditions.

21. Transfer of Discharge Permit (WQCC 20.6.2.3111) 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 herein. **Owner/Operator** further acknowledges that 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."

_____
Company Name-print name above

_____
Company Representative- print name

_____
Company Representative- Signature

Title_____

Date:_____

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-166) Mr. John Cannon, Environmental Specialist, Chevron USA, 332 Road 3100, Aztec N.M. 87410 has submitted a renewal application for the previously approved discharge plan for their La Plata CDP # 7 compressor station located in the NE/4 SE/4 of Section 1, Township 31 North, Range 13 West, NMPM, San Juan County. The facility compresses field natural gas. Approximately 30 bbls/month of produced water, 70 gallons/3 months of wash down water and 50 gallons/month of waste oil are generated and stored in onsite. Groundwater most likely to be affected by a spill, leak or accidental discharge is at a depth of approximately 26 feet, with a total dissolved solids concentration of approximately 748 mg/L. 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.emnrd.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, sirvase comunicarse por favor: New Mexico Energy, Minerals and Natural Resources Department (Depto. Del Energia, Minerals y Recursos Naturales de Nuevo México), Oil Conservation Division (Depto. Conservacio´n 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 **29th** day of July 2009.

STATE OF NEW MEXICO

OIL CONSERVATION DIVISION

S E A L

Mark Fesmire, Director

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ACKNOWLEDGEMENT OF RECEIPT OF CHECK/CASH

I hereby acknowledge receipt of check No. _____ dated 4/21/09

or cash received on 5/27/09 in the amount of $ 100.00

from Chevron Midcontinent L.P.

for GW-1606

Submitted by: Kimberly Romero Date: 5/27/09

Submitted to ASD by: Kimberly Romero Date: 5/27/09

Received in ASD by: _____ Date: _____

Filing Fee X 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

RECEIVED
2009 MAY 26 PM 1 10

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

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

☐ New ☒ Renewal ☐ Modification **GW-166**

1. Type: Natural Gas Compressor Station La Plata CDP#7 (Formerly CDP #4)
2. Operator: Chevron USA

   Address: 332 Road 3100, Aztec, NM 87410

   Contact Person: Nigel Black Phone: 505-947-8273

3. Location: NE /4 SE /4 Section 1 Township 31N Range 13W
   Submit large scale topographic map showing exact location.

4. Attach the name, telephone number and address of the landowner of the facility site.
   See Attached.
5. Attach the description of the facility with a diagram indicating location of fences, pits, dikes and tanks on the facility.
   See Attached.
6. Attach a description of all materials stored or used at the facility.
   See Attached.
7. Attach a description of present sources of effluent and waste solids. Average quality and daily volume of waste water must be included.
   See Attached.
8. Attach a description of current liquid and solid waste collection/treatment/disposal procedures.
   See Attached.
9. Attach a description of proposed modifications to existing collection/treatment/disposal systems.
   See Attached.
10. Attach a routine inspection and maintenance plan to ensure permit compliance.
    See Attached.
11. Attach a contingency plan for reporting and clean-up of spills or releases.
    See Attached.
12. Attach geological/hydrological information for the facility. Depth to and quality of ground water must be included.
    See Attached. Groundwater is at a depth of approximately 80' with an approximate TDS of 900 mg/L.
13. Attach a facility closure plan, and other information as is necessary to demonstrate compliance with any other OCD rules, regulations and/or orders.
    See Attached.
14. CERTIFICATIONI hereby certify that the information submitted with this application is true and correct to the best of my knowledge and belief.

Name: John Cannon Title: Environmental Specialist

Signature: John Cannon Date: 5/21/09

E-mail Address: JFNM@chevron.com

RECEIVED
2009 MAY 26 PM 1 10

DISCHARGE PLAN
RENEWAL APPLICATION
FOR
GW-166

GAS COMPRESSOR SITE LA PLATA CDP #7
(Formerly CDP #4)

CHEVRON USA

Submitted to:

State of New Mexico
Energy, Minerals and Natural Resources
Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

TETRA TECH

DISCHARGE PLAN
RENEWAL APPLICATION
FOR
GW-166

GAS COMPRESSOR SITE LA PLATA CDP #7
(Formerly CDP #4)

CHEVRON USA

Submitted to:

State of New Mexico
Energy, Minerals and Natural Resources
Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

COMPRESSOR STATION, SITE LA PLATA CDP #7 (formerly CDP #4)
DISCHARGE PLAN RENEWAL APPLICATION
FOR
GW-166

The Discharge Plan Renewal Application has been prepared in accordance with Oil Conservation "Division guidelines for the Preparation of Ground Water Discharge plans at Natural Gas Processing Plants".

1. Type of Operation

Chevron USA (Chevron) operates a 1,085 Horsepower reciprocating engine and compressor at this facility. The compressor will compress approximately 2,200 MCF of natural gas from a low-pressure field line (70-psi) to a high-pressure line (220-psi). The site is located approximately 2.5 miles East of La Plata, New Mexico.

Chevron is the owner of the facility. Exterran operates the compressor portion of the facility. The dehydration portion of the facility is operated by Chevron.

Major Operational Components:

Field Compressor consisting of

- A 1,085 HP compressor (Serial #WPW00498, low emission, 1400 RPM),
- One outlet triethylene glycol (TEG) dehydrator with regeneration heater and a 70-gallon makeup TEG tank,
- One 300-bbl. water storage tank (has berm),
- Two three-phase separators for wells, indirect fire separators (glycol bath heat exchangers),
- Inlet separator, slug receiver,
- One fuel gas filter,
- Two 500-gallon lubricating oil makeup tanks,
- One fin-fan coller,
- Two 95-bbl. waste oil tanks (one compressor and coalescing filter, one dehy),
- Two inlet water 95-bbl pit tanks
- 55-gallon glycol day tank (has secondary containment).

Note: All oil tanks have secondary containment.

2. Operator/Legally Responsible Party and Local Representative

Legally Responsible Party:	Mr. Nigel Black Operations Supervisor Chevron USA 332 Road 3100 Aztec, NM 87410 Office: (505) 333-1901 Cell: (505) 947-8273
Local Representative:	Mr. Nigel Black Operations Supervisor Chevron USA 332 Road 3100 Aztec, NM 87410 (505) 333-1901 Cell: (505) 947-8273
Compressor Operator:	Exterran 1280 Troy King Road Farmington, New Mexico (505) 326-6525
Dehydrator Operator:	Mr. Nigel Black Operations Supervisor Chevron USA 332 Road 3100 Aztec, NM 87410 (505) 333-1901 Cell: (505) 947-8273

3. Location of Facility

The facility is located in Letter I, SW/4, Section 1, Township 31N, Range 13W, San Juan County, New Mexico. A topographic map is provided in Appendix A. The facility plan is provided in Appendix B.

From the intersection of Highway 170 and Highway 574 in La Plata, go approximately 2.5 miles east on Highway 574, then turn right at the Compressor Station sign and go approximately 700' on dirt road to the Compressor Station.

4. Landowner

U.S. Bureau of Land Management
1235 La Plata Highway, Suite A
Farmington, New Mexico 87401

5. Facility Description

A diagram indicating the location of fences, pits, berms and tanks associated with the facility is provided in Appendix B. This diagram depicts the location of storage facilities, disposal facilities, processing facilities, and other relevant areas. The facility boundary is shown on the diagram.

6. Materials Stored or Used at the Facility

The materials stored or used at this facility include triethylene glycol and compressor lubricating oil. The triethylene glycol is stored in one 70-gallon regeneration makeup tank and the lubricating oil is stored in one 300-gallon makeup tank.

7. Sources, Quantities, and Quality of Effluent

Inlet Separators

One 3-phase separator is utilized to separate the gas and liquids. A mixture of hydrocarbons and water discharges from the wells to the inlet of the separators/treaters. Approximately 30 barrels per month will be discharged into the separator/treater. The separator/treater is part of the outlet dehydrator system. The exact volume of liquids will vary depending on the quality of the gas.

Compressors

A 1,085 compressor is installed on this site. The compressor is mounted on an econo-skid consisting of built-in compressor pad with non-permeable trays around the compressor unit to contain spills. The econo-skid insures containment of drips, spills, and washdown from the unit.

The compressor was installed in such a manner to ensure containment of drips, spills, and washdown waters. Any spills or washdown waters form cleaning operations are contained and discharged into a fiberglass tank.

A. *Washdown Water*

The compressor is washed every three (3) months with seventy (70) gallons of water. The washdown water from the unit is discharged into the fiberglass tank mentioned above through the econo-skid drain line. A nontoxic, biodegradable cleaner is used to clean the compressor unit.

B. *Lubricating Oil, Waste Lubricating Oil and Used Engine Oil Filters*

Exterran is responsible for maintenance of this compressor. Mesa Environmental is responsible for the removal of waste lube oils. Waste oil generated by the compressor is hauled from the site in accordance with the OCD regulations and is recycled. Mesa Environmental is responsible for hauling and recycling the waste oil. Additional information is provided in the Effluent Disposal Section on Page 5. Compressor oil filters and

engine oil filters are replaced every month. The engine oil filters are allowed to drain completely prior to disposal with Mesa Environmental.

C. *Packing Vent Waste Oil*

Waste oil is generated at a rate of approximately fifty (50) gallons per month resulting from blowdown from the compressor packing vent drain. The packing vent drain discharges into a fiberglass pit.

D. *Engine Cooling Water*

A 70-gallon cooling water surge tank is located on the skid mounted compressor package. A mixture of propylene glycol and water is used as a cooling water. When it is necessary to drain the cooling water system for maintenance or repair, the cooling water is drained into steel drums or a small tank mounted on a pickup truck. After maintenance and/or repairs, the cooling water is placed back into the cooling system.

E. *Suction and Interstage Scrubbers*

Suction and interstage scrubbers are on the skid mounted compressor package. These scrubbers remove natural gas liquids. The volume of liquid from the scrubber is very small. Approximately twenty (20) gallons per month of a mixture of hydrocarbons and water discharge from the compressor scrubbers to the inlet of the separator/treaters. The volume of liquids discharged from these scrubbers varies depending on the quality of the gas entering the system.

Outlet Dehydrator

The dehydration portion of the facility is operated by Chevron. The dehydrator is skid mounted and located West of the compressor. The dehydrator consists of filter separators, separator/treater, absorber and a regenerator. The dehydration area is bermed.

8. Sources, Quantities, and Quality of Effluent

A. *Summary Information*

Source	**Onsite Collection**
Inlet Separators	Separator/Treaters
Compressor	
Washdown Water	Fiberglass Tank
Waste Lube Oil	Hauled Off-Site
Engine Oil Filters	Hauled Off-Site
Packing Vent Waste Oil	Fiberglass Tank
Engine Cooling Water	Fiberglass Tank
Suction & Interstage Scrubber	Fiberglass Tank

Outlet Dehydrator	
Separator/Treater (Water)	300-Barrel Storage Tank
Separator/Treater (Oil)	300-Barrel Storage Tank

B. *Water and Wastewater Schematic*

A schematic denoting the wastewater is provided in Appendix B.

C. *Specifications*

Pipelines – All wastewater piping is non-pressurized. The wastewater is either drained into a fiberglass pit from the compressor econo-skid or flows via open-ended pipe from the separator to a steel tank.

D. *Fluids Disposal and Storage Tanks*

The hydrocarbons are recycled. The water fraction is separated and discharged into a fiberglass tank. It is disposed in a manner that meets OCD regulations. Additional information is provided in the Effluent Disposal Section below.

E. *Prevention of Unintentional and Inadvertent Discharges*

All storage tanks for fluids other than freshwater are bermed to contain a volume one/third more than the tank contents. All aboveground tanks are placed on a gravel pad and placed on an elevated stand so that any leaks that may occur can be visually detected.

There is no chemical or drum storage area. Drums utilized to contain engine cooling water or waste oil are removed from the site at the end of each workday. A copy of the Material Safety Data Sheets for tri-ethylene glycol, lubricating oil, and Super-All cleanser are located in Appendix C.

F. *Underground Pipelines*

There are no underground wastewater pipelines associated with this facility. The wastewater piping carrying waste liquids to the collection tanks are open-ended, non-pressurized lines, therefore, hydrostatic testing is unwarranted and has not been performed.

G. *Effluent Disposal*

Off-Site Disposal

All liquids from the site are handled in accordance with OCD and NMED regulations. All solid wastes are removed from the site by Envirotech.

Mesa Environmental is responsible for disposal of waste oil and filters.

Waste Oil Hauling Agent:	Mesa Environmental 20 Lucero Road Belen, NM 87002 (505) 861-2691
Waste Oil Final Disposal:	Mesa Environmental 20 Lucero Road Belen, NM 87002 (505) 861-2691
Waste Water Hauling:	Overnight Trucking Inc. 414 E. Murray Dr. Farmington, NM 87401 (505) 324-0332
Used Filter Hauling Agent:	Mesa Environmental 20 Lucero Road Belen, NM 87002 (505) 861-2691
Used Filter Final Disposal:	Mesa Environmental 20 Lucero Road Belen, NM 87002 (505) 861-2691

9. Sources, Quantities, and Quality of Effluent

There are currently no planned modifications to the existing collection, treatment, and disposal system in place at this facility.

10. Inspection, Maintenance, Reporting

Chevron employees visit the site on a daily basis. Each day the compressor is inspected for any leaks. Daily log inspection and maintenance logs of the compressor are kept by Exterran.

The site is visited regularly by Chevron employees as wells. Chevron inspects the inlet separator, filter separator, separator/treater, absorber and regenerator for any leaks or spills.

11. Contingency Plan (Spill/Leak Prevention and Reporting)

The compressor site is graded and bermed so that precipitation and runoff do not cause water to enter or leave the process area.

The dehydrator process area is bermed so that precipitation and runoff do not cause water to leave the process area. The compressor is equipped with an econo-skid so that any leaks or spills are contained.

Since Chevron personnel or its contractor visits the site on a daily basis, any leaks, spills, and/or drips will be quickly identified. Regularly scheduled maintenance procedures also help to assure that the equipment remains functional and thus the possibility of spills or leaks is further minimized.

Leaks, spills, and drips will be handled in accordance with the OCD Rule 116 as follows:

- Small spills will be absorbed with soil and shoveled into drums for off-site disposal. If the soil is an "exempt" waste, the soil will be disposed at an OCD approved landfarm facility. If the soil is a "nonexempt" waste, the soil sill be characterized and disposed according to the analytical profile.

- Large spills will be contained with temporary berms. Free liquids will be removed by use of a vacuum truck. Any hydrocarbon liquid will be recycled. Any contaminated soil will be disposed as discussed in the paragraph above.

- Cleanup standards of the impacted soils will be performed in accordance with the NMOCD Ranking Criteria, Ranking Score and Action Levels as provided in Rule 116.

- Verbal and written notification of leaks or spills will be made to the OCD in accordance with Rule 116.
- All areas identified as susceptible to leaks or spills are bermed or otherwise contained to prevent the discharge of effluents.

A Response Plan to address possible spills or leaks from this facility is provided in Appendix D.

12. Site Geology/Hydrologic Information

Site Geomorphology and Characteristics

Chevron's compressor station identified as La Plata CDP #7 is located on the eastern side of the La Plata River in the northern portion of the San Juan Basin. The area surrounding the facility is characterized by high sagebrush plains with small arroyos and washes. The soil type beneath the site has been identified as the Doak-Aralon (USSCS, 1997). The site is located on gently sloping terrain at least ¾ mile from McDermott Arroyo, the permanent drainage of the area. This Arroyo is fed by many smaller gullies and rills, and flows to the southwest until it converges upon the La Plata River.

La Plata CDP #7 is located in the SW/4 Section 1, T-31-N, R-13-W at an elevation of 5,780 feet above MSL. The compressor has a self-contained skid and was placed on a gravel pad.

Regional Geology

La Plata CDP #7 is located in the northwest portion of the San Juan Basin on Tertiary Nacimiento sediments. The area is adjacent to the Monocline, a structural feature of the Late Cretaceous or early Tertiary Period.

Nacimiento

The Nacimiento Formation is made up of medium to very course-grained arkosic sands interbedded with dark carbonaceous clays forming the unique rounded mounds and hills of the bad lands. The thickness of the Nacimiento Formation varies from 400' to 2000'. Stratigraphically, the Nacimiento Formation is a local aquifer with interbedded sandstone lenses. The broad open surfaces of the shallow dipping limbs of the Nacimiento Formation in the San Juan Basin serve as recharge areas for ground water in the aquifer. A hydrologic map depicting specific conductance of specific wells and springs of the area is provided in Appendix E.

Flood Protection

La Plata CDP #7 is located in an area not associated with flooding. All drip tanks on location are fiberglass lined and are set with the edge of the tanks being above ground level. Berms have been placed around the pits with all pits being fenced.

All maps are from Hydrologic Report 6, New Mexico Bureau of Mines and Minerals, 1983.

13. Closure Plan

The closure plan for La Plata CDP #7 will be performed in accordance with applicable regulations. A description is provided below:

Inlet Separators

The inlet separator will be disconnected and transported from the site to be utilized at another location, placed into storage for future use or sold. Any liquids discovered in the separator during the disconnect will be drained into buckets and then transferred to the fiberglass tanks for temporary storage prior to final disposition. Any solids that may have accumulated in the bottom of the separator will be transferred to drums and temporarily stored prior to final disposition either by disposal and an OCD approved landfarm or on-site bioremediation.

Compressors

All fluids (i.e., all used lubricating oil, engine oil and coolants) will be drained from the compressor and placed in drums by CSI for recycling. All unused liquids will be removed by CSI for use at another facility. Upon removal of the compressor, the gravel pad and pad base will be inspected for unnoticed leaks

and spills. Any leaks or spills observed during this inspection will be remediated in accordance with Rule 116 (See Section 11).

Fiberglass Pits

Prior to the closure of the fiberglass pits, liquid and solid samples will be collected from the pits for disposal characterization. Once this solid waste has been characterized, the waste will be removed from the pits by use of a vacuum truck or other similar method and transported to the appropriate disposal facility for disposal per RCRA regulations.

The fiberglass pits will then be removed and decontaminated prior to removal from the site. The wash water from this procedure will be placed in storage drums and characterized as described above prior to final disposition. The fiberglass pit will then either be disposed of at a construction debris landfill or transported to another site for reuse.

Any leaks discovered at the base of the pit during pit removal will be remediated as previously described.

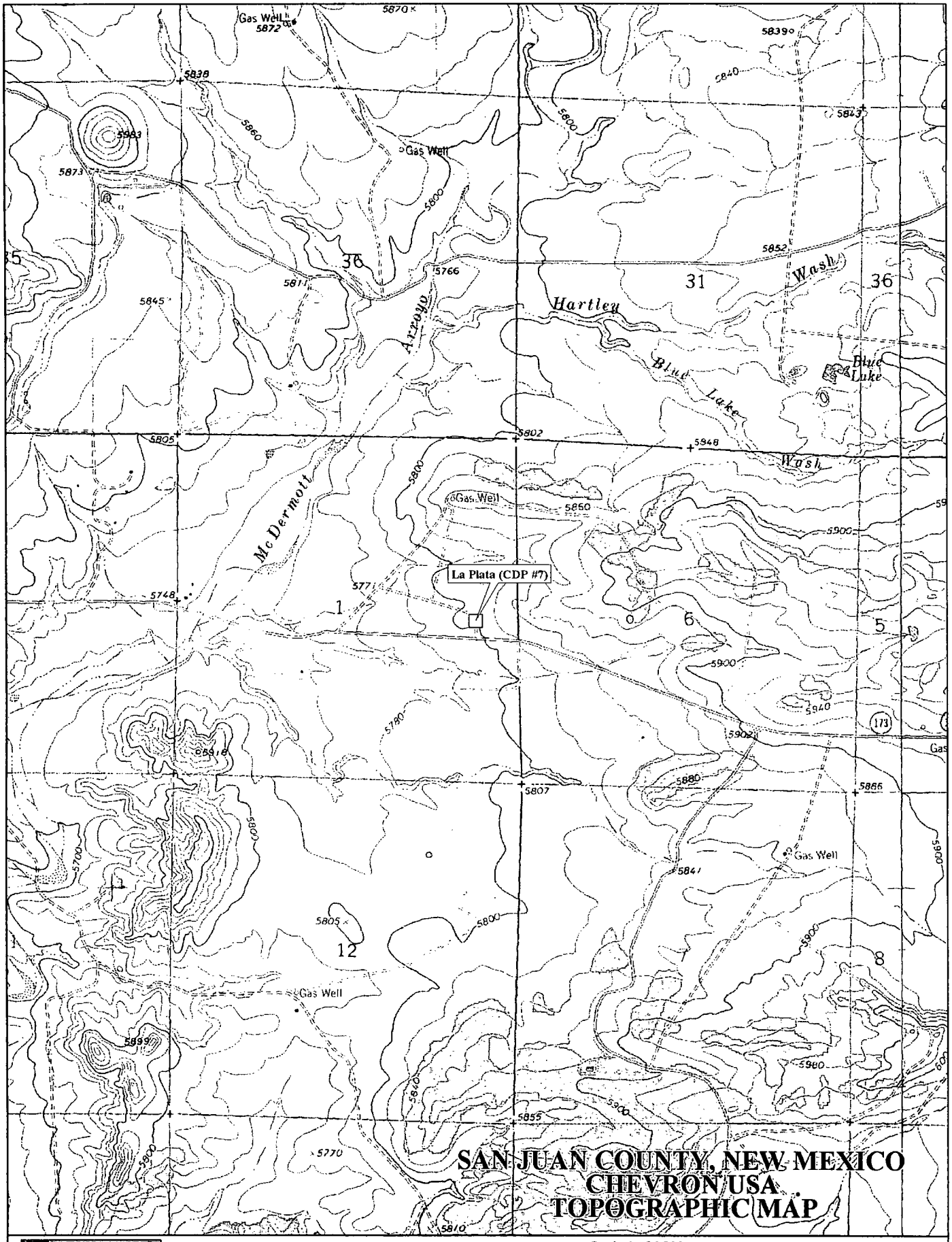
Dehydrators

The dehydrator located at this facility will be removed and either transported to another location for reuse or placed in storage for future use. Used TEG will be directed to the fiberglass tanks, and the unused TEG will be removed by Chevron for use at another facility.

Facility Piping

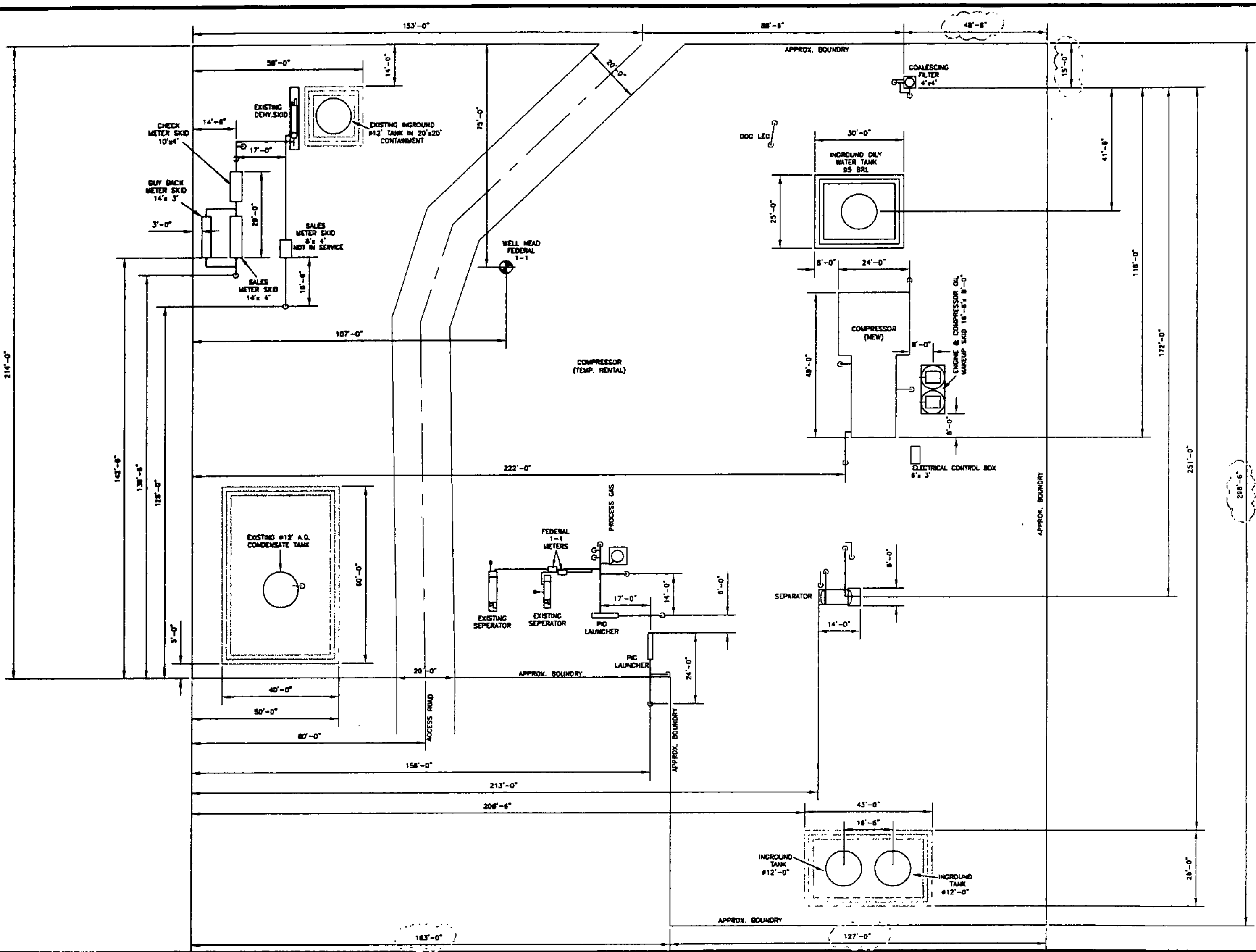
All piping associated with this facility will be removed upon abandonment and sold for salvage. No NORM has been detected at this facility.

Appendix A



SAN JUAN COUNTY, NEW MEXICO
CHEVRON USA
TOPOGRAPHIC MAP

Appendix B



NOTES:

1. CLOUDED DIMENSIONS ARE APPROXIMATE ONLY.

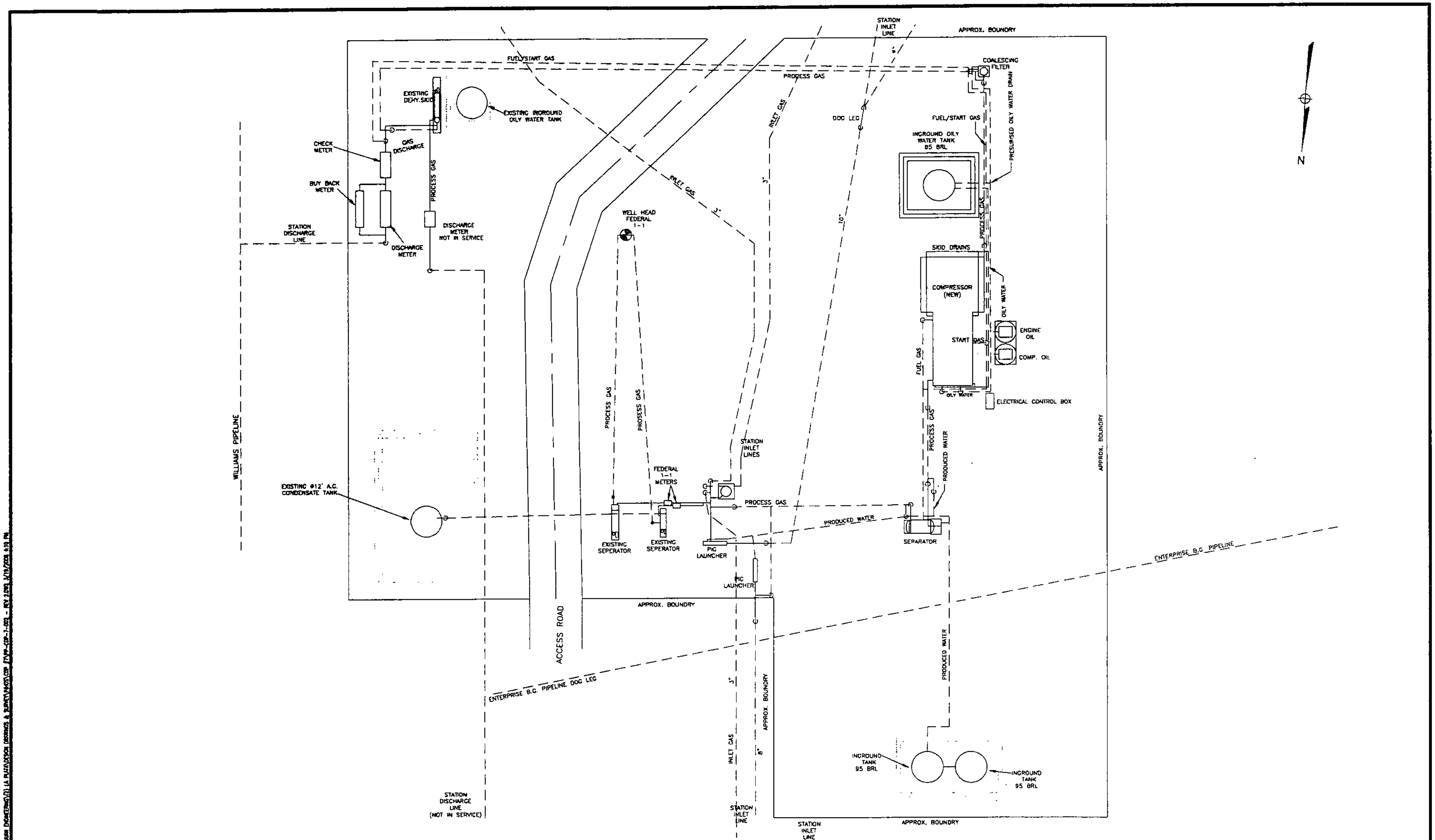
REV	BY	DATE	REVISION	ENG CHECKED	ENG APPRVD	DATE	CHEV CHECKED	CHEV APPRVD	DATE
0	BJ	03/03/08	ISSUED FOR AS BUILT						
D	SMA	01/07	ISSUED FOR REVIEW						
C	REM	10/06	ISSUED FOR REVIEW						
B	JJC	8/06	ISSUED FOR REVIEW						
A	REM	8/06	ISSUED FOR REVIEW						

CHEVRON NORTH AMERICA
EXPLORATION AND PRODUCTION

CDP #7
SITE PLAN: DIMENSIONS
SHEET 2

03/03/08 | 1/8" = 1'-0" | C0001-A | PP-CDP-7-002 | 0

B.JOHN | J Feldner | PP-CDP-7-002 rev0.dwg



NOTES:

REV	BY	DATE	REVISION	FRC CHECKED	FRC APPRVD	DATE	CHEV CHECKED	CHEV APPRVD	DATE
2	BB	03/19/08	RE-ISSUED FOR AS BUILT	EW	BCD	03/08	DE	KH	03/08
1	BB	03/18/08	ISSUED FOR AS BUILT	EW	BCD	03/08	DE	KH	03/08
0	BJ	03/17/08	ISSUED FOR AS BUILT	EW	BCD	03/08	DE	KH	03/08
D	SNA	01/07	ISSUED FOR REVIEW						
C	REM	10/06	ISSUED FOR REVIEW						
B	JJC	8/06	ISSUED FOR REVIEW						
A	REM	8/06	ISSUED FOR REVIEW						

CHEVRON NORTH AMERICA EXPLORATION AND PRODUCTION

CDP #7
SITE PLAN: PIPING & EQUIPMENT SHEET 1

DATE DRAWN: 03/03/08 | SCALE: 1/8" = 1'-0" | PROJ. NO.: C0001-A
DRAWN BY: B.JOHN | ENGINEER: J Feldner | FILE: PP-CDP-7-002 rev0.dwg

PP-CDP-7-002 | REV 2

Appendix C

HYDROLOGIC

MAPS

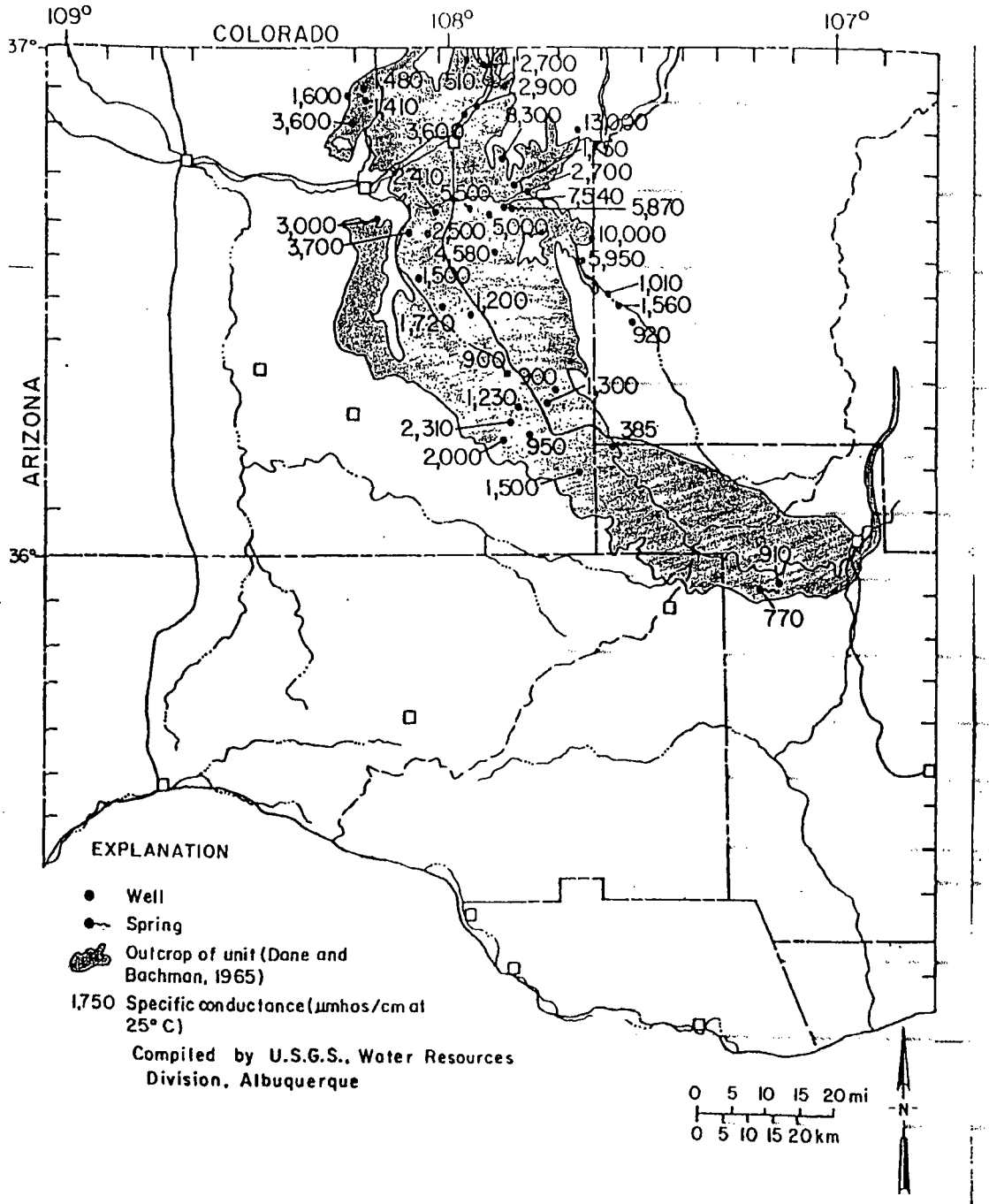


Figure 22—SPECIFIC CONDUCTANCE FROM SELECTED WELLS AND SPRINGS IN NACIMIENTO/ANIMAS FORMATIONS.

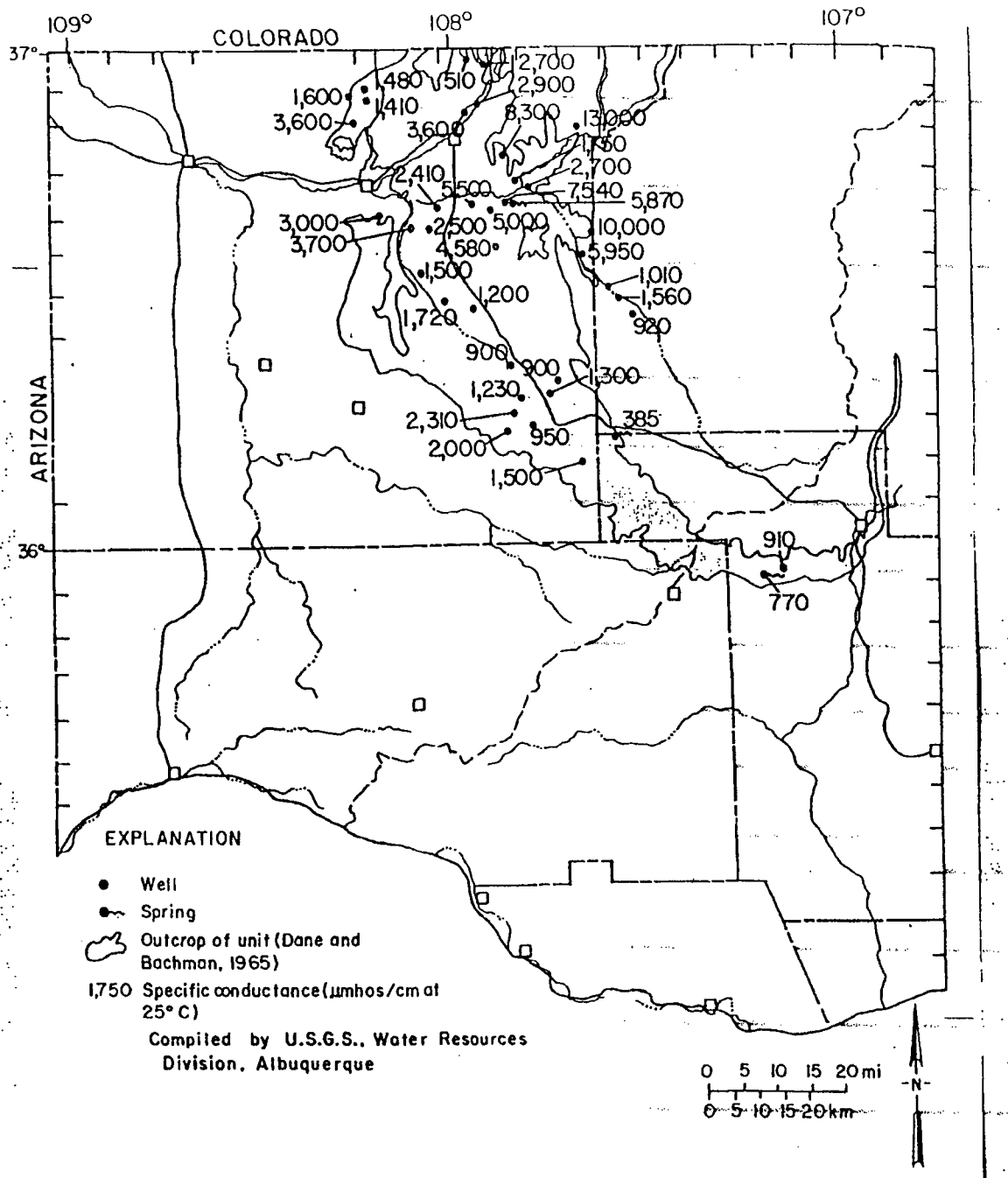


Figure 22—Specific conductance from selected wells and springs in Nacimiento/Animas Formations.

Appendix D

SPILL PREVENTION CONTROL & COUNTERMEASURE PLAN

OIL SPILL CONTINGENCY PLAN
RESPONSE PLAN

Name of Facility: Gas Compressor Site La Plata CDP #7 (formerly CDP #4)

Operator: Chevron USA

Response Plan

Company or contract personnel who discover an oil spill should: 1) close off the source of the spill, if safe to do so, and control the spill if possible, 2) notify Chevron Supervisors, and 3) call for necessary equipment and contractors to control the spill. Personnel should directly notify emergency and regulatory agencies if the Chevron Supervisors are not available and if there is an immediate danger to human health, property, or the environment.

Personnel should attempt to close off the source of the spill only if the situation is safe and if there is no danger of physical harm. Do not attempt to close off the source of a spill if fire is involved. Minor repairs to ring dikes and construction of spill barriers may be safely performed with shovels and other types of small earth moving equipment.

Personnel should contact their Chevron supervisors by telephone as soon as possible to report the incident. The Chevron supervisors responsible for all spills in New Mexico, and the emergency and regulatory agencies area listed in this SPCC plan under the Company, Emergency and Regulatory Contacts section. The following information should be described to Chevron Supervisors or to emergency and regulatory agencies:

(1) Date and time the spill was discovered,
(2) Location of spill by legal definitions and by distance and direction from the nearest town or landmark,
(3) Estimated quantity of the spill, area and depth of soil affected, distance spill traveled,
(4) General prevailing conditions in the area including precipitation, temperature, and soil conditions,
(5) Corrective actions taken, and
(6) Immediate or potential danger to human health or the environment.

Except in cases of extreme emergency, the authority to contact cleanup contractors and to begin cleanup operation must be obtained from a Chevron Supervisor. Cleanup contractors are listed in this SPCC plan under the Cleanup Contractors section.

SPILL PREVENTION CONTROL & COUNTERMEASURE PLAN

OIL SPILL CONTINGENCY PLAN RESPONSE PLAN

Name of Facility: Gas Compressor Site La Plata CDP #7 (formerly CDP #4)

Operator: Chevron USA

Response Plan (continued)

Notification procedures for fires, breaks, leaks, spills and blowouts are described in *Rule 116* of the *New Mexico Oil Conservation Division (OCD) Rules and Regulations (revised February 1, 1996).*

Oil and water spills of varying quantities and situations require the following notifications to regulatory agencies:

(1) **Less than 5 barrels of oil or less than 25 barrels of salt water, not reaching a watercourse or entering a stream or lake:** No immediate or subsequent notification required. Spill must be remediated to OCD guidelines.
(2) **5-25 barrels of oil or 25-100 barrels of salt water, not reaching a watercourse or entering a stream or lake:** No immediate notification required. Spill must be remediated to OCD guidelines. Subsequent notification is required.
(3) **Greater than 25 barrels of oil or 100 barrels of salt water, not reaching a watercourse or entering a stream or lake:** Immediate notification is required. Spill must be remediated to OCD guidelines. Subsequent notification is required.
(4) **Any quantity reaching a watercourse or entering a stream or lake:** Same as (3) above.
(5) **Any spill involving a blowout or fire:** Same as (3) above.
(6) **Any spill which has a reasonable probability to endanger human health or result in damage to property:** Same as (3) above.

"Immediate Notification" shall be as soon as possible after discovery and shall be either in person or by telephone to the OCD District Office. The information to be conveyed during the immediate notification is similar to that described to Chevron supervisors (see Page 32). "Subsequent Notification" shall be a complete written report of the incident within ten days after discovery.

If a fire department or Hazardous Material Response Team responds to control a spill or fire then OSHA regulations prohibit further cleanup operations without the cleanup personnel being trained as hazardous waste site workers.

SPILL PREVENTION CONTROL & COUNTERMEASURE PLAN

OIL SPILL CONTINGENCY PLAN
RESPONSE PLAN

Name of Facility: Gas Compressor Site La Plata CDP #7 (formerly CDP #4)

Operator: Chevron USA

Response Plan (continued)

This SPCC plan must be kept at the Chevron field offices where it is accessible to all Chevron personnel. The SPCC plan must be submitted to the Environmental Protection Agency (EPA) whenever:

(1) A spill of 24 barrels or more occurs,
(2) Any two reportable events occur within a 12 month period, or
(3) EPA makes a specific request to see the plan.

A record of all reportable spills must be kept with this SPCC plan. Attachment #1 Record of Oil Spills has been provided for the purpose of spill recordkeeping.

Cleanup of Spills

Chevron does not maintain the equipment of supplies necessary to contain or cleanup a large oil spill. A list of contractors and suppliers to be contacted in the event of a spill is included in this SPCC plan under the Cleanup Contractors section. More complete soil and ground water cleanup procedures are described in OCD's *Guidelines of Remediation of Leaks, Spills and Releases (August 13, 1993).*

Spills onto Soil

Mobile oil spills should be contained as soon as possible by the construction of earthen dams or by the placement of mechanical barriers. Free oil may be removed from the ground by the use of a vacuum truck. Remaining free oil may be removed from the ground by the use of oil-absorbent materials.

When all free oil has been removed the site should be assessed for severtity of contamination and potential environmental and public health threats using a risk based ranking system. The depth to ground water, the distance to water wells or springs and the distance to surface water bodies should be determined. The lateral and vertical extent of soil contamination should be determined by physical observations and by sampling.

SPILL PREVENTION CONTROL & COUNTERMEASURE PLAN

OIL SPILL CONTINGENCY PLAN RESPONSE PLAN

Name of Facility: Gas Compressor Site La Plata CDP #7 (formerly CDP #4)

Operator: Chevron USA

Response Plan (continued)

Spills onto Soil (continued)

If ground water is encountered during the soil sampling then a ground water sample should be gathered. The soil and water remediation action level may be determined using the data gathered.

Soil exceeding the action level must be remediated by OCD approved methods. Contaminated soil may be excavated for treatment at the surface or treated in-situ. Excavated soil may be disposed of at an off-site OCD approved facility. Soil may be landfarmed if it does not contain free oil. In-situ treatment may be accomplished using vapor venting, bioremediation or other approved treatment system.

Ground water remediation activities will be reviewed and approved by OCD on a case-by-case basis prior to commencement of remedial activities.

Remedial actions must continue until the residual soil and ground water contaminant concentrations or below the previously determined action level.

Spills onto Water

Oil spills onto surface water of any quantity must be cleaned up to the satisfaction of landowners and the OCD. The spill should be contained as soon as possible by the use of floating booms or other mechanical barriers. Free oil may be removed from the water by the use of a vacuum truck or by the use of oil-skimming equipment. Remaining free oil may be removed from the water by the use of oil-absorbent materials. Oil-absorbent materials may also be used to remove oil which has accumulated on shoreline soils, rocks, and vegetation. Oil-contaminated shoreline materials may require removal to a suitable treatment site for cleanup, and may be cleaned as described in the Spills onto Soil section above.

RESPONSE PLAN
EMERGENCY CONTACTS

Name of Facility: Gas Compressor Site La Plata CDP #7 (formerly CDP #4)

Operator: Chevron USA

Company, Emergency and Regulatory Contacts

Chevron USA Supervisor

Nigel Black – Operations Supervisor	Office:	(505) 333-1901
332 Road 3100	Mobile:	(505) 947-8273
Aztec, NM 87140	Home:	(505) 947-8273

Fire Departments (Hazardous Materials Response Teams)

Farmington, New Mexico	911 or (505) 327-7701
La Plata, New Mexico	(505) 326-3505

New Mexico Oil Conservation Division

District III Office Aztec, New Mexico 87410	(505) 334-6170

Local Emergency Planning Committee

San Juan County Don Cooper Aztec, New Mexico 87410	(505) 334-6107

State Department of Homeland Security & Emergency Management

13 Bataan Blvd. Santa Fe, New Mexico 87504	(505) 476-9600

EPA National Response Center	(800) 424-8802

RESPONSE PLAN
CLEANUP CONTRACTORS

Water Haulers

Overnight Trucking.
414 E. Murray Dr.
Farmington, NM 87401
(505) 324-0332

Dirt Contractors

Helmur Corp.
Durango, CO
(970) 247-4036

Roustabouts

L & L Oilfield Service
Farmington, NM
(505) 325-9381

Suppliers and Environmental Consultants

Envirotech
Farmington, NM
Kyle Kerr
Cell: (505) 947-8419
Office: (505) 632-0615

Appendix E

MATERIAL SAFETY DATA SHEET

C26641
01 00

Section 1 -- PRODUCT AND COMPANY IDENTIFICATION

PRODUCT NUMBER

C26641

HMIS CODES

Health	1
Flammability	4
Reactivity	0

PRODUCT NAME
LUBRICATING OIL

MANUFACTURER'S NAME
THE SHERWIN-WILLIAMS COMPANY
101 Prospect Avenue N.W.
Cleveland, OH 44115

EMERGENCY TELEPHONE NO.
(216) 566-2917

DATE OF PREPARATION
22-APR-05

INFORMATION TELEPHONE NO.
(216) 566-2902

Section 2 -- COMPOSITION/INFORMATION ON INGREDIENTS

% by WT	CAS No.	INGREDIENT			UNITS	VAPOR PRESSURE
6	74-98-6	Propane				
			ACGIH TLV	2500	ppm	760 mm
			OSHA PEL	1000	ppm	
14	106-97-8	Butane				
			ACGIH TLV	800	ppm	760 mm
			OSHA PEL	800	ppm	
60	8042-47-5	Paraffinic Mineral Oil				
			ACGIH TLV	5	mg/m3 as Mist	
			OSHA PEL	5	mg/m3 as Mist	

Section 3 -- HAZARDS IDENTIFICATION

ROUTES OF EXPOSURE
INHALATION of vapor or spray mist.
EYE or SKIN contact with the product, vapor or spray mist.

EFFECTS OF OVEREXPOSURE
EYES: Irritation.
SKIN: Prolonged or repeated exposure may cause irritation.
INHALATION: Irritation of the upper respiratory system.
May cause nervous system depression. Extreme overexposure may result in unconsciousness and possibly death.

SIGNS AND SYMPTOMS OF OVEREXPOSURE
Headache, dizziness, nausea, and loss of coordination are indications of excessive exposure to vapors or spray mists.
Redness and itching or burning sensation may indicate eye or excessive skin exposure.

MEDICAL CONDITIONS AGGRAVATED BY EXPOSURE
None generally recognized.

CANCER INFORMATION
For complete discussion of toxicology data refer to Section 11.

Continued on page 2

Section 4 -- FIRST AID MEASURES

EYES: Flush eyes with large amounts of water for 15 minutes. Get medical attention.
SKIN: Wash affected area thoroughly with soap and water. Remove contaminated clothing and launder before re-use.
INHALATION: If affected, remove from exposure. Restore breathing. Keep warm and quiet.
INGESTION: Do not induce vomiting. Get medical attention immediately.

Section 5 -- FIRE FIGHTING MEASURES

FLASH POINT	LEL	UEL
Propellant < 0 F	1.9	9.5

EXTINGUISHING MEDIA

Carbon Dioxide, Dry Chemical, Foam

UNUSUAL FIRE AND EXPLOSION HAZARDS

Containers may explode when exposed to extreme heat.

Application to hot surfaces requires special precautions.

During emergency conditions overexposure to decomposition products may cause a health hazard. Symptoms may not be immediately apparent. Obtain medical attention.

SPECIAL FIRE FIGHTING PROCEDURES

Full protective equipment including self-contained breathing apparatus should be used.

Water spray may be ineffective. If water is used, fog nozzles are preferable. Water may be used to cool closed containers to prevent pressure build-up and possible autoignition or explosion when exposed to extreme heat.

Section 6 -- ACCIDENTAL RELEASE MEASURES

STEPS TO BE TAKEN IN CASE MATERIAL IS RELEASED OR SPILLED

Remove all sources of ignition. Ventilate the area.

Remove with inert absorbent.

Section 7 -- HANDLING AND STORAGE

STORAGE CATEGORY

Not Available

PRECAUTIONS TO BE TAKEN IN HANDLING AND STORAGE

Keep away from heat, sparks, and open flame. Vapors will accumulate readily and may ignite explosively.

During use and until all vapors are gone: Keep area ventilated - Do not smoke - Extinguish all flames, pilot lights, and heaters - Turn off stoves, electric tools and appliances, and any other sources of ignition.

Consult NFPA Code. Use approved Bonding and Grounding procedures.

Contents under pressure. Do not puncture, incinerate, or expose to temperature above 120F. Heat from sunlight, radiators, stoves, hot water, and other heat sources could cause container to burst. Do not take internally. Keep out of the reach of children.

Continued on page 3

Section 8 -- EXPOSURE CONTROLS/PERSONAL PROTECTION

PRECAUTIONS TO BE TAKEN IN USE

Use only with adequate ventilation.
Avoid contact with skin and eyes. Avoid breathing vapor and spray mist.
Wash hands after using.

VENTILATION

Local exhaust preferable. General exhaust acceptable if the exposure to materials in Section 2 is maintained below applicable exposure limits. Refer to OSHA Standards 1910.94, 1910.107, 1910.108.

RESPIRATORY PROTECTION

If personal exposure cannot be controlled below applicable limits by ventilation, wear a properly fitted organic vapor/particulate respirator approved by NIOSH/MSHA for protection against materials in Section 2.

PROTECTIVE GLOVES

None required for normal application of aerosol products where minimal skin contact is expected. For long or repeated contact, wear chemical resistant gloves.

EYE PROTECTION

Wear safety spectacles with unperforated sideshields.

OTHER PRECAUTIONS

Intentional misuse by deliberately concentrating and inhaling the contents can be harmful or fatal.

Section 9 -- PHYSICAL AND CHEMICAL PROPERTIES

PRODUCT WEIGHT	6.50 lb/gal	778 g/l
SPECIFIC GRAVITY	0.78	
BOILING POINT	<0 - 34 F	<-18 - 1 C
MELTING POINT	Not Available	
VOLATILE VOLUME	27 %	
EVAPORATION RATE	Faster than ether	
VAPOR DENSITY	Heavier than air	
SOLUBILITY IN WATER	N.A.	

VOLATILE ORGANIC COMPOUNDS (VOC Theoretical)
Volatile Weight 20.00 % Less Water and Federally Exempt Solvents

Section 10 -- STABILITY AND REACTIVITY

STABILITY -- Stable

CONDITIONS TO AVOID

None known.

INCOMPATIBILITY

None known.

HAZARDOUS DECOMPOSITION PRODUCTS

By fire: Carbon Dioxide, Carbon Monoxide

HAZARDOUS POLYMERIZATION

Will not occur

Continued on page 4

Section 11 -- TOXICOLOGICAL INFORMATION

CHRONIC HEALTH HAZARDS

No ingredient in this product is an IARC, NTP or OSHA listed carcinogen.

Reports have associated repeated and prolonged overexposure to solvents with permanent brain and nervous system damage.

TOXICOLOGY DATA

CAS No.	Ingredient Name				
74-98-6	Propane				
		LC50	RAT	4HR	Not Available
		LD50	RAT		Not Available
106-97-8	Butane				
		LC50	RAT	4HR	Not Available
		LD50	RAT		Not Available
8042-47-5	Paraffinic Mineral Oil				
		LC50	RAT	4HR	Not Available
		LD50	RAT		Not Available

Section 12 -- ECOLOGICAL INFORMATION

ECOTOXICOLOGICAL INFORMATION

No data available.

Section 13 -- DISPOSAL CONSIDERATIONS

WASTE DISPOSAL METHOD

Waste from this product may be hazardous as defined under the Resource Conservation and Recovery Act (RCRA) 40 CFR 261.

Waste must be tested for ignitability to determine the applicable EPA hazardous waste numbers.

Do not incinerate. Depressurize container. Dispose of in accordance with Federal, State/Provincial, and Local regulations regarding pollution.

Section 14 -- TRANSPORT INFORMATION

No data available.

Section 15 -- REGULATORY INFORMATION

SARA 313 (40 CFR 372.65C) SUPPLIER NOTIFICATION

CAS No.	CHEMICAL/COMPOUND	% by WT	% Element

No ingredients in this product are subject to SARA 313 (40 CFR 372.65C) Supplier Notification.

CALIFORNIA PROPOSITION 65

WARNING: This product contains chemicals known to the State of California to cause cancer and birth defects or other reproductive harm.

Continued on page 5

TSCA CERTIFICATION

All chemicals in this product are listed, or are exempt from listing, on the TSCA Inventory.

Section 16 -- OTHER INFORMATION

This product has been classified in accordance with the hazard criteria of the Canadian Controlled Products Regulations (CPR) and the MSDS contains all of the information required by the CPR.

The above information pertains to this product as currently formulated, and is based on the information available at this time. Addition of reducers or other additives to this product may substantially alter the composition and hazards of the product. Since conditions of use are outside our control, we make no warranties, express or implied, and assume no liability in connection with any use of this information.

MATERIAL SAFETY DATA SHEET

FILE NUMBER:

NAME OF PRODUCT SuperAll™ #38 MSDS DATE: December 1, 2006

SECTION 1: PRODUCT AND COMPANY IDENTIFICATION

PRODUCT NAME	SuperAll™ #38
SYNONYMS:	SuperAll™ #38
MANUFACTURER:	SuperAll NPG
ADDRESS:	22215 Tuwa Road, Tomball, TX 77375
EMERGENCY PHONE:	281-351-4800
FAX PHONE:	281-351-4855
CHEMICAL NAME:	Not Applicable to Mixtures
CHEMICAL FAMILY:	Cleaning Compound
CHEMICAL FORMULA:	Proprietary
PRODUCT USE:	General Purpose Cleaner/Degreaser, Bioremediation Enhancement Agent, Surface Washing Agent

SECTION 2: COMPOSITION/INFORMATION ON INGREDIENTS

INGREDIENT:

Chemical Name	CAS No.	% Wt	SARA 313 report	OSHA PEL TWA	ACGIH TLV TWA
Disodium Salt	6834-92-0	<3%	No	Not Established	Not Established
Pinakon	107-41-5	<2%	No	25 PPM	25 PPM

SECTION 3: HAZARDS IDENTIFICATION

EMERGENCY OVERVIEW: Contact with eyes will result in irritation. Prolonged contact with skin may result in dryness due to removal of skin oil. Excessive breathing of airborne mists may result in irritation of nose, throat or upper respiratory tract.

ROUTES OF ENTRY: Eye and Inhalation

POTENTIAL HEALTH EFFECTS

EYES: Can cause irritation with eyes

SKIN: Prolonged contact may cause irritation

INGESTION: Could be harmful if large amounts are swallowed

INHALATION: Prolonged inhalation may cause respiratory irritation

CHRONIC HEALTH HAZARDS: None Known

MEDICAL CONDITIONS GENERALLY AGGRAVATED BY EXPOSURE: None Known

CARCINOGENICITY: No

OSHA: No ACGIH: No NTP: No IARC: No OTHER: No Known

SECTION 4: FIRST AID MEASURES

EYES: Flush with Water for 15 minutes; call a physician if irritation persists

SKIN: Flush with Water for 15 minutes; call a physician if irritation persists

INGESTION: Drink large volumes of milk or other liquids and call a physician.

INHALATION: Move to fresh air.

SECTION 5: FIRE-FIGHTING MEASURES

Fire: Not considered to be a Fire Hazard

Explosion: Not considered to be an Explosion Hazard

FLASH POINT:
F: No Flash at Boil

METHOD USED: C.C.

EXTINGUISHING MEDIA: Non Flammable; use any means suitable for extinguishing surrounding fire.

SPECIAL FIRE FIGHTING PROCEDURES: None

SECTION 5 NOTES: This material may be used as an extinguishing agent for class A & B Fires

SECTION 6: ACCIDENTAL RELEASE MEASURES

ACCIDENTAL RELEASE MEASURES: Small spill, flush with water. Large spill, may be vacuumed and placed into closed containers for disposal

SECTION 7: HANDLING AND STORAGE

HANDLING AND STORAGE: Hygienic practices in handling and storage. Store in closed containers away from strong acids. Wear eye protection when handling this product. Avoid overheating and freezing

SECTION 8: EXPOSURE CONTROLS/PERSONAL PROTECTION

VENTILATION: General Room Ventilation

RESPIRATORY PROTECTION: None needed under normal use

EYE PROTECTION: Safety goggles or face shield

SKIN PROTECTION: For prolonged use to prevent skin drying

OTHER PROTECTIVE CLOTHING OR EQUIPMENT: Eye bath & Safety Shower available

EXPOSURE GUIDELINES:

OSHA HAZARDOUS COMPONENTS (29 CFR 1910.1200)

	OSHA PEL TWA		ACGIH TLV TWA		SUPPLIER OEL	
	ppm	mg/m3	ppm	mg/m3	ppm	mg/m3
Pinakon.....TWA	25		25			
Disodium Salt..... TWA	N/E		N/E			

OSHA Table Comments:
N/E= Not Established

SECTION 9: PHYSICAL AND CHEMICAL PROPERTIES

APPEARANCE: Rose Color

ODOR: Little or no odor

PHYSICAL STATE: Liquid

pH AS SUPPLIED:
pH (Other): ≤ 12.4

BOILING POINT:
°F: 212
°C: 100

FREEZING POINT:
°F: 32
°C: 0

SPECIFIC GRAVITY (H2O = 1): 1.056
EVAPORATION RATE: 1 %

SOLUBILITY IN WATER: Complete

PERCENT SOLIDS BY WEIGHT: 10

PERCENT VOLATILE:
BY WT/ 90%

SECTION 10: STABILITY AND REACTIVITY

STABILITY: Stable

INCOMPATIBILITY (MATERIAL TO AVOID): Strong Acids

HAZARDOUS DECOMPOSITION OR BY-PRODUCTS: None

HAZARDOUS POLYMERIZATION: Will not occur

SECTION 11: TOXICOLOGICAL INFORMATION

TOXICOLOGICAL INFORMATION: Product is considered to be Non Toxic and contains no known carcinogens.

SECTION 12: ECOLOGICAL INFORMATION

ECOLOGICAL INFORMATION: This product has no known negative environmental impact.

Notes: This product is used for Bioremediation Enhancement of Hydrocarbon Contamination

SECTION 13: DISPOSAL CONSIDERATIONS

WASTE DISPOSAL METHOD: Waste must be disposed of in accordance with State, Local & Federal regulations

SECTION 14: TRANSPORT INFORMATION

U.S. DEPARTMENT OF TRANSPORTATION
PROPER SHIPPING NAME: SuperAll™ #38
HAZARD CLASS: 55

WATER TRANSPORTATION
PROPER SHIPPING NAME: SuperAll™ #38
HAZARD CLASS:55

AIR TRANSPORTATION
PROPER SHIPPING NAME: SuperAll™ #38
HAZARD CLASS: 55

SECTION 15: REGULATORY INFORMATION

15. REGULATORY INFORMATION

UNITED STATES

	Pinakon	Disodium Salt
SARA TITLE III (SUPERFUND AMENDMENTS AND REAUTHORIZATION ACT) **313 REPORTABLE INGREDIENTS:**	Not Listed	Not Listed
CERCLA (COMPREHENSIVE RESPONSE, COMPENSATION, AND LIABILITY ACT) **CERCLA REGULATORY:**	Not Listed	Not Listed
TSCA (TOXIC SUBSTANCE CONTROL ACT) **TSCA REGULATORY:**	Not subject to export Notification	Not subject to export Notification
TSCA STATUS:	Listed/TSCA Inventory	Listed/TSCA Inventory

SECTION 16: OTHER INFORMATION

Revision 1

DISCLAIMER: **SuperAll NPG** provides the information contained herein in good faith but makes no representation as to its comprehensiveness or accuracy. This document is intended only as a guide to the appropriate precautionary handling of the material by a properly trained person using this product. Individuals receiving the information must exercise their independent judgment in determining its appropriateness for a particular purpose. **SuperAll NPG** MAKES NO REPRESENTATIONS OR WARRANTIES, EITHER EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION ANY WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE WITH RESPECT TO THE INFORMATION SET FORTH HEREIN OR THE PRODUCT TO WHICH THE INFORMATION REFERS. ACCORDINGLY, **SuperAll NPG** WILL NOT BE RESPONSIBLE FOR DAMAGES RESULTING FROM USE OF OR RELIANCE UPON THIS INFORMATION.

MSDS Number: T5382 * * * * * *Effective Date: 11/09/06* * * * * *Supercedes: 02/12/04*

MSDS Material Safety Data Sheet

From: Mallinckrodt Baker, Inc.
222 Red School Lane
Phillipsburg, NJ 08865

Mallinckrodt CHEMICALS J.T.Baker

24 Hour Emergency Telephone: 908-859-2151
CHEMTREC: 1-800-424-9300

National Response in Canada
CANUTEC: 613-996-6666

Outside U.S. and Canada
Chemtrec: 703-527-3887

NOTE: CHEMTREC, CANUTEC and National Response Center emergency numbers to be used only in the event of chemical emergencies involving a spill, leak, fire, exposure or accident involving chemicals.

All non-emergency questions should be directed to Customer Service (1-800-582-2537) for assistance.

TRIETHYLENE GLYCOL

1. Product Identification

Synonyms: Ethanol, 2,2'-[1,2-ethanediylbis(oxy)]bis-; triglycol; ethylene glycol dihydroxy-diethyl ether
CAS No.: 112-27-6
Molecular Weight: 150.20
Chemical Formula: C6H14O4
Product Codes:
J.T. Baker: W660
Mallinckrodt: 2735

2. Composition/Information on Ingredients

Ingredient	CAS No	Percent	Hazardous
Triethylene Glycol	112-27-6	90 - 100%	Yes

3. Hazards Identification

Emergency Overview

WARNING! CAUSES EYE IRRITATION. MAY CAUSE SKIN IRRITATION.

SAF-T-DATA(tm) Ratings (Provided here for your convenience)

Health Rating: 0 - None
Flammability Rating: 1 - Slight
Reactivity Rating: 0 - None
Contact Rating: 2 - Moderate
Lab Protective Equip: GOGGLES; LAB COAT; PROPER GLOVES
Storage Color Code: Green (General Storage)

Potential Health Effects

Inhalation:
No adverse health effects expected from inhalation.
Ingestion:
No adverse effects expected.
Skin Contact:
Prolonged exposure may cause skin irritation.
Eye Contact:
Splashing in eye causes irritation with transitory disturbances of corneal epithelium. However, these effects diminish and no permanent injury is expected. Vapors are non-irritating.
Chronic Exposure:
Possible skin irritation.
Aggravation of Pre-existing Conditions:
No information found.

4. First Aid Measures

Inhalation:
Remove to fresh air. Not expected to require first aid measures.
Ingestion:
If large amounts were swallowed, give water to drink and get medical advice.
Skin Contact:
In case of contact, immediately flush skin with plenty of water for at least 15 minutes. Remove contaminated clothing and shoes. Wash clothing before reuse. Call a physician if irritation develops..
Eye Contact:
If splash occurs, immediately flush eyes with plenty of water for at least 15 minutes, lifting upper and lower eyelids occasionally. Call a physician.

5. Fire Fighting Measures

Fire:
Flash point: 177C (351F) CC

Autoignition temperature: 371C (700F)
Flammable limits in air % by volume:
lel: 0.9; uel: 9.2
Slight fire hazard when exposed to heat or flame.
Explosion:
Above the flash point, explosive vapor-air mixtures may be formed.
Fire Extinguishing Media:
Water spray, dry chemical, alcohol foam, or carbon dioxide. Water or foam may cause frothing.
Special Information:
In the event of a fire, wear full protective clothing and NIOSH-approved self-contained breathing apparatus with full facepiece operated in the pressure demand or other positive pressure mode.

6. Accidental Release Measures

Ventilate area of leak or spill. Wear appropriate personal protective equipment as specified in Section 8. Isolate hazard area. Keep unnecessary and unprotected personnel from entering. Contain and recover liquid when possible. Collect liquid in an appropriate container or absorb with an inert material (e. g., vermiculite, dry sand, earth), and place in a chemical waste container. Do not use combustible materials, such as saw dust. Do not flush to sewer!

7. Handling and Storage

Keep in a tightly closed container, stored in a cool, dry, ventilated area. Protect against physical damage. Isolate from heat, ignition sources and oxidizing agents. Protect from freezing. Containers of this material may be hazardous when empty since they retain product residues (vapors, liquid); observe all warnings and precautions listed for the product.

8. Exposure Controls/Personal Protection

Airborne Exposure Limits:
None established.
Ventilation System:
Not expected to require any special ventilation.
Personal Respirators (NIOSH Approved):
Not expected to require personal respirator usage.
Skin Protection:
Wear protective gloves and clean body-covering clothing.
Eye Protection:
Use chemical safety goggles. Maintain eye wash fountain and quick-drench facilities in work area.

9. Physical and Chemical Properties

Appearance:
Clear, colorless liquid.
Odor:
Odorless.
Solubility:
Miscible in water.
Specific Gravity:
1.1274 @ 15C/4C
pH:
No information found.
% Volatiles by volume @ 21C (70F):
100
Boiling Point:
285C (545F)
Melting Point:
-5C (23F)
Vapor Density (Air=1):
5.17
Vapor Pressure (mm Hg):
< 0.01 @ 20C (68F)
Evaporation Rate (BuAc=1):
0.01

10. Stability and Reactivity

Stability:
Stable under ordinary conditions of use and storage. Hygroscopic.
Hazardous Decomposition Products:
Carbon dioxide and carbon monoxide may form when heated to decomposition.
Hazardous Polymerization:
Will not occur.
Incompatibilities:
Strong oxidizers.
Conditions to Avoid:
Heat, flames, ignition sources and incompatibles.

11. Toxicological Information

Oral rat LD50: 17 gm/kg; investigated as a reproductive effector.

--------\Cancer Lists\----------

Ingredient	---NTP Carcinogen--- Known	Anticipated	IARC Category

Triethylene Glycol (112-27-6)	No	No	None

12. Ecological Information

Environmental Fate:
When released into the soil, this material is expected to readily biodegrade. When released into the soil, this material is expected to leach into groundwater. When released into the soil, this material is not expected to evaporate significantly. When released into water, this material is expected to readily biodegrade. When released into water, this material is not expected to evaporate significantly. This material has a log octanol-water partition coefficient of less than 3.0. This material is not expected to significantly bioaccumulate. When released into the air, this material is expected to be readily degraded by reaction with photochemically produced hydroxyl radicals. When released into the air, this material is expected to have a half-life of less than 1 day.
Environmental Toxicity:
This material is expected to be slightly toxic to aquatic life. The LC50/96-hour values for fish are between 10 and 100 mg/l.

13. Disposal Considerations

Whatever cannot be saved for recovery or recycling should be managed in an appropriate and approved waste disposal facility. Processing, use or contamination of this product may change the waste management options. State and local disposal regulations may differ from federal disposal regulations. Dispose of container and unused contents in accordance with federal, state and local requirements.

14. Transport Information

Not regulated.

15. Regulatory Information

\Chemical Inventory Status - Part 1\

Ingredient	TSCA	EC	Japan	Australia
Triethylene Glycol (112-27-6)	Yes	Yes	Yes	Yes

\Chemical Inventory Status - Part 2\

Ingredient	Korea	Canada DSL	Canada NDSL	Phil.
Triethylene Glycol (112-27-6)	Yes	Yes	No	Yes

\Federal, State & International Regulations - Part 1\

Ingredient	-SARA 302- RQ	TPQ	------SARA 313------ List	Chemical Catg.
Triethylene Glycol (112-27-6)	No	No	No	No

--------\Federal, State & International Regulations - Part 2\----------

Ingredient	CERCLA	-RCRA- 261.33	-TSCA- 8(d)
Triethylene Glycol (112-27-6)	No	No	No

Chemical Weapons Convention: No TSCA 12(b): No CDTA: No
SARA 311/312: Acute: Yes Chronic: No Fire: No Pressure: No
Reactivity: No (Pure / Liquid)

Australian Hazchem Code: None allocated.
Poison Schedule: None allocated.
WHMIS:
This MSDS has been prepared according to the hazard criteria of the Controlled Products Regulations (CPR) and the MSDS contains all of the information required by the CPR.

16. Other Information

NFPA Ratings: Health: 1 Flammability: 1 Reactivity: 0
Label Hazard Warning:
WARNING! CAUSES EYE IRRITATION. MAY CAUSE SKIN IRRITATION.
Label Precautions:
Avoid contact with eyes, skin and clothing.
Wash thoroughly after handling.
Label First Aid:
In case of contact, immediately flush eyes or skin with plenty of water for at least 15 minutes. Call a physician.
Product Use:
Laboratory Reagent.
Revision Information:
MSDS Section(s) changed since last revision of document include: 3.
Disclaimer:
****

Mallinckrodt Baker, Inc. provides the information contained herein in good faith but makes no representation as to its comprehensiveness or accuracy. This document is intended only as a guide to the appropriate precautionary handling of the material by a properly trained person using this product. Individuals receiving the information must exercise their independent judgment in determining its appropriateness for a particular purpose. MALLINCKRODT BAKER, INC. MAKES NO REPRESENTATIONS OR WARRANTIES, EITHER EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION ANY WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE WITH RESPECT TO THE INFORMATION SET

FORTH HEREIN OR THE PRODUCT TO WHICH THE INFORMATION REFERS. ACCORDINGLY, MALLINCKRODT BAKER, INC. WILL NOT BE RESPONSIBLE FOR DAMAGES RESULTING FROM USE OF OR RELIANCE UPON THIS INFORMATION.

****

Prepared by: Environmental Health & Safety
Phone Number: (314) 654-1600 (U.S.A.)

PURE RESOURCES

March 23, 2005

Dear Mr. Anderson,

I am sending this letter, per our conversation on March 22, 2003, to better inform whomever it may concern about the manner of operations on these particular sights. Though the discharge plans are listed as Pure Resources, the wells are *produced* under HEC Petroleum Inc. and are *operated* by Pure Resources. If there are any further questions or concerns, you may contact our office at (970)259-1374.

Sincerely,

Jeff Pickett
Pure Resources
Rockies Area Superintendent

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor
Joanna Prukop
Cabinet Secretary

Mark E. Fesmire, P.E.
Director
Oil Conservation Division

January 19, 2005

Mr. Jeff Pickett
Pure Resources, Inc.
463 Turner Drive, Suite 101
Durango, Colorado 81303

RE: Discharge Plan Renewal GW-166
Pure Resources, Inc.
CDP #4 Compressor Station
San Juan County, New Mexico

Dear Mr. Pickett:

The ground water discharge plan renewal GW-166 for the Pure Resources, Inc. CDP #4 Compressor Station located in Letter I, NE/4 SE/4 of Section 1, Township 31 North, Range 13 West, NMPM, San Juan County, New Mexico, **is hereby approved** under the conditions contained in the enclosed attachment. The discharge plan consists of the original discharge plan application as approved June 6, 1994 and the renewal application dated September 30, 2004. 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.**

The discharge plan renewal application was submitted pursuant to 20 NMAC 3106 of the New Mexico Water Quality Control Commission (WQCC) Regulations. It is approved pursuant to 20 NMAC 3109.A. Please note 20 NMAC 3109.E and 20 NMAC 3109.F, which provide for possible future amendments or modifications of the plan. Please be advised that approval of this plan does not relieve Pure Resources, 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.

Please note that 20 NMAC 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 20 NMAC 3107.C., Pure Resources, 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 20 NMAC 3109.G.4., this renewal plan is for a period of five years. This renewal will expire on **June 6, 2009**, and Pure Resources, Inc. should submit an application in ample time before this date. Note that under 20 NMAC 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 Pure Resources, Inc. CDP #4 Compressor Station 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 $100. There is a renewal flat fee assessed for compressor station facilities with horsepower rating over 1001 horsepower equal to $1,700.00. 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 District Office

ATTACHMENT TO THE DISCHARGE PLAN RENEWAL GW-166
PURE RESOURCES, INC.
CDP #4 COMPRESSOR STATION
DISCHARGE PLAN APPROVAL CONDITIONS
(January 19, 2005)

1. Payment of Discharge Plan Fees: The $100.00 filing fee has been received by the OCD. There is a required flat fee equal to $1,700.00 for compressor station facilities with horsepower rating over 1001 horsepower. The renewal flat fee required for this facility 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. Pure Resources, Inc. Commitments: Pure Resources, Inc. will abide by all commitments submitted in the discharge plan renewal application dated Septermber 30, 2004 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. Storm Water Permit: BP America Production Company shall maintain storm water runoff controls. As a result of BP America Production Company's operations any water contaminant that exceeds the WQCC standards listed in 20 NMAC 6.2.3101 is discharged in any storm water runoff then BP America Production Company shall notify the OCD within 24 hours, modify the permit within 15 days and submit for OCD approval. BP America Production Company shall also take immediate corrective actions pursuant to Item 12 of these conditions.

16. Closure: The OCD will be notified when operations of the CDP #4 Compressor Station are discontinued for a period in excess of six months. Prior to closure of the CDP #4 Compressor Station 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.

17. Certification: Pure Resources, Inc., by the officer whose signature appears below, accepts this permit and agrees to comply with all terms and conditions contained herein. Pure Resources, 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:

PURE RESOURCES, INC.

by _____

AREA SUPERINTENDENT

Title

ATTACHMENT TO THE DISCHARGE PLAN RENEWAL GW-166
HALLWOOD ENERGY COMPANY
CDP #4 COMPRESSOR STATION
DISCHARGE PLAN APPROVAL CONDITIONS
(April 27, 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 compressor station facilities with horsepower rating between 1001 and 3000 horsepower. The renewal flat fee required for this facility is $345.00 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. Hallwood Energy Company Commitments: Hallwood Energy Company will abide by all commitments submitted in the discharge plan renewal application dated March 3, 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 CDP #4 Compressor Station are discontinued for a period in excess of six months. Prior to closure of the CDP #4 Compressor Station 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: Hallwood Energy Company, by the officer whose signature appears below, accepts this permit and agrees to comply with all terms and conditions contained herein. Hallwood Energy Company 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:

HALLWOOD ~~ENERGY COMPANY~~ PETROLEUM, INC

by Billy J. Dieter VICE PRESIDENT
Title

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

June 6, 1994

CERTIFIED MAIL
RETURN RECEIPT NO. P-176-012-223

Mr. Jim Bonaventura
Hallwood Energy Companies
463 Turner Dr., Suite 101
Durango, Colorado 81301

Re: Discharge Plan (GW-166)
CDP #4 Compressor Station
San Juan County, New Mexico

Dear Mr. Delaney:

The groundwater discharge plan GW-166 for the Hallwood Energy Companies CDP #4 Compressor Station located in the NE/4 SE/4 Section 1, Township 31, North, Range 13 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 April 19, 1994 and supplemental information dated May 19, 1994.

The discharge plan was submitted pursuant to section 3-106 of the Water Quality Control Commission Regulations. It is approved pursuant to section 3-109.A.. Please note Section 3-109.F., which provides for possible future amendment of the plan. Please be advised that 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.

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

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 approval is for a period of five years. This approval will expire June 6, 1999 and you should submit an application for renewal in ample time before that date.

The discharge plan application for the Hallwood Energy Companies CDP #4 Compressor Station 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). There is no flat rate fee for compressor facilities of less than 1000 horsepower.

The OCD has received your $50 filing fee.

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/cee
Attachment

xc: OCD Aztec Office

ATTACHMENT TO THE DISCHARGE PLAN GW-166 APPROVAL
HALLWOOD ENERGY COMPANIES
CDP #4 COMPRESSOR STATION
DISCHARGE PLAN REQUIREMENTS
(June 6, 1994)

1. Drum Storage: All drums will be stored on pad and curb type containment.

2. Sump Inspection: Any new sumps or below-grade tanks will incorporate leak detection in their designs.

3. Berms: All tanks that contain materials other than freshwater will be bermed to contain one and one-third (1-1/3) the capacity of the largest tank within the berm or one and one-third (1-1/3) the total capacity of all interconnected tanks.

4. Pressure testing: All discharge plan facilities are required to pressure test all underground piping at the time of discharge plan renewal. All new underground piping shall be designed and installed to allow for isolation and pressure testing at 3 psi above normal operating pressure.

5. Spills: All spills and/or leaks will be reported to the OCD district office pursuant to WQCC Rule 1-203 and OCD Rule 116.

6. OCD Inspection: Additional requirements may be placed on the facility based upon results from OCD inspections.