

GW - 220

**PERMITS,
RENEWALS,
& MODS
Application**



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 25, 2006

Mr. Aaron Maurer
Bearcat Drilling
P.O. Box 76
Farmington, New Mexico 87499

**RE: Discharge Permit Renewal GW-220
Bearcat Drilling
Farmington Service Facility
San Juan County, New Mexico**

Dear Mr. Maurer:

The ground water discharge permit renewal application GW-220 for the Bearcat Drilling Farmington Service Facility located in the NW/4 NW/4 of Section 19, Township 29 North, Range 12 West, 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 30 days of receipt of this letter.**

The original discharge permit application was submitted on August 17, 1995 and approved November 28, 1995. The discharge permit renewal application, dated December 22, 2005, submitted pursuant to 20 NMAC 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 permit is approved pursuant to 20 NMAC 3109.A. and 3109.C. Please note 20 NMAC 3109.E. and 20 NMAC 3109.F, provides for possible future amendment of the permit. Please be advised that approval of this plan does not relieve Bearcat Drilling of liability should operations result in pollution of surface water, ground water, or the environment.

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

Please note that 20 NMAC 3104 of the regulations provides: "When a permit has been approved, discharges must be consistent with the terms and conditions of the permit." Pursuant to 20 NMAC 3107.C., Bearcat Drilling 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.

Mr. Aaron Maurer
GW-220 Farmington Service Facility
April 25, 2006
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Pursuant to 20 NMAC 3109.G.4., this renewal permit is for a period of five years. This renewal will expire on **November 28, 2010**, and Bearcat Drilling should submit an application in ample time before this date. Note that under 20 NMAC 3106.F. of the regulations, if a discharger submits a discharge 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. It should be noted that all discharge permit facilities will be required to submit the results of an underground drainage testing program as a requirement for discharge permit .

The discharge permit renewal application for the Bearcat Drilling Farmington Service Facility is subject to WQCC Regulation 3114. Every billable facility submitting a discharge permit application will be assessed a fee equal to the filing fee of \$100.00. There is a renewal flat fee assessed for oil field service company facilities equal to \$1,700.00. The OCD has received the filing fee.

On behalf of the staff of the OCD, I wish to thank you and your staff for your cooperation during this discharge permit review.

Sincerely,



Wayne Price
Chief, Environmental Bureau
Oil Conservation Division

WP/wjf
Attachment

xc: OCD Aztec District Office

ATTACHMENT TO THE DISCHARGE PERMIT RENEWAL GW-220
BEARCAT DRILLING
FARMINGTON SERVICE FACILITY
DISCHARGE PERMIT APPROVAL CONDITIONS
(April 25, 2006)

1. Payment of Discharge permit Fees: The \$100.00 filing fee has been received by the OCD. There is a required flat fee equal to \$1,700.00 for oil field service companies. The renewal flat fee required for this facility may be paid in a single payment due at the time of approval, or in equal annual installments over the duration of the discharge permit, with the first payment due upon receipt of this approval.
2. Bearcat Drilling Commitments: Bearcat Drilling will abide by all commitments submitted in the discharge permit renewal application dated December 22, 2005 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.
4. Drum Storage: All drums containing materials other than fresh water must be stored on an impermeable pad with curbing. All empty drums will be stored on their sides with the bungs in and lined up on a horizontal plane. Chemicals in other containers such as sacks or buckets will also be stored on an impermeable pad and curb type containment.
5. Process Areas: All process and maintenance areas which show evidence that leaks and spills are reaching the ground surface must be either paved and curbed or have some type of spill collection device incorporated into the design.
6. Above Ground Tanks: All above ground tanks which contain fluids other than fresh water must be bermed to contain a volume of one-third more than the total volume of the largest tank or of all interconnected tanks. All new tanks or existing tanks that undergo a major modification, as determined by the Division, must be placed within an impermeable bermed enclosure.
7. Above Ground Saddle Tanks: Above ground saddle tanks must have impermeable pad and curb type containment unless they contain fresh water or fluids that are gases at atmospheric temperature and pressure.
8. Labeling: All tanks, drums and containers will be clearly labeled to identify their contents and other emergency notification information.

9. Below Grade Tanks/Sumps: All below grade tanks, sumps, and pits must be approved by the OCD prior to installation or upon modification and must incorporate secondary containment and leak-detection into the design. All pre-existing sumps and below-grade tanks must demonstrate integrity on an annual basis. Integrity tests include pressure testing to 3 pounds per square inch above normal operating pressure and/or visual inspection of cleaned out tanks and/or sumps, or other OCD approved methods. The OCD will be notified at least 72 hours prior to all testing.
10. Underground Process/Wastewater Lines: All underground process/wastewater pipelines must be tested to demonstrate their mechanical integrity every 5 years. The permittee may propose various methods for testing such as pressure testing to 3 pounds per square inch above normal operating pressure or other means acceptable to the OCD. The OCD will be notified at least 72 hours prior to all testing.
11. Class V Wells: 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.
12. Housekeeping: All systems designed for spill collection/prevention will be inspected weekly and after each storm event to ensure proper operation and to prevent overtopping or system failure. A record of inspections will be retained on site for a period of five years.
13. Spill Reporting: All spills/releases will be reported pursuant to OCD Rule 116 and WQCC 1203 to the OCD Aztec District Office.
14. Transfer of Discharge permit: The OCD will be notified prior to any transfer of ownership, control, or possession of a facility with an approved discharge permit. A written commitment to comply with the terms and conditions of the previously approved discharge permit must be submitted by the purchaser and approved by the OCD prior to transfer.
15. Storm Water Plan: Bearcat Drilling shall maintain storm water runoff controls. As a result of Bearcat Drilling's operations any water contaminant that exceeds the WQCC standards listed in 20 NMAC 6.2.3101 is discharged in any storm water runoff then Bearcat Drilling shall notify the OCD within 24 hours, modify the plan within 15 days and submit for OCD approval. Bearcat Drilling shall also take immediate corrective actions pursuant to Item 12 of these conditions.

16. Closure: The OCD will be notified when operations of the Farmington Service Facility are discontinued for a period in excess of six months. Prior to closure of the Farmington Service Facility a closure plan will be submitted for approval by the Director. Closure and waste disposal will be in accordance with the statutes, rules and regulations in effect at the time of closure.
17. Certification: Bearcat Drilling, by the officer whose signature appears below, accepts this permit and agrees to comply with all terms and conditions contained herein. Bearcat Drilling further acknowledges that these conditions and requirements of this permit may be changed administratively by the Division for good cause shown as necessary to protect fresh water, human health and the environment.

Accepted:

BEARCAT DRILLING

by _____

Title



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

May 26, 2000

CERTIFIED MAIL
RETURN RECEIPT NO. 5050 9573

Mr. Bonifacia Vallejos
Bearcat Drilling, LLC
5424 U.S. Highway 64 P.O. Box 717
Farmington, New Mexico 87499

**RE: Discharge Plan Renewal GW-220
Bearcat Drilling, LLC
Farmington Service Facility
San Juan County, New Mexico**

Dear Mr. Vallejos:

The ground water discharge plan renewal application GW-220 for the Bearcat Drilling, LLC Farmington Service Facility located in the NW/4 NW/4 of Section 19, 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 August 17, 1995 and approved November 28, 1995. The discharge plan renewal application, dated April 7, 2000, submitted pursuant to Sections 5101.B.3. 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 Sections 5101.A. and 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 Bearcat Drilling, LLC of liability should operations result in pollution of surface water, ground water, or the environment.

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

Please note that 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., Bearcat Drilling, LLC 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.

Mr. Bonifacia Vallejos
GW-220 Farmington Service Facility
May 26, 2000
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Pursuant to Section 3109.H.4., this renewal plan is for a period of five years. This renewal will expire on **November 28, 2005**, and Bearcat Drilling, LLC 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 .

Bearcat Drilling, LLC will submit a storm water run-off plan for approval by the OCD within six (6) months of the date of this approval letter for the Farmington Service Facility facility.

The discharge plan renewal application for the Bearcat Drilling, LLC Farmington Service Facility is subject to WQCC Regulation 3114. Every billable facility submitting a discharge plan application will be assessed a fee equal to the filing fee of \$50. There is a renewal flat fee assessed for oil field service company equal to one-half of the original flat fee or \$690.00. The OCD has received the filing fee and the flat fee.

Please make all checks payable to: Water Management Quality Management Fund
C/o: Oil Conservation Division
2040 South Pacheco
Santa Fe, New Mexico 87505.

If you have any questions please contact Mr. W. Jack Ford at (505) 827-7156. On behalf of the staff of the OCD, I wish to thank you and your staff for your cooperation during this discharge plan review.

Sincerely,



Roger C. Anderson
Chief, Environmental Bureau
Oil Conservation Division

RCA/wjf
Attachment

xc: OCD Aztec Office

ATTACHMENT TO THE DISCHARGE PLAN RENEWAL GW-220
BEARCAT DRILLING, LLC
FARMINGTON SERVICE FACILITY
DISCHARGE PLAN APPROVAL CONDITIONS
(May 26, 2000)

1. Payment of Discharge Plan Fees: The \$50.00 filing fee has been received by the OCD. There is a required flat fee equal to one-half of the original flat fee for oil field service companies. The renewal flat fee required for this facility is \$690.00 which has been received by the OCD.
2. Bearcat Drilling, LLC Commitments: Bearcat Drilling, LLC will abide by all commitments submitted in the discharge plan renewal application letter dated April 7, 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. Drum Storage: All drums containing materials other than fresh water must be stored on an impermeable pad with curbing. All empty drums will be stored on their sides with the bungs in and lined up on a horizontal plane. Chemicals in other containers such as sacks or buckets will also be stored on an impermeable pad and curb type containment.
5. Process Areas: All process and maintenance areas which show evidence that leaks and spills are reaching the ground surface must be either paved and curbed or have some type of spill collection device incorporated into the design.
6. Above Ground Tanks: All above ground tanks which contain fluids other than fresh water must be bermed to contain a volume of one-third more than the total volume of the largest tank or of all interconnected tanks. All new tanks or existing tanks that undergo a major modification, as determined by the Division, must be placed within an impermeable bermed enclosure.
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11. 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.
12. Housekeeping: All systems designed for spill collection/prevention will be inspected weekly and after each storm event to ensure proper operation and to prevent overtopping or system failure. A record of inspections will be retained on site for a period of five years.
13. Spill Reporting: All spills/releases will be reported pursuant to OCD Rule 116 and WQCC 1203 to the OCD Hobbs District Office.
14. Transfer of Discharge Plan: The OCD will be notified prior to any transfer of ownership, control, or possession of a facility with an approved discharge plan. A written commitment to comply with the terms and conditions of the previously approved discharge plan must be submitted by the purchaser and approved by the OCD prior to transfer.
15. Storm Water Plan: The facility will have an approved storm water run-off plan.

16. Closure: The OCD will be notified when operations of the Farmington Service Facility are discontinued for a period in excess of six months. Prior to closure of the Farmington Service Facility a closure plan will be submitted for approval by the Director. Closure and waste disposal will be in accordance with the statutes, rules and regulations in effect at the time of closure.
17. Certification: Bearcat Drilling, LLC, by the officer whose signature appears below, accepts this permit and agrees to comply with all terms and conditions contained herein. Bearcat Drilling, LLC further acknowledges that these conditions and requirements of this permit may be changed administratively by the Division for good cause shown as necessary to protect fresh water, human health and the environment.

Accepted:

BEARCAT DRILLING, LLC

by Conrado Vallejos Dtg Supt.
Title