GW - 186

# PERMITS, RENEWALS, & MODS Application

#### Lowe, Leonard, EMNRD

From:

Lowe, Leonard, EMNRD

Sent:

Tuesday, August 31, 2010 4:13 PM

To:

'Seale, Runell'

Cc:

Powell, Brandon, EMNRD; Perrin, Charlie, EMNRD

Subject:

Administratively Complete; GW-186 Kutz CS

Attachments:

GW-186, AC Letter 2010.pdf; GW-186 OCD PN.pdf; GW-186 Draft Permit Cover.pdf;

GW-186, CS Permit.pdf

The OCD has determined your submitted application for the Kutz # 2 Compressor Station (GW-186) to be Administratively Complete. See attachments.

The submitted applicant public notice was approved for publication. Please publish in the local paper and submit the proof of publication to the Santa Fe OCD office.

Technical review of the submitted application will commence. Additional questions may be submitted.

Thank you,

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/



#### Bill Richardson

Governor

Jim Noel Cabinet Secretary Karen W. Garcia Deputy Cabinet Secretary Mark Fesmire
Division Director
Oil Conservation Division



August 31, 2010

Dear: Ms. Runnell Seale

Re: Discharge Plan Permit GW-186

**Enterprise Products** 

Kutz # 2 Compressor Station San Juan County, New Mexico

The New Mexico Oil Conservation Division (NMOCD) has received Enterprise Products Operating, LLC, request and initial fee, dated May 14, 2010 for a renewal discharge permit, GW-186 for their Kutz # 2 Compressor Station located in the SE/4 SW/4 of Section 15, Township 29 North, Range 12 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 <a href="leonard.lowe@state.nm.us">leonard.lowe@state.nm.us</a>. 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

#### 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-186) Runnell Seale, Enterprise Products Operating LLC, 188 County Road 4900, Bloomfield, N.M. 87413, has submitted a renewal discharge plan application for their Kutz #2 Compressor Station located in the SE/4 SW/4 of Section 15, Township 29 North, Range 12 West, NMPM, San Juan County. The facility is a natural gas compressor station with 2 caterpillar G361 LE Engines (6200 HP) for the local gathering system. Approximately 150 bbls of waste water, 410 gallons of used oil and 500 gallons of methanol 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 30 - 75 feet, with a total dissolved solids concentration of approximately 774 - 3270 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 <a href="http://www.emnrd.state.nm.us/ocd/">http://www.emnrd.state.nm.us/ocd/</a>. 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 31<sup>st</sup> day of August 2010.

S E A L

Mark Fesmire, Director



#### **Bill Richardson**

Governor

Jim Noel Cabinet Secretary Karen W. Garcia Deputy Cabinet Secretary Mark Fesmire
Division Director
Oil Conservation Division



August 31, 2010

Mr. Mathew E. Marra P.O. Box 2524 Houston, TX 77252-2524

Re: DRAFT Discharge Permit Renewal (GW-186), Kutz # 2 Compressor Station. SE/4 SW/4 of Section 15, Township 29 North, Range 12 West, NMPM

San Juan County, New Mexico

Dear Ms. Slade:

Pursuant to Water Quality Control Commission (WQCC) Regulations 20.6.2.3104 - 20.6.2.3114 NMAC, the Oil Conservation Division (OCD) hereby approves the discharge permit for the Southern Union Gas Services LTD, (owner/operator) for the above referenced site contingent upon the conditions specified in the enclosed Attachment to the Discharge Permit. Enclosed are two copies of the conditions of approval. Please sign and return one copy to the New Mexico Oil Conservation Division (OCD) Santa Fe Office within 45 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



#### **DISCHARGE PERMIT GW-186**

#### 1. GENERAL PROVISIONS

A. PERMITTEE AND PERMITTED FACILITY: The Oil Conservation Division (OCD) of the Energy, Minerals and Natural Resources Department issues discharge permit GW-186 (Discharge Permit) to Enterprise Products Operating LTD (Owner/Operator), located, to operate the Kutz # 2 Compressor Station located in the SE/4 SW/4 of Section 15, Township 29 North, Range 12 West, NMPM, San Juan County (Facility).

The facility is a natural gas compressor station with two Caterpillar engines used for natural gas compression for the local gathering system. Approximately 210 bbls of condensate, 100 bbls of methanol, and 23 bbls/month of produced water 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 30 - 75 feet, with a total dissolved solids concentration of approximately 774 – 3270 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.

B. SCOPE OF PERMIT: The Division regulates the disposition of nondomestic wastes resulting from the oil field service industry, the transportation of crude oil or natural gas, the treatment of natural gas or the refinement of crude oil to protect public health and the environment pursuant to authority granted in the Oil and Gas Act (Chapter 70, Article 2 NMSA 1978) at Section 70-2-12(B)(22) NMSA 1978. Transportation and treatment of natural gas occurs at compressor stations. The Division has been granted authority to administer the Water Quality Act (Chapter 74, Article 6 NMSA 1978) as it applies to gas compressor stations by statute, Section 70-2-12(B)(22) NMSA 1978, and by delegation from the Water Quality Control Commission pursuant to Section 74-6-4(E) NMSA 1978.

In 2006, the New Mexico Court of Appeals held that the plain language of Section 74-6-5(D) NMSA 1978 allows an agency to grant a permit "subject to conditions." (see Phelps Dodge Tyrone, Inc. v. New Mexico Water Quality Control Commission, et al., 2006 –NMCA-115, 140 N.M. 464, cert. denied, 2006-NMCERT-9, 140 N.M. 542, cert. denied, 2006 – NMCERT-9). The court's decision clearly confirms that the Division has the authority to impose reasonable permit conditions and to impose permit conditions that specify the means of compliance. In setting those conditions the Division is not required to mirror federal law and may impose stricter requirements. The Division need only show that each condition is reasonable and necessary to ensure compliance with the Water Quality Act, the Oil and Gas Act, and applicable regulations.

The Water Quality Act and the rules issued under that Act protect ground water and surface water of the State of New Mexico by providing that, unless otherwise allowed by rule, no person shall cause or allow effluent or leachate to discharge so that it may move directly or indirectly into ground water unless such discharge is pursuant to an approved discharge plan. See 20.6.2.3104 NMAC and 20.6.2.3106 NMAC. A facility having no intentional liquid discharges

is required to operate under a discharge plan because inadvertent discharges of liquids (e.g., leaks and spills, or any type of accidental discharge of contaminants) or improper disposal of waste solids have the potential to cause ground water contamination or threaten public health and the environment.

The Owner/Operator did not identify any intentional discharges that will occur at its Facility; therefore, this Discharge Permit does not authorize any intentional discharge. This Discharge Permit addresses the protection of public health and the environment, and the prevention of water pollution, by preventing and mitigating unintentional discharges.

Except as specifically provided by a permit condition, this Discharge Permit does not authorize any other treatment of, or on-site disposal of, any materials, product, by-product, or oil field waste, including, but not limited to the on-site disposal of lube oil, glycol, antifreeze, filters, elemental sulfur, washdown water, contaminated soil, and cooling tower blowdown water.

This Discharge Permit does not convey any property rights of any sort nor any exclusive privilege, and does not authorize any injury to persons or property, any invasion of other private rights, or any infringement of state, federal or local laws, rules or regulations.

C. DISCHARGE PERMIT CONDITIONS: By signing this Discharge Permit, the Owner/Operator agrees to the specific provisions set out in this document, and the commitments made in the approved Discharge Plan Application and the attachments to that application, which are incorporated into the Discharge Permit by reference.

If this Discharge Permit is a permit renewal, it replaces the permit being renewed. Replacement of a prior permit does not relieve the Owner/Operator of its responsibility to comply with the terms of that prior permit while that permit was in effect.

- D. DEFINITIONS: Terms not specifically defined in this Discharge Permit shall have the same meanings as those in the Water Quality Act, the Oil and Gas Act, or the rules adopted pursuant to those Acts, as the context requires.
- E. GENERAL PERFORMANCE STANDARDS: The Owner/Operator shall operate in accordance with the Discharge Permit conditions to comply with the Water Quality Act, the Oil and Gas Act, and the rules issued pursuant to those Acts, so that neither a hazard to public health nor undue risk to property will result (see 20.6.2.3109C NMAC); so that no discharge will cause or may cause any stream standard to be violated (see 20.6.2.3109H(2) NMAC); so that no discharge of any water contaminant will result in a hazard to public health, (see 20.6.2.3109H(3) NMAC); so that the numerical standards specified of 20.6.2.3103 NMAC are not exceeded; to protect public health and the environment (see Section 70-2-12(B)(22) NMSA 1978); and to prevent the waste of oil and gas, prevent the contamination of fresh waters, and so that oil and gas are not used wastefully, nor allowed to leak or escape from a natural reservoir or from wells, tanks, containers, pipe or other storage conduit or operating equipment. See 19.15.2.8 NMAC. The Owner/Operator shall not allow or cause water pollution, discharge or release of any water contaminant that exceeds the WQCC standards specified at

20.6.2.3101NMAC and 20.6.2.3103 NMAC or 20.6.4 NMAC (Water Quality Standards for Interstate and Intrastate Streams).

- F. FILING FEES AND PERMIT FEES: Pursuant to 20.6.2.3114 NMAC, every facility that submits a discharge permit application for initial approval or renewal shall pay the permit fees specified in Table 1 and the filing fee specified in Table 2 of 20.6.2.3114 NMAC. The Division has already received the required \$100.00 filing fee for this application. The flat fee for a gas compressor station of greater than 1001 horsepower is \$1,700.00. The Owner/Operator shall submit this amount along with the signed Discharge Permit. Checks should be payable to the "New Mexico Water Quality Management Fund," not the Oil Conservation Division.
- G. EFFECTIVE DATE, EXPIRATION, RENEWAL CONDITIONS, AND PENALTIES FOR OPERATING WITHOUT A DISCHARGE PERMIT: This Discharge Permit is effective when the Division's Environmental Bureau receives the signed Discharge Permit from the Owner/Operator and the \$1,700.00 fee. This Discharge Permit will expire on May 24, 2015. The Owner/Operator shall submit an application for renewal no later than 120 calendar days before that expiration date, pursuant to 20.6.2.3106F NMAC. If an Owner/Operator submits a renewal application at least 120 calendar days before the Discharge Permit expires and is in compliance with the approved Discharge Permit, then the existing Discharge Permit will not expire until the Division's Environmental Bureau has either approved or disapproved the permit renewal application. Operating with an expired Discharge Permit may subject the Owner/Operator to civil and/or criminal penalties. See Section 74-6-10.1 NMSA 1978 and Section 74-6-10.2 NMSA 1978.
- H. MODIFICATIONS: The Owner/Operator shall notify the Division's Environmental Bureau of any facility expansion, production increase, or process modification that would result in any significant modification in the discharge of water contaminants. See 20.6.2.3107C NMAC. The Division's Environmental Bureau may require the Owner/Operator to submit a permit modification pursuant to 20.6.2.3109E NMAC and may modify or terminate a permit pursuant to Section 74-6-5(M) through (N) NMSA 1978.
- I. TRANSFER OF DISCHARGE PERMIT: Prior to any transfer of ownership, control, or possession (whether by lease, conveyance or otherwise) of the Facility, 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 Division's Environmental Bureau a copy of such written notification, together with a certification or other proof that such notification has been received by the transferee pursuant to 20.6.2.3111 NMAC. Upon receipt of such notification, the transferee shall inquire into all of the provisions and requirements contained in the Discharge Permit, and the transferee shall be charged with notice of all such provisions and requirements as they appear of record in the Division's file or files concerning the Discharge Permit. Upon assuming either ownership or possession of the Facility the transferee shall have the same rights and responsibilities under the Discharge Permit as were applicable to the transferor. See 20.6.2.3111 NMAC.

Transfer of the ownership, control, or possession of the Facility does not relieve the transferor of responsibility or liability for any act or omission which occurred while the transferor owned, controlled or was in possession of the Facility. See 20.6.2.3111E NMAC.

- J. CLOSURE PLAN AND FINANCIAL ASSURANCE: The Owner/Operator shall notify the Division's Environmental Bureau in writing when any operations of its Facility are to be discontinued for a period in excess of six months. Prior to closure, or as a condition of this Discharge Permit, or upon request from the Division, the Owner/Operator shall submit a closure plan, modified closure plan, and/or provide adequate financial assurance. See 20.6.2.3107 NMAC.
- K. COMPLIANCE AND ENFORCEMENT: If the Owner/Operator violates or is violating a condition of this Discharge Permit, the Division's Environmental Bureau may issue a compliance order requiring compliance immediately or within a specified time period, suspending or terminating this Discharge Permit, and/or assessing a civil penalty. See Section 74-6-10 NMSA 1978. The Division's Environmental Bureau may also commence a civil action in district court for appropriate relief, including injunctive relief. See Section 74-6-10(A)(2) NMSA 1978 and Section 74-6-11 NMSA 1978. The Owner/Operator may be subject to criminal penalties for discharging a water contaminant without a discharge permit or in violation of a condition of a discharge permit; making any false material statement, representation, certification or omission of material fact in an application, record, report, plan or other document filed, submitted or required to be maintained under the Water Quality Act; falsifying, tampering with or rendering inaccurate any monitoring device, method or record required to be maintained under the Water Quality Act; or failing to monitor, sample or report as required by a permit issued pursuant to a state or federal law or regulation. See Section 74-6-10.2 NMSA 1978.

#### 2. GENERAL FACILITY OPERATIONS

- A. LABELING: The Owner/Operator shall clearly label all tanks, drums, and containers to identify the contents and provide other emergency notification information.
- B. INSPECTIONS AND MAINTENANCE OF SECONDARY CONTAINMENT SYSTEMS: The Owner/Operator shall inspect all secondary containment systems and sumps designed for spill collection/prevention and leak detection at least weekly to ensure proper operation and to prevent over topping or a system failure. The Owner/Operator shall maintain a written record of the results of its inspection.

The Owner/Operator shall empty all spill collection and/or secondary containment devices of fluids within 72 hours of discovery. The Owner/Operator shall report any leak or failure of a secondary containment system to the Division's Environmental Bureau as a release, in accordance with Permit Condition 2.E. The Owner/Operator shall repair any leak or failure of a secondary containment system as provided in its approved Contingency Plan or as required by the Division.

- C. RECORD KEEPING: The Owner/Operator shall maintain records of all inspections required by this Discharge Permit at its offices located at 614 Reilly Road, Farmington, NM 87401, for a minimum of five years and shall make those records available for inspection by the Division's Environmental Bureau.
- D. TESTING: The Owner/Operator shall provide the Division's Environmental Bureau with notice at least one week prior to conducting any test required under this Discharge Permit, so that the Division may witness the test. The Owner/Operator shall maintain the results of all tests conducted pursuant to this Discharge Permit at its offices located at 614 Reilly Ave., Farmington N.M. 87401 and make those records available for inspection by the Division's Environmental Bureau. The Owner/Operator shall give verbal notice of a test failure to the Division's Environmental Bureau within 24 hours and file a written report of the failure with the Division's Environmental Bureau within 15 days. The Owner/Operator shall complete repairs to correct the failure as provided in its approved Contingency Plan or as required by the Division's Environmental Bureau.
- E. RELEASE REPORTING: The Owner/Operator shall report unauthorized releases of water contaminants, oil, gases, produced water, condensate, or oil field waste including regulated NORM, or other oil field related chemicals, contaminants or mixtures of those chemicals or contaminants, pursuant to 19.15.29 NMAC and in accordance with any additional commitments made in its approved Contingency Plan. For the purposes of this Discharge Permit, "releases" includes fires, breaks, leaks, spills, failures of a primary or secondary containment system, and the movement of storm water from a "contact area" to a "non-contact area." At a minimum, the Owner/Operator shall file a written report of the release with both the Division's Environmental Bureau and the appropriate Division's District Office within 15 days for both "major releases" and "minor releases" as defined in 19.15.29.7 NMAC and give verbal notice to both the Division's Environmental Bureau and the appropriate Division District Office within 24 hours of discovering a "major release."
- F. CORRECTIVE ACTION FOR RELEASES: The Owner/Operator shall take appropriate corrective action as specified in its approved Contingency Plan for all releases of contaminants whether or not the release qualifies as a "major" or "minor" release as defined in 19.15.29.7 NMAC.

The Owner/Operator shall address any contamination through the discharge permit process or pursuant to 20.6.2,4000 NMAC through 20.6.2.4116 NMAC (Prevention and Abatement of Water Pollution). The Division's Environmental Bureau may require the Owner/Operator to modify its Discharge Permit to provide for investigation, remediation, abatement, and monitoring for any vadose zone or water pollution.

G. DETERMINATION OF HYDROGEN SULFIDE CONCENTRATION: The Owner/Operator shall determine the hydrogen sulfide concentration at its Facility within 90 days of the issuance of this Discharge Permit pursuant to 19.15.11.8A NMAC and at least annually thereafter. The Owner/Operator shall submit the results of its determination of the hydrogen sulfide concentration at its Facility to the Division's Environmental Bureau within 30 days of its

determination. If the Owner/Operator determines that the hydrogen sulfide concentration at its Facility exceeds the regulatory threshold specified at 19.15.11.8A NMAC, then it shall comply with 19.15.11.8C NMAC and shall submit a hydrogen sulfide contingency plan to the Division's Environmental Bureau, pursuant to 19.15.11.9 NMAC. The Owner/Operator shall include the results of its determinations with its Annual Report.

The Owner/Operator shall chain each stair or ladder leading to the top of a tank or vessel containing 300 ppm or more of hydrogen sulfide in the gaseous mixture or mark it to restrict entry, pursuant to 19.15.11.12E NMAC.

- **H. ANNUAL REPORT:** The Owner/Operator shall submit its annual report to the Division's Environmental Bureau by March 15<sup>th</sup> of each year. The annual report shall include the following:
  - 1. For each waste stream, the amount of liquid and waste solids generated and stored in the prior calendar year;
  - 2. The amount of and final disposition of each waste stream;
  - A copy of all inspections conducted for secondary containment systems;
  - 4. The nature and amount of any releases, with a description of the disposition of any contaminated soil or liquids;
  - 5. The nature and amount of liquid and waste solids generated and stored in the prior calendar year that were disposed pursuant to the "simplified procedure for holders of discharge plans" specified at 19.15.35.8C(2) and (3) NMAC; and,
  - 6. The results of the Owner/Operator's annual determination of the hydrogen sulfide concentration at its Facility in accordance with Permit Condition 9.C.

#### 3. MATERIAL STORAGE,

- A. DRUM AND CONTAINER STORAGE: The Owner/Operator shall store all drums and other containers, including empty drums and containers, on a curbed, impermeable pad when not in use. "Containers" include tote tanks, sacks, and buckets. The Owner/Operator shall store empty drums on their sides with the bungs in place and lined up on a horizontal plane. The Owner/Operator may store fresh water in containers that are clearly so labeled and that are located outside the drum and container, process, maintenance, material, and waste storage areas without having a curbed, impermeable pad, liner, pavement, or curbing.
- **B.** PROCESS, MAINTENANCE, MATERIAL, AND WASTE STORAGE AREAS: Within one year from the issuance of this Discharge Permit, the Owner/Operator shall install and maintain appropriate secondary containment systems, including, but not limited to, pavement, liners, curbs, sumps, *etc.* at all process, maintenance, material and waste storage areas at its facility that lack secondary containment systems. (See 20.6.2.1203C(2) NMAC).

Process areas at compressor station include, but are not limited to, the following areas:

pigging chambers; slug catchers; natural gas liquid separators/natural gas liquid fractionation; oil and condensate separators; storage of natural gas liquids, oil, and condensate; station yard pipes and valves; scrubbers; heat exchangers/coolers; cooling tower blowdown; dehydrators; sulfur and carbon dioxide removal/gas sweetening; drip traps; compressors; engines; and, valves on main transmission pipelines inside the fenced compressor station.

Process areas do not include the area beneath the main transmission pipeline, except for areas beneath valves.

#### 4. WASTE MANAGEMENT.

- A. WASTE STREAMS: This Discharge Permit authorizes the Owner/Operator to handle the waste streams identified in its approved Discharge Plan Application. The Owner/Operator shall obtain approval from the Division's Environmental Bureau for disposal of any waste stream not identified in its approved Discharge Plan Application.
- B. WASTE STORAGE: The Owner/Operator shall store waste at its Facility only in clearly marked waste storage areas that have been identified in its approved Discharge Plan Application, except that waste generated during emergency response operations may be stored elsewhere for no more than 72 hours. The Division's Environmental Bureau may approve additional waste storage areas on a case-by-case basis. The Owner/Operator shall not store oil field waste (see 19.15.2 NMAC) on-site for more than 180 calendar days from the date that the container is filled without approval from the Division's Environmental Bureau.
- of nondomestic wastes. The Owner/Operator shall dispose of the waste streams identified in its approved Discharge Plan Application at Division-permitted or approved facilities in accordance with the applicable rules for disposal at those facilities. The Owner/Operator is approved for the simplified procedure set out in 19.15.35.8B(4) NMAC for disposal of wastes specified in 19.15.35.8C(2) and (3) NMAC at solid waste facilities without prior written authorization from the Division's Environmental Bureau if that the waste stream has been identified in the approved Discharge Plan Application and existing process knowledge of the waste stream does not change.
- D. CLASS V WELLS: Pursuant to 20.6.2.5002B NMAC, leach fields and other wastewater disposal systems at Division-regulated facilities that inject non-hazardous fluid into or above an underground source of drinking water are UIC Class V injection wells, This Discharge Permit does not authorize the use of a Class V injection well for the disposal of industrial waste at the Facility. Pursuant to 20.6.2.5005 NMAC, the Owner/Operator shall close any Class V industrial waste injection wells at its Facility that inject non-hazardous industrial wastes or a mixture of industrial wastes and domestic wastes (e.g., septic systems, leach fields, dry wells, etc.) within 90 calendar days of the issuance of this Discharge Permit. The Owner/Operator shall document the closure of any Class V wells used for the disposal of non-hazardous industrial wastes or a mixture of industrial wastes and domestic wastes in its Annual

Report. Other Class V wells, including wells used only for the injection of domestic wastes, must be permitted by the New Mexico Environment Department.

#### 5. TANKS, PITS, PONDS, SUMPS, FENCING, SCREENING, AND NETTING.

A. EXISTING BELOW-GRADE TANKS, PITS, AND PONDS: The Owner/Operator shall ensure that all below-grade tanks, pits, and ponds have secondary containment systems with leak detection. The Owner/Operator shall retrofit existing belowgrade tanks, pits, and ponds that lack secondary containment and leak detection systems to meet the design and construction specifications of 19.15.17.11 NMAC.

The Owner/Operator shall submit a retrofit plan to the Division's Environmental Bureau no later than the date for submitting an application for renewal of this Discharge Permit. The retrofit plan shall specify how the Owner/Operator shall address any releases discovered during the retrofit operation. The Division's Environmental Bureau shall review and approve, approve with conditions, or deny the Owner/Operator's retrofit plan. The approved plan for retrofitting existing below-grade tanks, pits and ponds shall be incorporated into any permit renewal.

The Owner/Operator shall test existing below-grade tanks, pits, and ponds that lack secondary containment and leak detection at least annually by pressure testing to 3 pounds per square inch greater than normal operating pressure and/or visual inspection or other methods approved by the Division's Environmental Bureau. The Owner/Operator shall maintain the test results for at least 5 years for inspection by the Division.

- B. EXISTING SUMPS: A sump is any impermeable vessel or collection device incorporated within a secondary containment system, with a capacity less than 500 gallons, which remains predominantly empty, serves as a drain or receptacle for *de minimis* releases on an intermittent basis and is not used to store, treat, dispose of or evaporate products or wastes. See 19.15.17.7H NMAC. The Owner/Operator shall inspect all sumps at least weekly and shall remove all materials that it discovers and shall document this activity in its inspection log.
- Owner/Operator shall obtain approval from the Division's Environmental Bureau before installing a new below-grade tank, pit, pond, or sump. The Owner/Operator shall submit its proposed design plan to the Division's Environmental Bureau to install a new below-grade tank, pit, pond, or sump at least 90 calendar days before it intends to install the new unit. The design plans for below-grade tanks, pits, and ponds shall incorporate secondary containment and leak detection. The design plan shall address the siting and design and construction standards for below-grade tanks, pits, and ponds specified at 19.15.17.10 NMAC and 19.15.17.11 NMAC. The Division's Environmental Bureau will review and approve, approve with conditions, or deny the Owner/Operator's proposed design for a new below-grade tank, pit, pond or sump.
- **D.** ABOVE GROUND TANKS: The Owner/Operator shall place new above ground tanks on impermeable pads and surround the tanks with lined berms or other impermeable secondary containment system having a capacity at least equal to one and one-third

times the capacity of the largest tank, or, if the tanks are interconnected, of all interconnected tanks. The Owner/Operator is not required to provide secondary containment for tanks that contain fresh water and that are clearly so labeled and that are located outside the drum and container, process, maintenance, material, and waste storage areas.

The Owner/Operator shall retrofit existing above ground tanks that do not meet the requirements described above. The Owner/Operator shall submit a plan for the retrofitting to the Division's Environmental Bureau no later than the date for submitting its application for renewal of this Permit. The Division's Environmental Bureau will review and approve, approve with conditions, or deny the Owner/Operator's plan. The approved plan for retrofitting existing above ground tanks shall be incorporated into any permit renewal.

- **E. FENCING:** The Owner/Operator shall fence all below-grade tanks, pits, and ponds pursuant to 19.15.17.11D NMAC.
- F. SCREENING AND NETTING: The Owner/Operator shall screen of net all open top tanks and all pits (including lined pits) and ponds, or otherwise render the tanks and pits non-hazardous to wildlife, including migratory birds, pursuant to 19.15.17.11E NMAC.

#### 6. UNDERGROUND PROCESS AND WASTEWATER PIPELINES.

- A. TESTING: The Owner/Operator shall test all underground process/wastewater pipelines at least once every five (5) years to demonstrate mechanical integrity except pipelines containing fresh water. The Owner/Operator shall test all pressure-rated pipelines to 150% of the normal operating pressure, if possible, or for atmospheric drain systems, to 3 pounds per square inch greater than normal operating pressure, held for a minimum of 30 minutes with no more than a 1% loss/gain in pressure. The Owner/Operator may propose other test methods for the Division's review and approval. The Owner/Operator shall maintain the test results for at least 5 years for inspection by the Division.
- B. SCHEMATIC DIAGRAMS OR PLANS: The Owner/Operator shall maintain all underground process and wastewater pipeline schematic diagrams or plans showing all drains, vents, risers, valves, underground pipelines, pipe type, rating, size, and approximate location at its offices located at 614 Reilly Ave, Farmington N.M. 87401.
- C. NEW UNDERGROUND PIPELINES: The Owner/Operator shall notify the Division's Environmental Bureau prior to installing any new underground pipelines. The Owner/Operator shall submit a design plan with the information specified in Permit Condition 6.B to the Division's Environmental Bureau for new underground pipelines at least 90 calendar days before it intends to begin construction. The Division's Environmental Bureau shall determine whether any modifications to this Discharge Permit are necessary and appropriate based on the new underground pipelines.

7. STORM WATER: The Owner/Operator shall implement and maintain storm water runon and run-off plans and controls to separate chemical process areas and flow lines (contact areas) from storm water areas (non-contact areas) and shall comply with any additional commitments made in its approved Contingency Plan.

The movement of storm water from a contact area to a non-contact area is a release and the Owner/Operator shall report that release in accordance with Permit Condition 2.E and take corrective action as directed by the Division.

- 8. ADDITIONAL SITE SPECIFIC CONDITIONS: N/A
- 9. SCHEDULE OF COMPLIANCE:
- A. PERMIT CERTIFICATION: The Owner/Operator shall sign and return this Permit to the Division's Environmental Bureau within 30 days of its receipt of this Permit.
- B. SUBMISSION OF THE PERMIT FEES: As specified in Permit Condition 1.F, the Owner/Operator shall submit the permit fee of \$1,700.00 along with the signed Discharge Permit. Checks should be payable to the "New Mexico Water Quality Management Fund," not the Oil Conservation Division, within 30 days of the receipt of the Discharge Permit.
- C. DETERMINATION OF HYDROGEN SULFIDE CONCENTRATION: As specified in Permit Condition 2.G, the Owner/Operator shall submit the results of its determination of the hydrogen sulfide concentration at its Facility to the Division's Environmental Bureau within 30 days of its determination.

The Owner/Operator shall include the results of its annual determination of the hydrogen sulfide concentration at its Facility in accordance with Permit Condition 2.G with its Annual Report.

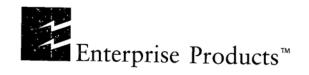
- D. PLAN FOR RETROFITTING BELOW-GRADE TANKS AND SUMPS: As specified in Permit Condition 5.A, the Owner/Operator shall submit its plan for the retrofitting of below-grade tanks and sumps to the Division's Environmental Bureau no later than the date for submitting an application for renewal of this Discharge Permit.
- E. ANNUAL REPORT: As specified in Permit Condition 2.H, the Owner/Operator shall submit its annual report to the Division's Environmental Bureau by March 15<sup>th</sup> of each year.
- 10. **CERTIFICATION:** (OWNER/OPERATOR) by the officer whose signature appears below, acknowledges receipt of this Discharge Permit, and has reviewed its terms and conditions.

Company Name - print	name above

Company Representative - print name	
Company Representative - Signature	
Title	
Date:	

#### ACKNOWLEDGEMENT OF RECEIPT OF CHECK/CASH

<ul> <li>Literary acknowledge receipt of check No.</li> </ul>	_ dated 5/14/10
or cash received on in the amount of \$	00
Irom Exterprise Products	
for <u>Gw-186</u>	
Submitted by: LAWITHE ROTER Date:	5/19/10
Submitted to ASD by: Mewer Form Date:	
Received in ASD by: Date:	
Filing Fee New Facility Renewal	
ModificationOther	
Organization Code 521.07 Applicable FY 201	) <u>@</u>
To be deposited in the Water Quality Management Fund.	
Full Payment or Annual Increment	



ENTERPRISE PRODUCTS PARTNERS LP ENTERPRISE PRODUCTS OPERATING LLC

ENTERPRISE PRODUCTS GP, LLC, GENERAL PARTNER ENTERPRISE PRODUCTS OLPGP, INC., SOLE MANAGER

May 17, 2010

Federa Express No. 7935 4633 6218

New Mexico Oil Conservation Division Environmental Bureau Attn: Leonard Lowe 1220 South St. Francis Drive Santa Fe, NM 87505

RE: Groundwater Discharge Plan Renewal Application Kutz #2 Compressor Station – GW-186

Dear Mr. Lowe:

Enclosed for your review and handling is the renewal Discharge Plan Application with plan details. Also enclosed is a check, payable to NMED Water Quality Management Fund, in the amount of \$100 which covers the application fee for the permit.

Should you have questions or need additional information, please contact me at (713) 381-6684 or Ms. Runell Seale of my staff at (505) 599-2124.

Sincerely,

Matthew E. Maria (5

Director, Environmental

/sjn

attachments

CC: OCD-District 3, 1000 Rio Brazos Blvd., Aztec, NM 87410 w/attch.

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

Revised June 10, 2003

# 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
1.	Type:Kutz #2 Compressor Station
2.	Operator:Enterprise Products Operating, LLC
	Address:P. O. Box 2524 Houston, TX 77252-2524
	Contact Person: Matthew Marra, Director- Environmental Phone: 713-381-6684
3.	Location: SE /4 SW /4 Section 15 Township 29N Range 12W Submit large scale topographic map showing exact location.
4.	Attach the name, telephone number and address of the landowner of the facility site.
5.	Attach the description of the facility with a diagram indicating location of fences, pits, dikes and tanks on the facility.
6.	Attach a description of all materials stored or used at the facility.
7.	Attach a description of present sources of effluent and waste solids. Average quality and daily volume of waste water must be included.
8.	Attach a description of current liquid and solid waste collection/treatment/disposal procedures.
9.	Attach a description of proposed modifications to existing collection/treatment/disposal systems.
10	. Attach a routine inspection and maintenance plan to ensure permit compliance.
11	Attach a contingency plan for reporting and clean-up of spills or releases.
12	Attach geological/hydrological information for the facility. Depth to and quality of ground water must be included.
13	. Attach a facility closure plan, and other information as is necessary to demonstrate compliance with any other OCD rules, regulations and/or orders.
	14. CERTIFICATIONI hereby certify that the information submitted with this application is true and correct to the pest of my knowledge and belief.
]	Name:Terry L. Hurlburt Title: Sr. Vice President, Operations
,	Signature: Lef L. Herribust Date: 5 -14-2010
]	E-mail Address: snolan@eprod.com

#### Kutz #2 Compressor Station

SE/4 of SW/4 of Section 15, Township 29N, Range 12W San Juan, County, New Mexico

#### **GROUNDWATER DISCHARGE PLAN – GW186**

This document constitutes a renewal for the Groundwater Discharge Plan (GW-183) for the Kutz #2 Compressor Station in San Juan County, New Mexico. This Groundwater Discharge Plan has been prepared in accordance with the NMOCD "Guidelines for the Preparation of Discharge Plans at Natural Gas Plants, Refineries, Compressor and Crude Oil Pump Stations" (rev 12-95) and the New Mexico Water Quality Control Commission (WQCC) regulations, 20.6.2.3.104 and 3-106 NMAC.

#### 1. Type of Operation

This is a natural gas compression station consisting of two Caterpillar G3612 LE natural gas engines with a site rated capacity of 6200 HP. This facility does not discharge and does not intend to discharge directly or indirectly into groundwater.

#### 2. Operator/Legally Responsible Party

#### Operator/Owner:

Enterprise Field Services LLC, Owner (EFS)
Enterprise Products Operating LLC, Operator (EPO)
P. O. Box 4324
Houston, TX 77210-4324

#### Legally Responsible Party:

Terry L. Hurlburt, Senior Vice President-Operations P. O. Box 4324 Houston, TX 77210-4324 713.381.6595

#### Local Representative:

Don Fernald, Sr. Environmental Scientist 614 Reilly Ave. Farmington, NM 87401 505.599.2141

Runell Seale, Permitting Scientist 614 Reilly Ave. Farmington, NM 87401 505.599.2124

#### 3. Facility Location

SE/4 of SW/4 (UL N), S15, T29N, R12W, San Juan County, NM Latitude N 36.7266466 Longitude W -108.0864949 See Figure 1, Site Location Map (Topo Map)

#### 4. Landowner

Enterprise Field Services, LLC P. O. Box 4324 Houston, TX 77210 (713) 880-6500

#### 5. Facility Description

The facility provides natural gas compression for the gathering system. Natural gas will enter the site from EFS's lateral line via underground and above ground pipelines. Gas entering the compressor station passes through the inlet separator for initial gas and entrained liquids separation. The gas is then routed through the compressor suction scrubber, the compressor for gas compression, the compressor discharge scrubber and into the EFS 16-inch pipeline. A slip stream of gas is routed through the fuel scrubber and used as fuel by the engine. The facility will also have weekly pigging operations. Condensate and field liquids from the pigging operations are piped to the two 500 barrel tanks located at the pigging system at the south end of the facility. Condensate and field liquids from the unit scrubbers are piped underground to the 210 barrel condensate/produced water tank located at the north end of the facility. See Figure 2 Site Layout Map.

#### 6. Materials Stored or Used at the Facility

Tank Contents	Solid or Liquid	Tank Capacity-Max Volume Stored	Location-Refer to Plot Plan
Condensate & Field Liquids (T-9110)	Liquid	210 barrels	Northeast corner of facility
Used Oil + Non- Exempt Water (BGT-9111)	Liquid	160 barrels	Northeast corner of facility
Condensate & Field Liquids (T-9112 & T-9113)	Liquid	500 barrels each, interconnected	Southeast end of facility
Methanol (T-9114 & T-9115)	Liquid	100 barrels each	South central portion of facility
Lube Oil –New (T-9116)	Liquid	500 gallons	North end of facility, between compressors
Antifreeze (T-9117)	Liquid	500 gallons	North end of facility, between compressors

Tank Contents	Solid or Liquid	Tank Capacity-Max Volume Stored	Location
Methanol (T-9118, T-9119, T-9120)	Liquid	65 barrels each, interconnected	Southwest end of facility
Non-Exempt Liquids (T-9121)	Liquid	24 barrels	Northeast corner of facility

### 7. Sources and Quantities of Effluent and Waste Solids Generated at the Facility

7A. Source & Quantity

Process Fluid/Waste	Source	Quantity (Bangas)	Additives
Absorbent Material and rags	Compressor Engines	(Ranges) 1-2 lb/month	None
Produced Water	Condensate Tank	23 bbls/month	None
Solid Waste (Trash)	General trash	< 1 yd/month	None
Used Fuel Filters	Fuel and Start gas scrubber	12 annually	None
Used Oil	Compressor Engine	40-50 gallons/	None
Used Oil Filters	Compressor Engines	4filters/60 days	None
Wash down water with residual used oil with solids and sludge	Compressor Engines	15 barrels/month	Water with detergents and lube oil
Waste Oil	Used filters, and absorbent rags and pads from small compressor leaks.	1-2 gallons/month	None

7B. Quality Characteristics

Process Fluid/Waste	NM WASTE STATUS	Analytical Process	Toxic Pollutants
Absorbent materials and rags	Non-exempt	Profiled, recycled	None
Produced Water	Exempt	Profiled, evaporated/injected	None
Scrubber Filters	Non-Exempt	Profiled, recycled	None
Solid Waste	Exempt from NMED Solid Waste regulations due to small quantity generated	Not required	None
Used Oil	Non-exempt	Recycled, tested for halogen	None
Used Oil Filters	Non-exempt	Profiled, recycled	None
Wash down Water with residual used oil with solids and sludge	Non-exempt	Profiled at disposal facility according to NMOCD regulations.	None
Waste Oil	Non-exempt	Recycled, tested for Halogen	None

#### 7 (C). Commingled Waste Streams

There are no commingled waste streams at this facility.

# 8. Description of Current Liquid and Solid Waste Collection/Storage/Disposal Procedures Transfer, Storage, and Disposal of Process Fluids, Effluents, and Waste Solids KUTZ #2 COMPRESSOR STATION

PROCESS FLUID/WASTE	COLLECTION & STORAGE SYSTEM	CONTAINER CAPACITY/ DESCRIPTION	NM Waste STATUS	DESCRIPTION OF FINAL DISPOSITION
Absorbent materials and rags	After liquids are drained, they are placed into plastic bag and removed to EFS warehouse on East Main, Farmington.	24 Barrel steel tank set inside a galvanized steel tank for secondary containment	Non-exempt	Recycled: Transported by Safety Kleen Systems, Inc. to facility located at Sec 10, T10N, R3E, Albuquerque, NM. EPA ID #NMD000804294, NM ID #2344 and/or Thermal Fluids, Inc. to recycling facility located at 9010 Bates Road SW Albuquerque, NM EPA #NMD986674141
Produced Water	Below grade steel pipes drains liquid into storage tank.	210 barrel steel tank inside a concrete berm.	Exempt	Evap/Injection: Transported by truck (various contractors) to Basin Disposal Evap. Pond location: F 3-29-11.????
Scrubber Filters	Placed on grate inside tank (T-9121) to drain, then removed to EFS warehouse on East Main Farmington.	24 Barrel steel tank set inside a galvanized steel tank for secondary containment	Non-exempt	Recycled: Transported by Safety Kleen Systems, Inc. to facility Sec 10, T10N, R3E, NM. EPA ID #NMD 000 804 294, NM and/or Thermal Fluids, Inc. to recycling facility located at 9010 Bates Road SW Albuquerque, NM EPA #NMD986674141. None at this time, unit not in service.
Solid Waste (Trash)	Placed into trash bin located onsite	8 yd Waste Management steel bin.	Exempt	Buried: Transported by Waste Management, Inc. to San Juan County Regional Landfill, #78 CR 3140, Aztec, NM 87410.
Used Oil	Drained to trailer mounted tank when oil is changed. Moved to Kutz Hydrocarbon Recovery Facility-(GW-49-1) for recycling.	500 gallon horizontal skid mounted tank located on mobile trailer.	Non-exempt	Recycled: Transported by Safety Kleen Systems, Inc. to facility, Sec 10, T10N, R3E, NM. EPA ID NMD 000.804.294, NM ID #2344 and/or Thermal Fluids, Inc. to recycling facility located at 9010 Bates Road SW Albuquerque, NM EPA #NMD986674141
Used Oil Filters	Placed into sealed drum and moved to EFS warehouse on East Main. warehouse for recycling.	55 gallon steel drum	Non-exempt	Recycled: Transported by Safety Kleen Systems, Inc. to facility located at Sec 10, T10N, R3E, NM. EPA ID #NMD 000 804 294, NM ID #2344 and/or Thermal Fluids, Inc. to recycling facility located at 9010 Bates Road SW Albuquerque, NM EPA #NMD986674141
Wash down water with traces of lube oil	Collected via below ground drain lines into BG tank. Moved to Kutz Hydrocarbon Recovery Facility (GW-49-1) for recycling or disposal.	160 barrel double wall BG tank.	Non-exempt	Evap/Injection: Trucked by Key Energy Services to the Key Four Corners Inc Disposal facility @ UL E, S2, T29N,R12W

PROCESS FLUID/WASTE	COLLECTION & STORAGE SYSTEM	CONTAINER CAPACITY/ DESCRIPTION	NM Waste STATUS	DESCRIPTION OF FINAL DISPOSITION
Waste Oil	Filters placed on expanded metal drain insert. Absorbent rags and pads placed on expanded metal drain insert to drain liquids.	24 barrel steel tank inside a galvanized steel trough.	Non-exempt	Recycled: Transported by Safety Kleen Systems, Inc. to facility located at Sec 10, T10N, R3E, Albuquerque, NM. EPA ID #NMD000804294, NM ID #2344 and/or Thermal Fluids, Inc. to recycling facility located at 9010 Bates Road SW Albuquerque, NM EPA #NMD986674141

Bermed areas are designed and construction to ensure that they are sufficient to contain one and one-third capacity of the largest tank. The bermed area containing the two 500 barrel condensate tanks has an impermeable liner. Concrete curbed containments are provided beneath the process areas in the facility. A closed drain system from the compressor engine skids drains to the 160 barrel double walled BG tank. Condensate/Produced water from the inlet scrubber drains to the 210 barrel hydrocarbon tank within a concrete curbed containment.

Hydrostatic testing of the facility piping to the drain system is conducted every five (5) years to ensure the integrity of the passive drain line piping at this facility using appropriate methods to test integrity. This facility was last tested on January 7, 2009 and is scheduled for testing before the five (5) year period expires.

#### 9. Proposed Modifications

There are no planned modifications to this facility.

#### 10. Inspection, Maintenance and Reporting

Routine inspections and maintenance are performed to ensure proper collection, storage, and off-site disposal at approved disposal and recycling facilities.

The BGT at this facility is double lined steel vessel with leak detection. The AGT and BGT tanks will be inspected monthly. Leaks will be reported to the NMOCD in accordance with Rule 116 (19.15.C.116 NMAC) and WQCC regulation (20.6.2.1203 NMAC) regulations.

Precipitation and run-off do not come in contact with process waste streams. As a result, the facility has not installed any special storm water containment or collection systems. The facility pad is maintained to prevent surface accumulations.

#### 11. Spill/Leak Prevention and Reporting Procedures

A. Potential sources of spills or leaks at this facility include the following, tank overflow or rupture; overflow or cracking of fiberglass tanks; overflow or cracking on concrete sumps, rupture of process pipeline.

Prevention of accidental release from these sources is a high priority of operating personnel. Spill prevention will be achieved primarily through proper execution of operating procedures and secondly, by an active equipment inspection and maintenance program. Spill detection will be accomplished by daily visual inspection of facility equipment and continuous monitoring of process instrumentation. Tanks will be inspected monthly.

- B. Spills occurring at this facility would be contained by the installed berms, or by berms erected on-site at the time of the incident. Heavy equipment to construct containment berms is readily available from private contractors in the area. Due to the lack of water bodies in the immediate area of the facility, containment equipment such as booms will not be stockpiled.
- C. Operator will respond to and report spills as outlined in the SPCC plan of the Kutz #2 Compressor Station and in accordance with the requirements of NMOCD Rule 116 (19-15.C.116 NMAC).

#### 12. Site Characteristics

The Kutz #2 Compressor Site is located within the west-central portion of the San Juan Basin. Topographic relief within one mile of the site is 356 feet with elevations ranging from 5444 to 5800 feet above sea level. Average annual precipitation is between 8 to 10 inches. The area support grasses and small shrubs.

#### Geomorphology and Soils

The site is situated on the flank of an arroyo. The surface is relatively flat and slopes from 5500 feet at the compressor site to 5460 feet, north of the site. Major soil associations in the area of the compressor site include the Haplargids-Blackston-Torriorthents Association (USSCS, 1977). These soils are shallow to deep, well drained, and formed in alluvium. Permeability is moderately slow to moderately rapid. Runoff is slow to rapid.

#### Geology

The site is located within the west-central portion of the San Juan Basin. Tertiary and Holocene period strata crop out in the immediate vicinity of the compressor site. The site is situated on the Tertiary Nacimiento Formation on the flanks of an arroyo. The Quarternary period alluvium in the arroyo consists of sand, silt, clay, and gravel to a depth of 80 feet near the northeast corner of the facility site, as reported 1986.

#### Hydrology and Groundwater Quality

According to topographic maps published by New Mexico Oil Conservation Division to support "Vulnerable Area Order R-7940-C", the site is outside of the expanded vulnerable zone.

The NM State Engineer's Office lists 13 domestic water wells within a one-mile radius of the site, but none are within ¼ mile radius of the facility. No wells exist at the facility.

The facility is located on an outwash of gravel and sands, and water exists in the uppermost water-bearing zone at depths of 30 to 75 feet. This shallow water-bearing zone is comprised of an alluvium 40 to 80 feet thick.

Analysis of the water samples taken with exploratory piezometers from the shallow alluvial water-bearing zone show TDS concentrations ranging from 774 to 3270 mg/l.

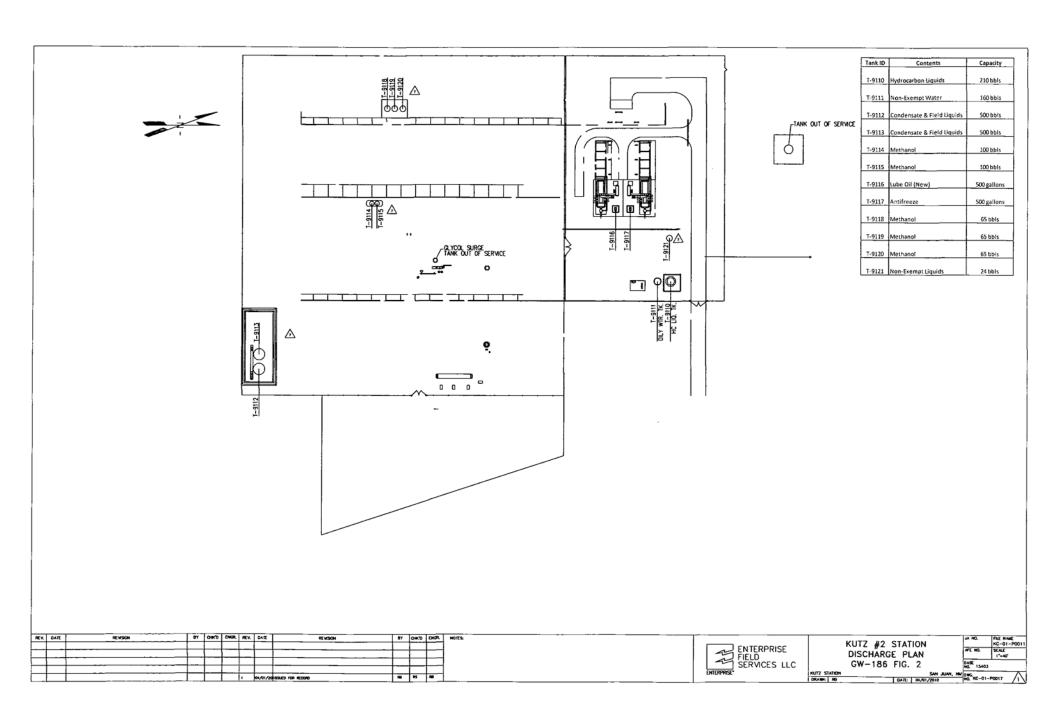
#### Surface Water Hydrology and Flooding Potential

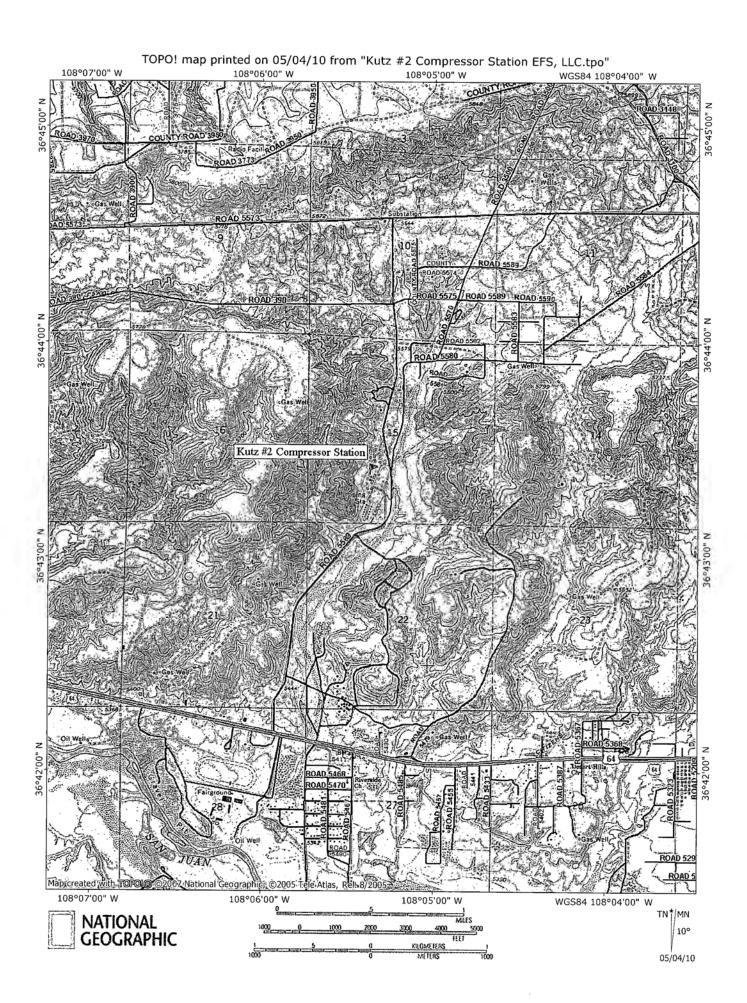
The San Juan River, which drains the site area, is a tributary of the Colorado River. The site is located less than 2 miles north of the San Juan River. The facility is well outside the flood plain of the San Juan River. The major local drainage is an unnamed arroyo. This ephemeral drainage flows north to south and cuts across the eastern corner of the property approximately 1/8 mile from the site. The flooding potential at this site is considered negligible. As a result, flood protection measures are not be installed at the facility.

#### 13. Additional Information

Any unauthorized release or discharge will be reported to the NMOCD in accordance with NMOCD Rule 116, 19.15.C.116 NMAC.

Closure of facility when abandoned will meet current NMOCD guidelines and will conform to WQCC Section 3107.A.11 regulations. Reasonable and necessary measures will be taken to prevent the exceedance of 20 NMAC 6.2.3103 water quality standards should Enterprise choose to permanently close the facility. Closure measure will include removal or closure in place of the underground piping and equipment. The tanks will be emptied before removal. Potentially toxic materials or effluents will be removed from the site and properly disposed. Potential sources of toxic pollutants will be inspected. Contaminated soil if discovered will be reported under NMOCD Rule 116 and 20 NMAC 6.2.1203 procedures and clean-up activities will commence. Post-closure maintenance and monitoring plans would not be necessary unless contamination is encountered.





Enterprise Products Operating, Ed. GW-186
April 12, 2006
Page 2 of 5

#### ATTACHMENT TO THE DISCHARGE PERMIT ENTERPRISE PRODUCTS OPERATAING, L.P., KUTZ #2 COMPRESSOR STATION (GW-186) DISCHARGE PERMIT APPROVAL CONDITIONS April 12, 2006

Please remit a check for \$1700.00 made payable to Water Quality Management Fund:

Water Quality Management Fund c/o: Oil Conservation Division 1220 S. Saint Francis Drive Santa Fe, New Mexico 87505

- 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. There is also a renewal flat fee of \$1,700 for gas compressor stations greater than 1,001 horsepower (see WQCC Regulation 20.6.2.3114 NMAC).
- 2. Permit Expiration and Renewal: Pursuant to WQCC Regulation 20.6.2.3109.H.4 NMAC, this permit is valid for a period of five years. This permit will expire on May 24, 2010 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 an owner/operator 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.
- 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 February 14, 2006 discharge permit renewal 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 20.6.2.3109.G NMAC addresses possible future modifications of a permit. Pursuant to WQCC Regulation 20.6.2.3107.C NMAC, the owner/operator 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. Pursuant to WQCC Regulation 20.6.2.3109.E NMAC, 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.

Enterprise Products Operating, GW-186 April 12, 2006 Page 3 of 5

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 Rule 712 Waste: Pursuant to OCD Rule 712 (19.15.9.712 NMAC) disposal of certain non-domestic waste without notification to the OCD is allowed at NMED-permitted solid waste facilities if the waste stream has been identified in the discharge permit and existing process knowledge of the waste stream does not change.
- B. Waste Storage: The owner/operator shall store all waste in an impermeable bermed area. Waste generated during emergency response operations may be stored 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 above ground 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, 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.

Enterprise Products Operating, GW-186
April 12, 2006
Page 4 of 5

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 20.5.12.1203 NMAC and OCD Rule 116 (19.15.3.116 NMAC). The owner/operator shall notify both the OCD District Office and the Santa Fe Office within 24 hours and file a written report within 15 days.

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

17. Storm Water: The owner/operator shall implement and maintain run-on and runoff plans and controls. The owner/operator shall not discharge any water contaminant that exceeds the WQCC standards specified in 20.6.2.3101 NMAC or 20.6.4 NMAC (Water Quality Standards for Interstate and

Enterprise Products Operating, E.F. GW-186

'April 12, 2006

Page 5 of 5

Intrastate Streams) including any oil sheen in any storm water 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, or abatement and submit subsequent reports will be a violation of the permit.

20. Additional Site Specific Conditions: N/A

21. Transfer of Discharge Permit: The owner/operator shall notify the OCD prior to any transfer of ownership, control or possession of a facility with an approved discharge permit. The purchaser shall submit a written commitment to comply with the terms and conditions of the previously approved discharge permit and shall seek OCD approval prior to transfer.

22. Closure: The owner/operator shall notify the OCD when operations of the facility are to be discontinued for a period in excess of six months. Prior to closure of the facility, the operator shall submit a closure plan for approval. Closure and waste disposal shall be in accordance with the statutes, rules and regulations in effect at the time of closure.

23. Certification: Certification: Enterprise Products Operating, L.P., 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. Enterprise Products Operating, L.P. 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:

#### **Enterprise Products Operating, L.P.**

Terry L. Hurlburt

Company Representative-print name
les Bell
Company Representative- signature
Vice President & General Manager - Operations
Title April 26, 2006
Date



### NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

#### BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

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

April 12, 2006

Mr. Terry L. Hurlburt Enterprise Products Operating, L.P. P.O. Box 4324 Houston, Texas 77210-4324

Re:

Discharge Permit GW-186 Kutz #2 Compressor Station

Dear Mr. Hurlburt:

Pursuant to Water Quality Control Commission (WQCC) Regulations 20.6.2.3104 - 20.6.2.3114 NMAC, the Oil Conservation Division (OCD) hereby approves the discharge permit for the Enterprise Products Operating, L.P. (owner/operator) Kutz #2 Compressor Station GW-186 located in the SE/4 SW/4 of Section 15, Township 29 North, Range 12 West, NMPM, San Juan County, New Mexico, under 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 Santa Fe Office within 30 working 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 Ed Martin of my staff at (505-476-3492) or ed.martin@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,

Wayne Price

Environmental Bureau Chief

Copy: OCD District Office

Enterprise Products Operating, E.P. GW-186
April 12, 2006
Page 2 of 5

#### ATTACHMENT TO THE DISCHARGE PERMIT ENTERPRISE PRODUCTS OPERATAING, L.P., KUTZ #2 COMPRESSOR STATION (GW-186) DISCHARGE PERMIT APPROVAL CONDITIONS April 12, 2006

Please remit a check for \$1700.00 made payable to Water Quality Management Fund:

Water Quality Management Fund c/o: Oil Conservation Division 1220 S. Saint Francis Drive Santa Fe, New Mexico 87505

- 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. There is also a renewal flat fee of \$1,700 for gas compressor stations greater than 1,001 horsepower (see WQCC Regulation 20.6.2.3114 NMAC).
- 2. Permit Expiration and Renewal: Pursuant to WQCC Regulation 20.6.2.3109.H.4 NMAC, this permit is valid for a period of five years. This permit will expire on May 24, 2010 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 an owner/operator 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.
- 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 February 14, 2006 discharge permit renewal 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 20.6.2.3109.G NMAC addresses possible future modifications of a permit. Pursuant to WQCC Regulation 20.6.2.3107.C NMAC, the owner/operator 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. Pursuant to WQCC Regulation 20.6.2.3109.E NMAC, 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.

Enterprise Products Operating, E.P. GW-186 April 12, 2006 Page 3 of 5

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 Rule 712 Waste: Pursuant to OCD Rule 712 (19.15.9.712 NMAC) disposal of certain non-domestic waste without notification to the OCD is allowed at NMED-permitted solid waste facilities if the waste stream has been identified in the discharge permit and existing process knowledge of the waste stream does not change.
- **B.** Waste Storage: The owner/operator shall store all waste in an impermeable bermed area. Waste generated during emergency response operations may be stored 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 above ground 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, 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.

Enterprise Products Operating, E.P. GW-186
April 12, 2006
Page 4 of 5

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 20.5.12.1203 NMAC and OCD Rule 116 (19.15.3.116 NMAC). The owner/operator shall notify both the OCD District Office and the Santa Fe Office within 24 hours and file a written report within 15 days.
- **16. OCD Inspections:** The OCD may place additional requirements on the facility and modify the permit conditions based on OCD inspections.
- 17. Storm Water: The owner/operator shall implement and maintain run-on and runoff plans and controls. The owner/operator shall not discharge any water contaminant that exceeds the WQCC standards specified in 20.6.2.3101 NMAC or 20.6.4 NMAC (Water Quality Standards for Interstate and

Enterprise Products Operating, E.P. GW-186 April 12, 2006 Page 5 of 5

Intrastate Streams) including any oil sheen in any storm water 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, or abatement and submit subsequent reports will be a violation of the permit.
- 20. Additional Site Specific Conditions: N/A
- 21. Transfer of Discharge Permit: The owner/operator shall notify the OCD prior to any transfer of ownership, control or possession of a facility with an approved discharge permit. The purchaser shall submit a written commitment to comply with the terms and conditions of the previously approved discharge permit and shall seek OCD approval prior to transfer.
- **22.** Closure: The owner/operator shall notify the OCD when operations of the facility are to be discontinued for a period in excess of six months. Prior to closure of the facility, the operator shall submit a closure plan for approval. Closure and waste disposal shall be in accordance with the statutes, rules and regulations in effect at the time of closure.
- 23. Certification: Certification: Enterprise Products Operating, L.P., 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. Enterprise Products Operating, L.P. 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:

Company Representative- print name	
•	
Company Representative- signature	
Title	-
Date	-

**Enterprise Products Operating, L.P.** 



## NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

CERTIFIED MAIL
RETURN RECEIPT NO. 3771-6883

Mr. David Bays El Paso Field Services Co. 614 Reilly Avenue Farmington, New Mexico 87401

RE: Discharge Plan Renewal GW-186 El Paso Field Services Co. Kutz #2 Compressor Station San Juan County, New Mexico

Dear Mr. Bays:

October 27, 2000

U.S. Postal Service

CERTIFIED WAIL RECEIPT

(Domestic Wall Only: No Insurance Coverage Provided)

Postage

Postage

Return Receipt Fee (Endorsement Required)

Restricted Delivery Fee (Endorsement Required)

Total Postage Fees

Total Postage Fees

Recipient's Name (Please Print Clearly) (To be completed by maller)

DAVIO BAPS CASE FES

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

6 14 CELLY AV.

City, State, ZIP+4

FAR MINGTON NM \$>5505

[PS Form 3300, February 2000] See Reverse (e) Instructions

The ground water discharge plan renewal GW-186 for the El Paso Field Services Co. Kutz #2 Compressor Station located in the SE/4 SW/4 of Section 15, Township 29 North, Range 12 West, NMPM, San Juan County, New Mexico, is hereby approved under the conditions contained in the enclosed attachment. Enclosed are two copies of the conditions of approval. Please sign and return one copy to the New Mexico Oil Conservation Division (OCD) Santa Fe office within 10 working days of receipt of this letter.

The original discharge plan application was submitted on March 9, 1995 and approved May 24, 1995. The discharge plan renewal application letter, dated June 1, 2000, submitted pursuant to Section 3106 of the New Mexico Water Quality Control Commission (WQCC) Regulations also includes all earlier applications and all conditions later placed on those approvals. The discharge plan is renewed pursuant to Section 3109.C. Please note Section 3109.G, which provides for possible future amendment of the plan. Please be advised that approval of this plan does not relieve El Paso Field Services Co. of responsibility should operations result in pollution of surface water, ground water or the environment. Nor does it relieve El Paso Field Services Co. of its responsibility to comply with any other governmental authority's rules and regulations.

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

Please note that Section 3104 of the regulations provides: "When a plan has been approved, discharges must be consistent with the terms and conditions of the plan." Pursuant to Section 3107.C, El Paso Field Services Co. is required to notify the Director of any facility expansion, production increase or process modification that would result in any change in the discharge of water quality or volume.

Pursuant to Section 3109.H.4, this renewal plan is for a period of five years. This renewal will expire on May 24, 2005, and El Paso Field Services Co. should submit an application in ample time before this date. Note that under Section 3106.F of the regulations, if a discharger submits a discharge plan renewal application at least 120 days before the discharge plan expires and is in compliance with the approved plan, then the existing discharge plan will not expire until the application for renewal has been approved or disapproved. It should be noted that all discharge plan facilities will be required to submit the results of an underground drainage testing program as a requirement for discharge plan.

The discharge plan renewal application for the El Paso Field Services Co. Kutz #2 is subject to WQCC Regulation 3114. Every billable facility submitting a discharge plan application will be assessed a fee equal to the filing fee of \$50.00. There is a renewal flat fee assessed for gas compressor station facilities with horsepower rating greater than 3,000 horsepower equal to one-half of the original flat fee or \$690.00.

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/eem Attachment

Xc: OCD Aztec Office

## ATTACHMENT TO THE DISCHARGE PLAN RENEWAL GW-186 EL PASO FIELD SERVICES CO. KUTZ #2 DISCHARGE PLAN APPROVAL CONDITIONS October 27, 2000

1. Payment of Discharge Plan Fees: There is a required flat fee equal to one-half of the original flat fee for natural gas compressor stations with horsepower rating greater than 3,000 horsepower. The renewal flat fee required for this facility is \$690.00 which may be paid in a single payment due at the time of approval, or in equal annual installments over the duration of the discharge plan, with the first payment due upon receipt of this approval. The filing fee of \$50.00 is payable at the time of application and is due upon receipt of this approval. Please make all checks payable to:

Water Quality Management Fund c/o Oil Conservation Division 2040 South Pacheco Santa Fe, New Mexico 87505

- 2. <u>Commitments:</u> El Paso Field Services Co. will abide by all commitments submitted in the discharge plan renewal application letter dated June 1, 2000 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 determination per 40 CFR Part 261. Any waste stream that is not listed in the discharge plan will be approved by OCD on a case-by-case basis.
- 4. <u>Drum Storage</u>: 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. During the NMOCD inspection prior to renewal of the Discharge Plan, it was

observed that oil was leaking from the compressor and flowing onto the ground. A plan for correcting this problem, thereby preventing future contamination, must be submitted to the NMOCD no later than December 31, 2000.

- 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. <u>Above Ground Saddle Tanks:</u> 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. <u>Labeling:</u> All tanks, drums and containers will be clearly labeled to identify their contents and other emergency notification information.
- 9. <u>Below Grade Tanks/Sumps:</u> 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.
- 10. Class V Wells: No 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. 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. Class V wells that inject domestic waste only must be permitted by the New Mexico Environment Department.
- 11. <u>Housekeeping:</u> 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.
- 12. Spill Reporting: All spills/releases will be reported pursuant to OCD Rule 116 and WQCC 1203 to the OCD Aztec District Office.
- 13. <u>Transfer of Discharge Plan:</u> 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.

- 14. <u>Storm Water Plan:</u> The facility will have an approved storm water run-off plan by December 31, 2000. December 31, 2000
- 16. Closure: The OCD will be notified when operations of the Kutz #2 are discontinued for a period in excess of six months. Prior to closure of the Kutz #2, the Director will submit a closure plan for approval. Closure and waste disposal will be in accordance with the statutes, rules and regulations in effect at the time of closure.
- 17. Conditions accepted by: El Paso Field Services Co., by the officer whose signature appears below, accepts this permit and agrees to comply with all terms and conditions contained herein. El Paso Field Services Co. 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.

#### El Paso Field Services Co.

Print Name:		
Signature:	 	
Title:	 	
Date:		

## NEW MEXICO ENVIRONMENT DEPARTMENT REVENUE TRANSMITTAL FORM

	•			DFA	DFA	ED	ED	
	Description	FUND	CES	ORG.	ACCT	ORG	ACCT	AMOUNT
	CY Reimbursement ProjectTax	064	01	٠. ٠				
]-	Gross Receipt Tax	084	01		2329	900000	2329134	
3-	Air Quality Title V	092	13	1300	1896	900000	4169134	
<u>ې</u>	PRP Prepayments	248	14	1400	9696	900000	4969014	
3-	Climax Chemical Co.	248	14	1400	9696	900000	4989015	
<i>"</i> —	Circle K Reimbursaments	248	14	1400	9696	900000	4969248	
ς-	Hazardous Waste Permits	339	27	2700	1696	900000	4169027	7
<b>,</b>	Hazardous Waste Annual Generator Fees	339	27	2700	1696	900000	4169339	
<u></u>	Water Quality - Oil Conservation Division	341	29		2329	900000	2329029	10
10_	Water Quality - GW Discharge Permit	341	29	2900	1696	900000	4189029	50,00 11
11 _	Air Quality Permits	631	31	2500	1596	900000	4169031	12
12_ 13	Payments under Protest	651	33		2919	900000	2919033	13
13 <u>–</u>	Xerox Copies	662	34		2349	900000	2349001	•14
	Ground Water Penalties	662	34		2349	900000	2349002	15
15_	Witness Fees	652	34		2349	800000	2439003	16
16_	Air Quality Penalties	652	34		2349	900000	2349004	17
17_	OSHA Penalties	662	34		2349	800000	2349005	18
18	Prior Year Reimbursement	652	34		2349	800000	2349008	19
19_ 20_	Surface Water Quality Certification	652	34		2349	900000	2349009	20
21 ~	Jury Duty	862	34		2349	900000	2349012	21
22	Cry Reimbursements ( ],e. telephone)	652	34		2349	900000	2349014	22
•23	UST Owner's List	783	24	2500	9696	900000	4969201	*23
23 <del>-</del>	Hazardous Weste Notifiers List	783	24	2500	9696	900000	4959202	*24
•25 —	UST Maps	783	24	2500	9696	900000	4989203	*25
*26 <u> </u>	UST Owner's Update	783	24	2500	9696	900000	4989205	•28
·28 –	Hazardous Waste Regulations	783	24	2500	2696	900000	4969207	-28
•29 —	Radiologic Tech. Regulations	783	24	2500	9696	900000	4969208	*29
•30 -	Superfund CERLIS List	783	24	2500	9596	900000	4969211	*30
31	Solid Waste Permit Fees	7 <b>8</b> 3	24	2500	9696	900000	4989213	31
32	Smoking School	783	24	2500	9696	900000	4969214	32
·33 —	SWQB - NP5 Publications	783	24	2600	9693	800000	4969222	-33
·34 —	Radiation Licensing Regulation	783	24	2500	9696	900000	4969228	+34
·35 <sup>—</sup>	Sale of Equipment	783	24	2500	9686	900000	4969301	*35
36	Sais of Automobile	783	24	2500	9698	900000	4969302	*38
37 -	Lust Recoveries	783	24	2500	9696	900000	4969614	**37
38	Lust Repayments	783	24	2500	9696	900000	4969615	**38
38	Surface Water Publication	783	24	2600	9896	900000	4969801	39
40	Exxon Reese Drive Ruidoso - CAF	783	24	2500	9695	900000	4969242	40
41	Emerg, Hazardous Waste Penalties NOV	957	32	9600	1698	800000	4164032	41
42	Radiologic Tech. Certification	987	05	0500	1696	900000	4169005	42
44	Ust Permit Fees	989	20	3100	1696	900000	4169020	44
45	UST Tank Installers Fees	989	20	3100	1696	800000	4169021	45
46	Food Permit Fees	991	26	2600	1896	900000	4169026	46
43	Other							43
Gros	s Receipt Tax Required Site Name & Pri	oject Code Req	uirod				TOTAL	50.00
Conte	ct Person: Eo MARTIN	Phone:	827.	-2151		_ Date:	12/8	100
Receiv	ved in ASD By:	Date:			RT#;		ST#:	

CITIBANK 1001 Louisiana One Penn's W Houston, TX 77002 New Castle, I 62-20/311 Pay Amount 11/30/2000

To The Order Of

WATER QUALITY MANAGEMENT FUND

C/O OIL CONSERVATION DIVISION 2040 SOUTH PACHECO SANTA FE, NM 87505

\*\*\*FIFTY AND XX / 100 US DOLLAR\*\*\*\*

**Authorized Signature** 

Check Date: 11/30/2000

EL PASO FIELD SERVICES COMPANY Refer Payment Inquires to (713) 420-5719

Check No.

Void After One Year

**Invoice Number Invoice Date** Voucher ID Gross Amount **Discount Available** Paid Amount FILFEE GW186 11/14/2000 00092815 50.00 0.00 50.00

FILING FEE GW-186 KUTZ #2 COMP

Vendor Number Vendor Name **Total Discounts** 0000019137 WATER QUALITY MANAGEMENT FUND \$0.00 **Check Number** Date **Total Amount Discounts Taken Total Paid Amount** 11/30/2000 \$ 50.00 \$50.00 0.00

## ACKNOWLEDGEMENT OF RECEIPT OF CHECK/CASE

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#### ACKNOWLEDGEMENT OF RECEIPT OF CHECK/CASH

I hereby acknow	wledge receipt of che	eck No.	dated 3/16/95
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for Kutz	Comp Sta		SW-034
Submitted by: _	Names)	Date:	(DP No.)
Submitted to A	SD by: ROGER AN	DERSON Date:	3/29/95
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Filing Fe	e New Facility	Renewal _	
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NEW MEXICO OIL CONS DIVISON ENERGY MINERALS & I RESOURCES DEPARTMENT P O BOX 2088 SANTA FE	NATURAL		Void After 1 Year

District I - (505) 393-6161

P. O. Box 1980

Hobbs, NM 88241-1980

District II - (505) 748-1283

811 S. First

Artesia, NM 88210

District III - (505) 334-6178

1000 Rio Brazos Road

Aztec, NM 87410

District IV - (505) 827-7131

#### New Mexico Energy Minerals and Natural Resources Department Oil Conservation Division 1220 South Saint Francis Drive Santa Fe, New Mexico 87505 (505) 827-7131

Revised 12/1/95

Submit Original Plus 1 Copy to Santa Fe 1 Copy to appropriate

District Office

DISCHARGE PLAN APPLICATION FOR SERVICE COMPANIES,
GAS PLANTS, REFINERIES, COMPRESSOR, AND CRUDE OIL PUMP STATIONS
(Defende COD Ocidelines for exciptores in consulation the application)

	GAS PLANTS, REFINERIES, COMPRESSOR, AND CRUDE OIL PUMP STATIONS (Refer to OCD Guidelines for assistance in completing the application)								
		☐ New		<b>⊠</b> R€	enewed		Modification	6 W -	-186
1.	Туре:	Kutz #2 C	ompressor S	Station					
2.	Operator:	Enterprise	e Products O	perating, L.	P				
	Address:	P.O. Box	4324, Houst	on, Texas	77210-4324		· · · · · · · · · · · · · · · · · · ·		
	Contact Person:	Doug Jord	dan						
3.	Location:	SE/4	SW/4	Section	15	Township	29 North	Range	12 West
4.	Attach the name,	telephone r	number and a	address of t	he landowner	of the facility	y site.		
5.	Attach the descrip	otion of the f	facility with a	diagram ind	dicating location	on of fences	, pits, dikes a	and tanks on	the facility.
6.	Attach a description	on of all ma	terials stored	d or used at	the facility.				
7.	Attach a description			effluent an	d waste solids	s. Average o	daily quality a	and daily volu	ıme of
8.	Attach a description of current liquid waste and solid waste collection/treatment/disposal systems.								
9.	Attach a description of proposed modifications to existing collection/treatment/disposal systems.								
10.	Attach a routine inspection and maintenance plan to ensure permit compliance.								
11.	Attach a contingency plan for reporting and clean-up of spills or releases.								
12.	Attach geological/hydrological information for the facility. Depth to and quality of ground water must be included.								
13.	. Attach a facility closure plan, and other information as is necessary to demonstrate compliance with any other rules, regulations, and/or orders.								
14.	CERTIFICATION								
	I hereby certify that the information submitted with this application is true and correct to the best of my knowledge and belief.								
on Jou	NAME: Terr	y L. Hurlbur	the Ca		Title: Vic	e President	& General N	Manager, Op	perations

## ENTERPRISE FIELD SERVICES, LLC KUTZ #2 COMPRESSION STATION: DISCHARGE PLAN RENEWAL, GW-186

Revised January 2006

### Prepared for:

# NEW MEXICO OIL CONSERVATION DIVISION 1220 South Saint Francis Drive Santa Fe, New Mexico 87505

Enterprise Field Services, LLC 614 Reilly Ave. Farmington, NM 87401

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#### **Item 1: Type of Operation**

Indicate the major operational purpose of the facility. If the facility is a compressor station, include the total combined site rated horsepower.

The Kutz 2 facility compresses approximately 30 MMSCFD of natural gas from low pressure San Juan Field lines (100 psig design pressure) to an existing line (16" 260 psig design pressure). Enterprise Field Services, LLC (Enterprise) is the owner and Enterprise Products Operating, L.P. is operator of the compressor facility. The site includes the following major equipment:

- Two two-phase inlet separators
- Two gas compressor suction scrubbers
- Two engine-driven compressors (engines site rated at 3100 HP each)
- · Two gas compressor discharge scrubbers
- Two fuel/gas filter scrubbers
- · One dehydrator, associated contact tower, and reboiler
- Two aboveground 300 gal lube oil tanks
- One aboveground 500 gal lube oil tanks
- One aboveground 210 bbl hydrocarbon/produced water tank (exempt)
- One aboveground 160 bbl wastewater tank (nonexempt)
- One aboveground 500 gallon Coastal Guard Coolant (antifreeze) tank.

The 100 barrel tri-ethylene glycol, 500 gallon dehydrator surge tank, and 80 barrel dehydrator condensate/produced water tank represented in prior discharge plans are no longer in service and have been removed from the site. The dehydrator and reboiler are not in service; however, gas is going through the dehydrator contact tower. This equipment may be removed from the site if it is determined that facility operations will no longer require the equipment.

The auxiliary equipment and tanks at the compressor site are installed, maintained, and operated by Enterprise Products Operating L.P. (Enterprise). Enterprise is responsible for scheduling the hauling and disposing of the waste oil, waste filters, wash down water, condensate, and field liquids generated at the facility.

#### Item 2: Operator/Legally Responsible Party and Local Representative

Name of operator or legally responsible party and local representative.

Legally Responsible Party:

Terry L. Hurlburt

(operator)

Enterprise Products Operating, L.P.

P.O. Box 4324

Houston, TX 77210

(713) 803-8298

Local Representative:

Joe Velasquez

Director, San Juan Operations

Station Operator:

Enterprise Field Services, LLC 614 Reilly Ave.

Farmington, NM 87401

(505) 599-2200

24 hour - (800) 203-1347

Enterprise Products Operating, L.P.

614 Reilly Ave.

Farmington, New Mexico 87401

(505) 325-2841

### Item 3: Location of Facility and Landowner

Give a legal description of the location and county. Attach a large-scale topographic map.

The site is located in SE 1/4 of the SW 1/4, Section 15, Township 29N, Range 12W, of San Juan County, New Mexico: it is approximately 1.25 miles north of Highway 64 across from the San Juan County fairgrounds then west approximately 0.5 miles west on County Road 5569.

A topographic map showing the site location is under Tab A.

#### Item 4: Landowner

Provide the name, telephone number and the landowner of the facility.

Enterprise Field Services L.L.C. P.O. Box 4324 Houston, TX 77210 (713) 880-6500

#### **Item 5: Facility Description**

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

A plot plan of the facility indicating location of fences, gates, foundations and equipment on the facility is attached as Tab B. Natural gas enters the site from Enterprise's lateral line via both underground and aboveground piping. Gas entering the compressor station passes through the inlet separator for initial gas and entrained liquids separation. The gas is then routed through the compressor suction scrubber, the compressor for gas compression, the compressor discharge scrubber and into the Enterprise 16-inch pipeline. A slip stream of gas is routed through the fuel scrubber and used as fuel by the engine.

The site may be subject to weekly pigging operations. Condensate and produced water from the pigging operations, the scrubbers, and the separators are piped underground to the 210 barrel condensate/produced water tank.

#### Item 6: Materials Stored and Used

Provide a description of all materials stored and used at the facility

Replace the raw materials table on file with the following:

Tank Contents	Tank Construction Material	Tank Capacity
Lube Oil	Single wall, welded steel (AST)	300 gal.
Lube Oil	Single wall, welded steel (AST)	300 gal.
Lube Oil	Single wall, welded steel (AST)	500 gal.
Coastal Guard Coolant	Single wall, welded steel (AST)	500 gal.
(antifreeze)		

The 300 gallon lube oil tanks are mounted above the compressors. The 500-gallon (make-up) lube oil tank is installed within concrete berms, next to the compressors. The 500-gallon Coastal Guard Coolant (antifreeze) tank is located within a bermed area.

The following table shows the condensate and wastewater storage tanks at this site:

Tank Contents	Tank Construction Material	Tank Capacity
Hydrocarbon condensate/ produced water (Exempt)	Single wall, welded steel (AST)	210 bbl.
Wash water/precipitation	Double wall, welded steel (partially	160 bbl.
(non-exempt)	below grade)	

#### Item 7: Sources and Quantities of Effluent and Waste Solids

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

A simplified diagram of effluent streams is included in Tab C.

The exempt waste stream consists of condensate and produced water from the scrubbers and separators which flow under pressure to a 210-barrel, single wall, welded steel, above ground storage tank. The scrubbers and separators generate approximately 23 barrel of condensate, oil, and produced water per month.

The nonexempt waste stream consists of water, oil, coolant, and soaps generated primarily by precipitation and compressor wash down. Wastewater from the compressor skid drains to a partially below grade, double wall, steel tank. Approximately 15 barrels of nonexempt wastewater is generated per month.

The facility also generates spent compressor oil filters and engine oil filters. Approximately 1 compressor oil filter and 3 engine oil filters are replaced each month. The oil filters are drained and the filter disposed of at the Crouch Mesa Landfill. Fuel gas filters are also disposed of at the Crouch Mesa Landfill. The frequency of fuel gas filter replacement/disposal is a function of the inlet gas quality.

#### Item 8: Liquid and Solid Waste Collection, Storage, and Disposal

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

Enterprise performs no on-site disposal. Enterprise coordinates the transportation of wastewater and waste solids to off-site disposal facilities.

As reflected in Item 7 (above), condensate and produced water from the scrubber drain via pressurized underground lines to a 210 barrel tank for exempt waste. Precipitation and wash water from the compressor skids drain via gravity flow to a 160 barrel tank for nonexempt wastewater.

The hydrocarbon fraction from the 210 barrel condensate and produced-water tank is transported to the Giant Refinery in Bloomfield, NM for recycling. Triple S Trucking Company of Aztec and/or Industrial Mechanical Inc. of Farmington take the water fraction of the exempt waste to the Kutz Separator-Blanco Storage facility for additional hydrocarbon recovery and separation. Non-exempt wastewater from wash downs and rainwater events will also be transported to the Enterprise Kutz Separator-Blanco Storage.

Oil and fuel filters are disposed of in the Crouch Mesa Landfill. Intermittent maintenance activities such as pipeline cleaning (sandblasting) and painting may generate waste streams requiring offsite disposal. The compressor station is unmanned and does not generate domestic or hazardous solid wastes.

#### Item 9: Proposed Modifications

Provide a description of proposed modifications to existing collection, treatment, and disposal systems.

Currently, Enterprise has no planned modifications for this site.

#### Item 10: Inspection, Maintenance, and Reporting

Provide a routine inspection and maintenance plan to ensure permit compliance

Material storage tanks are within berms that contain a volume one-third more than the tank contents. ASTs are on concrete pads, gravel pads or placed on an elevated stand so leaks can be visually detected.

Enterprise employees visit the site on a regular basis. The compressor, related equipment, the storage tanks, and berms are inspected for leaks and spills.

Underground piping carrying waste liquids will be hydrostatically tested at a minimum of three pounds over operating pressure at least once every five years

#### **Item 11: Spill Prevention and Reporting Procedures**

The compressor site is graded and bermed so that precipitation and runoff does not cause water to enter or leave the process areas. Precipitation that falls on the compressor skid is contained and routed to the 160 barrel wastewater tank.

Since the site will be visited on a regular basis by Enterprise, leaks, spills and/or drips will be identified. Regular scheduled maintenance procedures will also help to assure that the equipment remains functional and thus the possibility of spills or leaks is further minimized. Enterprise's Environmental Department will be notified upon discovery of leaks which result in soil contamination.

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

- a. 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 Envirotech or other OCD approved land farm facility. If the soil is an "nonexempt" waste the soil will be characterized and disposed according to the analytical profile.
- b. large spills will be contained with temporary berms. Free liquids will be pumped out by vacuum truck. Hydrocarbon liquids will be recycled. Contaminated soil will be disposed of as discussed in the paragraph above.
- verbal and written notification of leaks or spills will be made to OCD in accordance with Rule 116.
- d. areas identified during operations as susceptible to leaks or spills will be bermed or otherwise contained to prevent the discharge of effluent.
- e. Enterprise personnel will carry oil absorbent booms in their trucks. The booms will be used as needed to contain any spills or leaks. The booms will be disposed of according to OCD and NMED guidelines.

#### Item 12: Site Characteristics1

Kutz 2 Compressor Site is located within the west-central portion of the San Juan Basin. Topographic relief within one mile of the site is 356 feet with elevations ranging from 5444 to 5800 feet above sea level. Average annual precipitation is between 8 and 10 inches. The area supports grasses and small shrubs.

#### Geomorphology and Soils

The site is situated on the flank of an arroyo. The surface is relatively flat and slopes from 5500 feet at the compressor site to 5460 feet, north of the site. Major soil associations in the area of the

<sup>1</sup> Reference Cited:

Fasset, J.E. and J.S. Hinds, 1971, <u>Geology and Fuel Resources of the Fruitland Formation and Kirkland Shale of the San Juan Basin, New Mexico and Colorado.</u> USGS Professional Paper 676.

Geological Map of New Mexico, United States Geological Survey, 1963.

Soil Survey of San Juan County New Mexico, United States Department of Agriculture Soil Conservation Service, 1980.

Stone, W.J., F.P. Lyford, P.F. Frenzel, N.H. Mizell, and E.T. Padgett, <u>Hydrology and Water Resources of San Juan Basin, New Mexico.</u> New Mexico Bureau of Mines and Mineral Resources, Hydraulic Report 6, 1983.

W.E. White, G. E. Kues, Inventory of Springs in the State of New Mexico, United States Geological Survey, 1992

compressor site include the Haplargids-Blackston-Torriorthents Association (USSCS, 1977). These soils are shallow to deep, well drained, and formed in alluvium. Permeability is moderately slow to moderately rapid. Runoff is slow to rapid.

#### Geology

The site is located within the west central portion of the San Juan Basin. Tertiary and Holocene period strata crop out in the immediate vicinity of the compressor site. The site is situated on the Tertiary Nacimiento Formation on the flanks of an arroyo. The Quaternary period alluvium in the arroyo consists of sand, silt, clay, and gravel to a depth of 80 feet near the northeast corner of the plant site, as reported in 1986.

#### **Hydrology and Groundwater Quality**

According to topographic maps published by New Mexico Oil Conservation Division to support "Vulnerable Area Order," R-7940-C, the site is outside of the expanded vulnerable zone,

The Aztec State Engineer's Office lists three domestic water wells within a one-mile radius of the Plant, reflected in the table below. No wells exist at the Plant. Water used at the site station is trucked from the Blanco Plant.

Location	Name	Use	Total Depth	Elevation	Depth to Water
29.12.9	ARCO	Domestic	1400'	-	-
29.12.16	T.Trantham	Domestic	180'	-	-
29.12.21	C. Kennedy	Doemstic	155'	-	-

The Plant is located on an outwash of gravel and sands, Water exists in the uppermost water-bearing zone at depths of 30 to 75 feet. This shallow water-bearing zone is comprised of an alluvium 40 to 80 feet thick.

Analysis of water samples taken with exploratory piezometers from the shallow alluvial water-bearing zone report TDS concentrations ranging from 774 to 3270 mg/l.

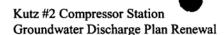
#### Surface Water Hydrology And Flooding Potential

The San Juan River, which drains the site area, is a tributary of the Colorado River. The Plant is located less than 2 miles north of the San Juan River. The Plant is well outside the flood plain of the San Juan River.

The major local drainage is an unnamed arroyo. This ephemeral drainage flows north to south and cuts across the eastern corner of property approximately 1/8 mile from the site,

#### **Item 13: Other Compliance Information**

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



Enterprise will take reasonable and necessary measures to prevent exceeding New Mexico Water Quality Standards (20 NMAC 6.2.3103) should they choose to permanently close the facility. Closure measures will include removal or closure in place of underground piping and equipment. Tanks will be emptied and if practical removed from the site. Potentially toxic materials or effluents will be removed from the site. Potential sources of toxic pollutants will be inspected. If contaminated soil is discovered, reporting under NMOCD Rule 116 and 20 NMAC 6.2.1203 will be made and clean-up activities will commence. Post-closure maintenance and monitoring plans would not be necessary unless contamination is encountered.

