GW - 278

GENERAL CORRESPONDENCE

YEAR(S):

2003-1998

Affidavit of Publication

State of New Mexico,
County of Eddy, ss.

Dawn Higgins,
being first duly sworn, on oath says:

That she is Business Manager of the Carlsbad Current-Argus, a newspaper published daily at the City of Carlsbad, in said county of Eddy, state of New Mexico and of general paid circulation in said county; that the same is a duly qualified newspaper under the laws of the State wherein legal notices and advertisements may be published; that the printed notice attached hereto was published in the regular and entire edition of said newspaper and not in supplement thereof on the date as follows, to wit:

January 12, 2003

, 2003

, 2003

, 2003

, 2003

, 2003

That the cost of publication is $ 72.21 and that payment thereof has been made and will be assessed as court costs.

Dawn Higgins

Subscribed and sworn to before me this 13 day of January, 2003

Stephanie Dobson

My commission expires 12/13/05
Notary Public

January 12, 2003

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, the following discharge permit applications has been submitted to the Director of the Oil Conservation Division, 1220 S. Saint Francis Drive, Santa Fe, New Mexico 87505, Telephone (505) 476-3440:

(GW-278) - Yale E. Key Inc. dba Key Energy Services Inc., Royce Crowell, Compliance Specialist, (505) 393-9171, 1609 East Green, Carlsbad, New Mexico 88220, has submitted a discharge permit renewal application for the permitted Carlsbad Terminal located in Section 33 and 34, Township 21 South, Range 27 East, NMPM, Eddy County, New Mexico. All wastes generated will be temporally stored in closed top receptacles or in an on-site double lined waste disposal sump equipped with a groundwater leak detection system. Waste shipped offsite will be disposed of or recycled at an OCD approved site. Ground water most likely to be affected in the event of an accidental discharge is at a depth of approximately 50 feet with a total dissolved solids concentration of approximately 1,500 mg/1. The discharge permit addresses how spills, leaks, and other accidental discharges to the surface will be managed.

Any interested person may obtain further information from the Oil Conservation Division (OCD) and may submit written comments to the Director of the Oil Conservation Division at the address given above or E-mail the OCD Environmental Bureau Chief at rcanderson@state.nm.us. The discharge permit application 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 be obtained from OCD's web site at http://www.emnrd.state.nm.us/ocd/. Prior to ruling on any proposed discharge permit or its modification, the Director of the Oil Conservation Division shall allow at least thirty (30) days after the date of publication of this notice during which comments may be submitted to the OCD and a public hearing may be requested by any interested person. 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 there is significant public interest.

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

GIVEN under the Seal of New Mexico Oil Conservation Commission at Santa Fe, New Mexico, on this 02nd day of January 2003.

STATE OF NEW MEXICO OIL CONSERVATION DIVISION

LORI WRONTENBERY, Director

THE SANTA FE
NEW MEXICAN
Founded 1849

RECEIVED
JAN 15 2003
OIL CONSERVATION DIVISION

NM OIL CONSERVATION DIV.
1220 ST. FRANCIS DR.
SANTA FE, NM 87505
ATTN: WAYNE PRICE

AD NUMBER: 297779 ACCOUNT: 56689
LEGAL NO: 72705 P.O.#: 02199000249
207 LINES 1 time(s) at $ 91.47
AFFIDAVITS: 5.25
TAX: 6.05
TOTAL: 102.77

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ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

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STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

SEAL

LORI WROTENBERY,
Director

Legal #72705
Pub. January 14, 2003

AFFIDAVIT OF PUBLICATION

STATE OF NEW MEXICO
COUNTY OF SANTA FE

I, K. Voorhees being first duly sworn declare and say that I am Legal Advertising Representative of THE SANTA FE NEW MEXICAN, a daily newspaper published in the English language, and having a general circulation in the Counties of Santa Fe and Los Alamos, State of New Mexico and being a Newspaper duly qualified to publish legal notices and advertisements under the provisions of Chapter 167 on Session Laws of 1937; that the publication #72705 a copy of which is hereto attached was published in said newspaper 1 day(s) between 01/14/2003 and 01/14/2003 and that the notice was published in the newspaper proper and not in any supplement; the first publication being on the 14 day of January, 2003 and that the undersigned has personal knowledge of the matter and things set forth in this affidavit.

/S/ K. Voorhees
LEGAL ADVERTISEMENT REPRESENTATIVE

Subscribed and sworn to before me on this 14 day of January A.D., 2003

Notary Janet L. Montoya

Commission Expires 12/30/03

OFFICIAL SEAL
Janet L. Montoya
NOTARY PUBLIC - STATE OF NEW MEXICO
MY COMMISSION EXPIRES 12/30/03

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

SEAL

LORI WROTENBERY, Director

Key Energy Services, Inc.

Environmental Audit

Division_____ Date_____
Yard_____ Manager _____

Audit Team Members: Position:

_____ _____
_____ _____
_____ _____

This environmental audit is intended to measure and document the state of environmental compliance within Key Energy and point out areas where improvement is needed.

Facility Inspection

A. Housekeeping

Inspect each of the following areas for housekeeping practices. Rate each area as –Excellent (E), -Good (G), Needs Improvement (N), Unsatisfactory (U) or Not Applicable (N/A). Comment on any problem areas.

1. Shop	❑ E	❑ G	❑ N	❑ U	❑ N/A
2. Parts Storage Room	❑ E	❑ G	❑ N	❑ U	❑ N/A
3. Used Parts Storage Area	❑ E	❑ G	❑ N	❑ U	❑ N/A
4. Wash Rack	❑ E	❑ G	❑ N	❑ U	❑ N/A
5. Fuel Island	❑ E	❑ G	❑ N	❑ U	❑ N/A
6. Waste Storage Areas	❑ E	❑ G	❑ N	❑ U	❑ N/A
7. Rig Parking Area	❑ E	❑ G	❑ N	❑ U	❑ N/A
8. Equipment Parking Area	❑ E	❑ G	❑ N	❑ U	❑ N/A

Comments: _____

_____

_____

_____

B. Fuel Storage

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

Product	Capacity (Gal.)	Type of Tank		Physical Condition
_____	_____	❑ AST	❑ UST	_____
_____	_____	❑ AST	❑ UST	_____
_____	_____	❑ AST	❑ UST	_____
_____	_____	❑ AST	❑ UST	_____

2. Are fuel tanks equipped with Stage II and/or Stage III vapor recovery equipment?
   ❑ None ❑ Stage II ❑ Stage III
3. Are fuel containers clearly labeled with the following signs:
   a. Content labels ❑ Yes ❑ No
   b. NFPA Hazard ❑ Yes ❑ No
   c. "No Smoking" ❑ Yes ❑ No
4. Are fuel tanks equipped with locking filler caps? ❑ Yes ❑ No

Yard:_____
Date:_____

5. Are the fuel pumps equipped with a lock or other means of securing access?
   ❑ Yes ❑ No
6. Are the fuel pumps equipped with a remotely located emergency shutoff switch?
   ❑ Yes ❑ No
7. Are the fuel hoses equipped with quick release couplings?
   ❑ Yes ❑ No
8. Are bulk oil tanks located within secondary containment structures large enough to contain 110% of the largest tank? ❑ Yes ❑ No ❑ N/A
9. How is rainwater removed from secondary containment areas? _____
   _____
   If valves are used are they locked in the closed position? ❑ Yes ❑ No
10. Inspect the tanks, pumps, lines, hoses, and secondary containment for signs or wear and/or deterioration.
    Problems/Comments: _____
    _____
    _____
11. Is there evidence of spills and/or leaks around the fuel storage area? ❑ Yes ❑ No
    If yes, what is the probable cause of the release? Has the problem been corrected? How? Describe the impacted area (location, size, etc.) _____
    _____
    _____

C. Oil Storage

1. How are motor oil, hydraulic fluid, and other petroleum liquids stored? Check all that apply.
   ❑ Qt./Gal. Containers ❑ 55 Gal. Drums ❑ Bulk Tanks ❑ Other_____
2. Are oil containers clearly labeled with the following signs?
   a. Drums:
      (1) Contents label ❑ Yes ❑ No
      (2) Hazard Identification ❑ Yes ❑ No
   b. Bulk Tanks:
      (1) Contents label ❑ Yes ❑ No
      (2) Hazard Identification ❑ Yes ❑ No
3. Are oil containers located within secondary containment structures large enough to contain 110% of the largest container?
   a. Drums: ❑ Yes ❑ No
   b. Bulk Tanks ❑ Yes ❑ No
4. How is rainwater removed from secondary containment areas? _____
   _____
   If valves are used are they locked in the closed position? ❑ Yes ❑ No
5. Inspect the tanks, drums, lines, hoses, and secondary containment for signs or wear and/or deterioration.
   Problems/Comments: _____
   _____
   _____
   _____
6. Is there evidence of spills and/or leaks around oil storage areas? ❑ Yes ❑ No
   If yes, what is the probable cause of the release? Has the problem been corrected? How? Describe the impacted area (location, size, etc.) _____
   _____
   _____

Yard:_____
Date:_____

D. Painting and Sandblasting

1. Is painting and/or sandblasting of equipment conducted at the yard?
   ❑ Yes ❑ No If yes how often?_____
   If yes, what type of equipment is painted and/or sandblasted? _____
   _____
2. Is painting and/or sandblasting of equipment conducted off site. ❑ Yes ❑ No
   If yes, what type of equipment is painted and/or sandblasted? Where is the work performed? By whom? _____
   _____
3. Is paint and/or solvent stored on the premises? ❑ Yes ❑ No
   If yes, is the paint/solvent stored in a well ventilated, fire resistant building separate from other structures? ❑ Yes ❑ No
   Describe the paint storage area. _____
   _____
4. Is the paint inventory kept to a minimum considering the painting workload? ❑ Yes ❑ No

The following questions apply only to facilities where painting and/or sandblasting are conducted.

5. Is painting and/or sandblasting conducted in a designated area? ❑ Yes ❑ No
6. Can the painting and/or sandblasting operation endanger people or property? ❑ Yes ❑ No
7. Can overspray from the painting and/or sandblasting operation leave the premises? ❑ Yes ❑ No
8. Describe the precautions used to contain blowing paint and/or sandblast media. _____
   _____
9. Is the washrack used as a painting area? ❑ Yes ❑ No
10. Problems/Comments:_____
    _____

E. Chemicals

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

Chemical	Estimated Volume	Container	Location
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

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

Yard:_____
Date:_____

F. Equipment Maintenance and Cleaning

1. Where is maintenance performed on rigs, pumps, trucks, etc.? _____
2. Is the maintenance area equipped with an impervious surface that will prevent machine fluids from impacting the soil?
   ❑ Yes ❑ No
3. What measures are taken to protect soil and water during equipment maintenance? _____
4. Is the facility equipped with a wash rack? ❑ Yes ❑ No
   If no, where are rigs, trucks, and other equipment cleaned?_____
5. Is the washrack equipped with an impervious surface that fully contains all cleaning fluids and other pollutants?
   ❑ Yes ❑ No
6. Is the washrack used as a maintenance area? ❑ Yes ❑ No
7. How is wash water disposed of?
   ❑ Recycled through a closed loop system
   ❑ Discharged to a public sewer system
   ❑ Collected in tanks and transported to an approved disposal facility
   ❑ Discharged to surface
   ❑ Other_____
8. Is the washrack designed so as to prevent overspray of wash fluids and other pollutants from impacting the surrounding soil? ❑ Yes ❑ No
9. Inspect the wash rack and fluid containment structures for signs of wear and/or deterioration.
   Problems/Comments:_____
10. Is the soil around the wash rack stained from runoff and/or overspray? ❑ Yes ❑ No
    If yes, has the problem been corrected? How? Describe the impacted area (location, size, etc.)_____

G. Equipment Storage

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

Yard:_____
Date:_____

H. Waste Management

1. Aerosol Cans
   a. Are aerosol cans recycled? ❑ Yes ❑ No
      If not, how are they disposed of?_____
   b. Are aerosol cans punctured prior to disposal/recycling? ❑ Yes ❑ No
   c. Problems/Comments:_____

2. Antifreeze
   a. Is used antifreeze recycled? ❑ Yes ❑ No
      Name of recycling company _____
      If not recycled, how is it disposed of?_____
   b. How is used antifreeze stored prior to recycling/disposal?_____
   c. Are used antifreeze containers labeled? ❑ Yes ❑ No
   d. Is used antifreeze stored in secondary containment areas? ❑ Yes ❑ No
   e. Problems/Comments:_____

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

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

5. Buckets
   a. Are used buckets recycled? ❑ Yes ❑ No
   b. If not recycled, how are they disposed of? _____
   c. Problems/Comments:_____

6. Filters
   a. Are used oil filters and fuel filters recycled? ❑ Yes ❑ No
   b. If not recycled, how are they disposed of? _____
   c. How are used filters stored prior to recycling/disposal? _____
   d. Number of drums of used oil filters on site?_____
   e. Are used filter containers covered & labeled? ❑ Yes ❑ No
   f. Are used filters stored in secondary containment areas? ❑ Yes ❑ No
   g. Is there evidence of spills and/or leaks around filter storage areas? ❑ Yes ❑ No
      If yes, what is the probable cause of the release? Has the problem been corrected? How?
      Describe the impacted area (location, size, etc.)_____

Yard:_____
Date:_____

h. Inspect used filter containers and secondary containment for signs or wear and/or deterioration.
Problems/Comments:_____

7. Medical Waste
   a. Is any medical waste generated at this facility? ❑ Yes ❑ No
   b. If yes, how is it disposed of?_____
   c. Problems/Comments:_____

8. Oil
   a. Is all used oil generated at this facility recycled? ❑ Yes ❑ No
   b. How is the used oil stored? ❑ tank (____gal.) ❑ drums ❑ other_____
   c. Are used oil storage containers in good condition? ❑ Yes ❑ No
   d. Are all used oil containers properly labeled? ❑ Yes ❑ No
   e. Are there open containers of used oil in the yard? ❑ Yes ❑ No
   f. Is used oil stored in a secondary containment area? ❑ Yes ❑ No
   g. Is there evidence of spills and/or leaks around used oil storage areas? ❑ Yes ❑ No
      If yes, what is the probable cause of the release? Has the problem been corrected? How?
      Describe the impacted area (location, size, etc.)_____
   h. Inspect used oil containers and secondary containment for signs or wear and/or deterioration.
      Problems/Comments:_____

9. Rags/Sorbents
   a. Are used rags and sorbent material recycled? ❑ Yes ❑ No
   b. If not recycled, how are they disposed of? _____
   c. Problems/Comments:_____

10. Rubber Goods
   a. Are rubber goods (other than tires) recycled? ❑ Yes ❑ No
   b. If not recycled, how are they disposed of? _____
   c. Problems/Comments:_____

11. Soil (contaminated)
   a. Are there areas of petroleum contaminated soil at this facility that require remediation?
      ❑ Yes ❑ No
      If yes, describe._____
   b. Is any contaminated soil currently being remediated on-site? ❑ Yes ❑ No
      If yes, describe._____
      Does the remediation project present a further pollution hazard? ❑ Yes ❑ No
   c. Problems/Comments:_____

12. Tires
   a. Are all used tires returned to the vendor for recycling? ❑ Yes ❑ No
   b. If not, how are they disposed of?_____
   c. Are used tires stored in a designated area? ❑ Yes ❑ No
   d. Problems/Comments:_____

District_____
Date_____

13. Trash
    a. Are trash collection bins designed to protect contents from wind and rain? ❑ Yes ❑ No
    b. Are there sufficient numbers of trash cans and collection bins in the yard? ❑ Yes ❑ No
    c. Problems/Comments: _____

14. Wire Rope
    a. Is all wire rope either returned to the vendor or sold for scrap? ❑ Yes ❑ No
    b. If not, how is it disposed of?_____
    c. Problems/Comments:_____

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

I. Naturally Occurring Radioactive Material (NORM)
1. Does this yard service wells known to produce NORM? ❑ Yes ❑ No
   If yes, what precautions are used to prevent NORM contamination of equipment and property? _____
2. Is liquid and solid residue removed from mud tanks before they are transported to the yard? ❑ Yes ❑ No
3. Are mud tanks cleaned at the yard? ❑ Yes ❑ No Where?_____
4. Is used production equipment or tubing stored at the yard? ❑ Yes ❑ No
5. Problems/Comments:_____

J. Storm Water Run Off
1. Inspect drainage areas and outfalls. Is there evidence of pollutants entering the drainage system?
   ❑ Yes ❑ No
2. Are the management practices in place effectively controlling exposure of pollutants to stormwater?
   ❑ Yes ❑ No
3. Note any problems with storm water pollution or controls._____
4. Problems/Comments:_____

K. Drums
1. Are all drums returned to the vendors for recycling? ❑ Yes ❑ No
   If not, how are they disposed of?_____
2. Are all drums stored in a containment area? ❑ Yes ❑ No
3. Problems/Comments:_____

District_____
Date_____

L. Parts Washers

1. Are all solvents recycled? ❑ Yes ❑ No
   If not, how is disposed of?_____
2. Are the lids kept closed? ❑ Yes ❑ No
3. Are parts washers clearly labeled with the following signs?
   (1) Contents label ❑ Yes ❑ No
   (2) Hazard Identification ❑ Yes ❑ No
   (3) No Smoking ❑ Yes ❑ No

Environmental Records and Procedures

A. Environmental Files

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

B. Training

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

C. Permits and Registration

1. Does this facility have an NPDES discharge permit? ❑ Yes ❑ No
2. Is this facility registered with the EPA as a hazardous waste generator?
   ❑ Yes, EPA # _____ ❑ No
3. Are all above ground petroleum storage tanks registered with regulatory agencies?
   ❑ Yes ❑ No ❑ N/A
   Are other permits and/or registrations required at this facility? ❑ Yes ❑ No
   If yes, describe._____
   Is this facility in compliance with the above requirement? ❑ Yes ❑ No
5. Comments:_____
   _____

D. Spill Prevention Control and Countermeasure Plan (SPCC)

1. A SPCC plan is required at any facility that stores 660 gal. of petroleum in a single tank, or a total of 1320 gal. of petroleum in multiple tanks. Is a SPCC plan required for this facility?
   ❑ Yes ❑ No
2. Is the SPCC plan for this facility readily accessible? ❑ Yes ❑ No
3. Is the SPCC plan up to date? ❑ Yes ❑ No
4. Do yard and shop workers have a good working knowledge of the SPCC plan?
   ❑ Yes ❑ No
5. Is the facility inspected as specified in the SPCC plan at least quarterly? ❑ Yes ❑ No

District_____
Date_____

6. Are facility inspections documented in the SPCC plan? ❑ Yes ❑ No
7. Comments: _____

E. Storm Water Pollution Prevention Plan (SWPPP)
1. Is the SWPPP for this facility readily accessible? ❑ Yes ❑ No
2. Is the SWPPP up to date? ❑ Yes ❑ No
3. Does the pollution prevention team have a good working knowledge of the SWPPP?
❑ Yes ❑ No
4. Is the facility inspected as specified in the SWPPP at least quarterly? ❑ Yes ❑ No
5. Are facility inspections documented in the SWPPP? ❑ Yes ❑ No
6. Is storm water sampling and analysis required at this facility? ❑ Yes ❑ No
If yes, has the facility complied with the sampling requirements? ❑ Yes ❑ No
7. Comments: _____

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

G. Waste Shipments
1. Is hazardous waste generated at this facility? ❑ Yes ❑ No
2. If yes, list the type of waste and estimated monthly quantity generated below.

Hazardous Waste	Monthly Quantity Generated
_____	_____
_____	_____
_____	_____

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

Used oil	❑ Yes, since_____	❑ No
Used filters	❑ Yes, since_____	❑ No
Solvents	❑ Yes, since_____	❑ No
Other_____	❑ Yes, since_____	❑ No
_____	❑ Yes, since_____	❑ No
_____	❑ Yes, since_____	❑ No

4. Comments: _____

H. Lab Testing
1. Sandblasting and Painting
a. If equipment is sandblasted at this facility, are samples of paint collected from the equipment and analyzed for hazardous constituents prior to sandblasting. ❑ Yes ❑ No
b. Are copies of the lab reports from the above samples on file? ❑ Yes ❑ No
c. If equipment is painted and/or sandblasted at this facility, are soil samples collected annually and tested for contamination? ❑ Yes ❑ No
d. Are copies of the lab reports from the above samples on file? ❑ Yes ❑ No
e. Do the lab reports indicate dangerous levels of hazardous materials? ❑ Yes ❑ No

District_____
Date_____

f. Comments: _____

_____

2. Soil Remediation
   a. If soil remediation is conducted on site, were samples of the soil collected and analyzed for hazardous constituents? ❑ Yes ❑ No
   b. Are copies of the lab reports from the above samples on file? ❑ Yes ❑ No
   c. Do the lab reports indicate dangerous levels of hazardous materials? ❑ Yes ❑ No
   d. Comments:_____

_____

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

_____

District_____
Date_____

Rig Inspection

Rig No._____

A. Housekeeping

1. Is this location an orderly work environment? ❑ Yes ❑ No
2. Is the rig and associated equipment clean? ❑ Yes ❑ No
3. Is the crew truck clean? ❑ Yes ❑ No
4. Rate the overall housekeeping practices of this rig?
   ❑ Excellent ❑ Good ❑ Needs Improvement ❑ Unsatisfactory
5. Problems/Comments:_____

B. Fuel and Oil

1. Are all fuel and oil containers on location appropriate for petroleum storage? ❑ Yes ❑ No
2. Are there any open containers of fuel or oil on location? ❑ Yes ❑ No
3. Problems/Comments:_____

C. Waste Management

1. Is there at least one trash container on the location? ❑ Yes ❑ No_____
2. Where is the trash disposed of?_____
3. How is used oil transported and disposed of?_____
4. How is used wire rope disposed of?_____
5. Problems/Comments:_____

D. Pollution Prevention

1 Is a spill kit present on this rig? ❑ Yes ❑ No
   If yes, is it stocked with the necessary spill response materials? ❑ Yes ❑ No
2. Are there any pollution hazards present?_____
3. Problems/Comments:_____

E. Hazcom

1. Is the written HAZCOM plan for this rig readily accessible? ❑ Yes ❑ No
2. Are material safety data sheets available and up to date? ❑ Yes ❑ No
3. Problems/Comments:_____

F. SPCC Plan

1 Is the SPCC plan for this rig readily accessible? ❑ Yes ❑ No
2. Is the SPCC plan up to date? ❑ Yes ❑ No
3. Does the rig crew have a good working knowledge of the SPCC plan? ❑ Yes ❑ No
4. Is the rig inspected as specified in the SPCC plan at least quarterly? ❑ Yes ❑ No
5. Are facility inspections documented in the SPCC plan? ❑ Yes ❑ No
6. Problems/Comments:_____

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

State of New Mexico
Energy Minerals and Natural Resources

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Revised January 24, 2001

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

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

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

☐ New XX☐ Renewal ☐ Modification

1. Type: Oil & Gas Service Company
2. Operator: Yale E. Key Inc. dba Key Energy Services Inc.

   Address: P.O. Box 2040 Hobbs, NM 88241

   Contact Person: Royce Crowell Phone: 505(393-9171)
3. Location: /4 Lot /4 Section 33 &34 Township 21S Range 37E
   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 best of my knowledge and belief.

Name: Royce Crowell Title: Compliance Specialist

Signature: Royce Crowell Date: 7/26/02

All portions of the Discharge Plan will continue as previously addressed except for the following changes.

IV. Name of Land Owner

Yale E. Key Inc. dba Key Energy Services, Inc.
P.O. Box 2040
Hobbs, NM 88241
(505) 393-9171

IX. Modification

Construction of a clean-out pit has been completed since the last application. The pit is 30' wide, 71 foot long, and slopes 7 foot front to back. It has a double lined polyethylene geomembrane with a leak detection system under it. It has a 50' X 70' concrete slab to drain and dry solids. This drying slab also has a geomembrane under it which is tied back to the clean out pit. Top of casing on monitor well on pit leak detection system has been raised to prevent surface water contamination.

Fluid discharge from the truck washing bay has been plumbed to a collection tank to be transported to an approved disposal facility. Sampling and testing of wash bay fluids have already been submitted to OCD for approval of disposal.

As of July 1, 2002, all loading of diesel fuel has been moved off-site. Tank that has previously stored diesel fuel is empty and is awaiting removal by former fuel provider.

X. Routine Maintenance and Inspections

Environment audits are done monthly by local management, quarterly by division management, and yearly by corporate management. All personnel is trained in best management practices and procedures.
New Environmental Audit form: Exhibit A

Key Energy Services, Inc.

Environmental Audit

Division_____ Date_____
Yard_____ Manager _____

Audit Team Members: Position:

_____ _____
_____ _____
_____ _____

This environmental audit is intended to measure and document the state of environmental compliance within Key Energy and point out areas where improvement is needed.

Facility Inspection

A. Housekeeping

Inspect each of the following areas for housekeeping practices. Rate each area as –Excellent (E), -Good (G), Needs Improvement (N), Unsatisfactory (U) or Not Applicable (N/A). Comment on any problem areas.

1. Shop	❑ E	❑ G	❑ N	❑ U	❑ N/A
2. Parts Storage Room	❑ E	❑ G	❑ N	❑ U	❑ N/A
3. Used Parts Storage Area	❑ E	❑ G	❑ N	❑ U	❑ N/A
4. Wash Rack	❑ E	❑ G	❑ N	❑ U	❑ N/A
5. Fuel Island	❑ E	❑ G	❑ N	❑ U	❑ N/A
6. Waste Storage Areas	❑ E	❑ G	❑ N	❑ U	❑ N/A
7. Rig Parking Area	❑ E	❑ G	❑ N	❑ U	❑ N/A
8. Equipment Parking Area	❑ E	❑ G	❑ N	❑ U	❑ N/A

Comments: _____

_____

_____

_____

B. Fuel Storage

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

Product	Capacity (Gal.)	Type of Tank		Physical Condition
_____	_____	❑ AST	❑ UST	_____
_____	_____	❑ AST	❑ UST	_____
_____	_____	❑ AST	❑ UST	_____
_____	_____	❑ AST	❑ UST	_____

2. Are fuel tanks equipped with Stage II and/or Stage III vapor recovery equipment?
   ❑ None ❑ Stage II ❑ Stage III
3. Are fuel containers clearly labeled with the following signs:
   a. Content labels ❑ Yes ❑ No
   b. NFPA Hazard ❑ Yes ❑ No
   c. "No Smoking" ❑ Yes ❑ No
4. Are fuel tanks equipped with locking filler caps? ❑ Yes ❑ No

Yard:_____
Date:_____

5. Are the fuel pumps equipped with a lock or other means of securing access?
   ❑ Yes ❑ No
6. Are the fuel pumps equipped with a remotely located emergency shutoff switch?
   ❑ Yes ❑ No
7. Are the fuel hoses equipped with quick release couplings?
   ❑ Yes ❑ No
8. Are bulk oil tanks located within secondary containment structures large enough to contain 110% of the largest tank? ❑ Yes ❑ No ❑ N/A
9. How is rainwater removed from secondary containment areas? _____
   _____
   If valves are used are they locked in the closed position? ❑ Yes ❑ No
10. Inspect the tanks, pumps, lines, hoses, and secondary containment for signs or wear and/or deterioration.
    Problems/Comments: _____
    _____
    _____
11. Is there evidence of spills and/or leaks around the fuel storage area? ❑ Yes ❑ No
    If yes, what is the probable cause of the release? Has the problem been corrected? How? Describe the impacted area (location, size, etc.) _____
    _____
    _____

C. Oil Storage

1. How are motor oil, hydraulic fluid, and other petroleum liquids stored? Check all that apply.
   ❑ Qt./Gal. Containers ❑ 55 Gal. Drums ❑ Bulk Tanks ❑ Other_____
2. Are oil containers clearly labeled with the following signs?
   a. Drums:
      (1) Contents label ❑ Yes ❑ No
      (2) Hazard Identification ❑ Yes ❑ No
   b. Bulk Tanks:
      (1) Contents label ❑ Yes ❑ No
      (2) Hazard Identification ❑ Yes ❑ No
3. Are oil containers located within secondary containment structures large enough to contain 110% of the largest container?
   a. Drums: ❑ Yes ❑ No
   b. Bulk Tanks ❑ Yes ❑ No
4. How is rainwater removed from secondary containment areas? _____
   _____
   If valves are used are they locked in the closed position? ❑ Yes ❑ No
5. Inspect the tanks, drums, lines, hoses, and secondary containment for signs or wear and/or deterioration.
   Problems/Comments: _____
   _____
   _____
   _____
6. Is there evidence of spills and/or leaks around oil storage areas? ❑ Yes ❑ No
   If yes, what is the probable cause of the release? Has the problem been corrected? How? Describe the impacted area (location, size, etc.) _____
   _____
   _____

Yard:_____
Date:_____

D. Painting and Sandblasting

1. Is painting and/or sandblasting of equipment conducted at the yard?
   ❑ Yes ❑ No If yes how often?_____
   If yes, what type of equipment is painted and/or sandblasted? _____
   _____
2. Is painting and/or sandblasting of equipment conducted off site. ❑ Yes ❑ No
   If yes, what type of equipment is painted and/or sandblasted? Where is the work performed? By whom? _____
   _____
3. Is paint and/or solvent stored on the premises? ❑ Yes ❑ No
   If yes, is the paint/solvent stored in a well ventilated, fire resistant building separate from other structures? ❑ Yes ❑ No
   Describe the paint storage area. _____
   _____
4. Is the paint inventory kept to a minimum considering the painting workload? ❑ Yes ❑ No

The following questions apply only to facilities where painting and/or sandblasting are conducted.

5. Is painting and/or sandblasting conducted in a designated area? ❑ Yes ❑ No
6. Can the painting and/or sandblasting operation endanger people or property? ❑ Yes ❑ No
7. Can overspray from the painting and/or sandblasting operation leave the premises? ❑ Yes ❑ No
8. Describe the precautions used to contain blowing paint and/or sandblast media. _____
   _____
9. Is the washrack used as a painting area? ❑ Yes ❑ No
10. Problems/Comments:_____
    _____

E. Chemicals

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

Chemical	Estimated Volume	Container	Location
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

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

Yard:_____
Date:_____

F. Equipment Maintenance and Cleaning

1. Where is maintenance performed on rigs, pumps, trucks, etc.? _____
2. Is the maintenance area equipped with an impervious surface that will prevent machine fluids from impacting the soil?
   ❑ Yes ❑ No
3. What measures are taken to protect soil and water during equipment maintenance? _____
4. Is the facility equipped with a wash rack? ❑ Yes ❑ No
   If no, where are rigs, trucks, and other equipment cleaned?_____
5. Is the washrack equipped with an impervious surface that fully contains all cleaning fluids and other pollutants?
   ❑ Yes ❑ No
6. Is the washrack used as a maintenance area? ❑ Yes ❑ No
7. How is wash water disposed of?
   ❑ Recycled through a closed loop system
   ❑ Discharged to a public sewer system
   ❑ Collected in tanks and transported to an approved disposal facility
   ❑ Discharged to surface
   ❑ Other_____
8. Is the washrack designed so as to prevent overspray of wash fluids and other pollutants from impacting the surrounding soil? ❑ Yes ❑ No
9. Inspect the wash rack and fluid containment structures for signs of wear and/or deterioration.
   Problems/Comments:_____
10. Is the soil around the wash rack stained from runoff and/or overspray? ❑ Yes ❑ No
    If yes, has the problem been corrected? How? Describe the impacted area (location, size, etc.)_____

G. Equipment Storage

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

Yard:_____
Date:_____

H. Waste Management

1. Aerosol Cans
   a. Are aerosol cans recycled? ❑ Yes ❑ No
      If not, how are they disposed of?_____
   b. Are aerosol cans punctured prior to disposal/recycling? ❑ Yes ❑ No
   c. Problems/Comments:_____

2. Antifreeze
   a. Is used antifreeze recycled? ❑ Yes ❑ No
      Name of recycling company _____
      If not recycled, how is it disposed of?_____
   b. How is used antifreeze stored prior to recycling/disposal?_____
   c. Are used antifreeze containers labeled? ❑ Yes ❑ No
   d. Is used antifreeze stored in secondary containment areas? ❑ Yes ❑ No
   e. Problems/Comments:_____

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

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

5. Buckets
   a. Are used buckets recycled? ❑ Yes ❑ No
   b. If not recycled, how are they disposed of? _____
   c. Problems/Comments:_____

6. Filters
   a. Are used oil filters and fuel filters recycled? ❑ Yes ❑ No
   b. If not recycled, how are they disposed of? _____
   c. How are used filters stored prior to recycling/disposal? _____
   d. Number of drums of used oil filters on site?_____
   e. Are used filter containers covered & labeled? ❑ Yes ❑ No
   f. Are used filters stored in secondary containment areas? ❑ Yes ❑ No
   g. Is there evidence of spills and/or leaks around filter storage areas? ❑ Yes ❑ No
      If yes, what is the probable cause of the release? Has the problem been corrected? How?
      Describe the impacted area (location, size, etc.)_____

Yard:_____
Date:_____

h. Inspect used filter containers and secondary containment for signs or wear and/or deterioration.
Problems/Comments:_____
_____

7. Medical Waste
   a. Is any medical waste generated at this facility? ❑ Yes ❑ No
   b. If yes, how is it disposed of?_____
   c. Problems/Comments:_____
   _____

8. Oil
   a. Is all used oil generated at this facility recycled? ❑ Yes ❑ No
   b. How is the used oil stored? ❑ tank (____gal.) ❑ drums ❑ other_____
   c. Are used oil storage containers in good condition? ❑ Yes ❑ No
   d. Are all used oil containers properly labeled? ❑ Yes ❑ No
   e. Are there open containers of used oil in the yard? ❑ Yes ❑ No
   f. Is used oil stored in a secondary containment area? ❑ Yes ❑ No
   g. Is there evidence of spills and/or leaks around used oil storage areas? ❑ Yes ❑ No
   If yes, what is the probable cause of the release? Has the problem been corrected? How?
   Describe the impacted area (location, size, etc.)_____
   _____
   h. Inspect used oil containers and secondary containment for signs or wear and/or deterioration.
   Problems/Comments:_____
   _____

9. Rags/Sorbents
   a. Are used rags and sorbent material recycled? ❑ Yes ❑ No
   b. If not recycled, how are they disposed of? _____
   c. Problems/Comments:_____
   _____

10. Rubber Goods
   a. Are rubber goods (other than tires) recycled? ❑ Yes ❑ No
   b. If not recycled, how are they disposed of? _____
   c. Problems/Comments:_____
   _____

11. Soil (contaminated)
   a. Are there areas of petroleum contaminated soil at this facility that require remediation?
   ❑ Yes ❑ No
   If yes, describe._____
   _____
   b. Is any contaminated soil currently being remediated on-site? ❑ Yes ❑ No
   If yes, describe._____
   _____
   Does the remediation project present a further pollution hazard? ❑ Yes ❑ No
   c. Problems/Comments:_____
   _____

12. Tires
   a. Are all used tires returned to the vendor for recycling? ❑ Yes ❑ No
   b. If not, how are they disposed of?_____
   c. Are used tires stored in a designated area? ❑ Yes ❑ No
   d. Problems/Comments:_____
   _____

District_____
Date_____

13. Trash
    a. Are trash collection bins designed to protect contents from wind and rain? ❑ Yes ❑ No
    b. Are there sufficient numbers of trash cans and collection bins in the yard? ❑ Yes ❑ No
    c. Problems/Comments: _____

14. Wire Rope
    a. Is all wire rope either returned to the vendor or sold for scrap? ❑ Yes ❑ No
    b. If not, how is it disposed of?_____
    c. Problems/Comments:_____

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

I. Naturally Occurring Radioactive Material (NORM)
1. Does this yard service wells known to produce NORM? ❑ Yes ❑ No
   If yes, what precautions are used to prevent NORM contamination of equipment and property? _____
2. Is liquid and solid residue removed from mud tanks before they are transported to the yard? ❑ Yes ❑ No
3. Are mud tanks cleaned at the yard? ❑ Yes ❑ No Where?_____
4. Is used production equipment or tubing stored at the yard? ❑ Yes ❑ No
5. Problems/Comments:_____

J. Storm Water Run Off
1. Inspect drainage areas and outfalls. Is there evidence of pollutants entering the drainage system?
   ❑ Yes ❑ No
2. Are the management practices in place effectively controlling exposure of pollutants to stormwater?
   ❑ Yes ❑ No
3. Note any problems with storm water pollution or controls._____
4. Problems/Comments:_____

K. Drums
1. Are all drums returned to the vendors for recycling? ❑ Yes ❑ No
   If not, how are they disposed of?_____
2. Are all drums stored in a containment area? ❑ Yes ❑ No
3. Problems/Comments:_____

District_____
Date_____

L. Parts Washers

1. Are all solvents recycled? ❑ Yes ❑ No
   If not, how is disposed of?_____
2. Are the lids kept closed? ❑ Yes ❑ No
3. Are parts washers clearly labeled with the following signs?
   (1) Contents label ❑ Yes ❑ No
   (2) Hazard Identification ❑ Yes ❑ No
   (3) No Smoking ❑ Yes ❑ No

Environmental Records and Procedures

A. Environmental Files

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

B. Training

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

C. Permits and Registration

1. Does this facility have an NPDES discharge permit? ❑ Yes ❑ No
2. Is this facility registered with the EPA as a hazardous waste generator?
   ❑ Yes, EPA # _____ ❑ No
3. Are all above ground petroleum storage tanks registered with regulatory agencies?
   ❑ Yes ❑ No ❑ N/A
   Are other permits and/or registrations required at this facility? ❑ Yes ❑ No
   If yes, describe._____
   Is this facility in compliance with the above requirement? ❑ Yes ❑ No
5. Comments:_____
   _____

D. Spill Prevention Control and Countermeasure Plan (SPCC)

1. A SPCC plan is required at any facility that stores 660 gal. of petroleum in a single tank, or a total of 1320 gal. of petroleum in multiple tanks. Is a SPCC plan required for this facility?
   ❑ Yes ❑ No
2. Is the SPCC plan for this facility readily accessible? ❑ Yes ❑ No
3. Is the SPCC plan up to date? ❑ Yes ❑ No
4. Do yard and shop workers have a good working knowledge of the SPCC plan?
   ❑ Yes ❑ No
5. Is the facility inspected as specified in the SPCC plan at least quarterly? ❑ Yes ❑ No

District_____
Date_____

6. Are facility inspections documented in the SPCC plan? ❑ Yes ❑ No
7. Comments: _____

_____

E. Storm Water Pollution Prevention Plan (SWPPP)

1. Is the SWPPP for this facility readily accessible? ❑ Yes ❑ No
2. Is the SWPPP up to date? ❑ Yes ❑ No
3. Does the pollution prevention team have a good working knowledge of the SWPPP?
   ❑ Yes ❑ No
4. Is the facility inspected as specified in the SWPPP at least quarterly? ❑ Yes ❑ No
5. Are facility inspections documented in the SWPPP? ❑ Yes ❑ No
6. Is storm water sampling and analysis required at this facility? ❑ Yes ❑ No
   If yes, has the facility complied with the sampling requirements? ❑ Yes ❑ No
7. Comments: _____

_____

F. HAZCOM Plan

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

_____

G. Waste Shipments

1. Is hazardous waste generated at this facility? ❑ Yes ❑ No
2. If yes, list the type of waste and estimated monthly quantity generated below.

Hazardous Waste	Monthly Quantity Generated
_____	_____
_____	_____
_____	_____

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

Used oil	❑ Yes, since_____	❑ No
Used filters	❑ Yes, since_____	❑ No
Solvents	❑ Yes, since_____	❑ No
Other_____	❑ Yes, since_____	❑ No
_____	❑ Yes, since_____	❑ No
_____	❑ Yes, since_____	❑ No

4. Comments: _____

_____

H. Lab Testing

1. Sandblasting and Painting
   a. If equipment is sandblasted at this facility, are samples of paint collected from the equipment and analyzed for hazardous constituents prior to sandblasting. ❑ Yes ❑ No
   b. Are copies of the lab reports from the above samples on file? ❑ Yes ❑ No
   c. If equipment is painted and/or sandblasted at this facility, are soil samples collected annually and tested for contamination? ❑ Yes ❑ No
   d. Are copies of the lab reports from the above samples on file? ❑ Yes ❑ No
   e. Do the lab reports indicate dangerous levels of hazardous materials? ❑ Yes ❑ No

District_____
Date_____

f. Comments: _____

_____

2. Soil Remediation
   a. If soil remediation is conducted on site, were samples of the soil collected and analyzed for hazardous constituents? ❑ Yes ❑ No
   b. Are copies of the lab reports from the above samples on file? ❑ Yes ❑ No
   c. Do the lab reports indicate dangerous levels of hazardous materials? ❑ Yes ❑ No
   d. Comments:_____

_____

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

_____

Price, Wayne

From: Price, Wayne
Sent: Monday, December 17, 2001 1:39 PM
To: 'rcrowell@wtacess.com'
Cc: Stubblefield, Mike
Subject: Discharge Plan Renewal notice

MEMODPNO.DOC

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

Memorandum of Meeting or Conversation

Telephone _____
Personal _____
E-Mail ___X___
FAX: _____

Date: December 17, 2001

Originating Party: **Wayne Price-OCD**

Other Parties: **Royce Crowell- Yale E. Key, Inc.**

Subject: **Discharge Plan Renewal Notice for the following Facilities:**

GW- 278	**Carlsbad Service Yard**	**expires June 10, 2002**
GW-___	**Name**	**expires**
GW-___	**Name**	**expires**
GW-___	**Name**	**expires**

WQCC 3106.F. If the holder of an approved discharge plan submits an application for discharge plan renewal at least 120 days before the discharge plan expires, and the discharger is not in violation of the approved discharge plan on the date of its expiration, then the existing approved discharge plan for the same activity shall not expire until the application for renewal has been approved or disapproved. A discharge plan continued under this provision remains fully effective and enforceable. An application for discharge plan renewal must include and adequately address all of the information necessary for evaluation of a new discharge plan. Previously submitted materials may be included by reference provided they are current, readily available to the secretary and sufficiently identified to be retrieved. [12-1-95]

Discussion: Discussed WQCC 3106F and gave notice to submit Discharge Plan renewal application with $100.00 filing fee for the above listed facilities.

Conclusions or Agreements:

Please send DP application and $ 100.00 filing Fee before February 10, 2002 to retain WQCC 3106.F provision.

Wayne Price

Signed: _____ electronic signature

NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

Certified Mail P 288 259 097
Return Receipt Requested:

February 17, 1999

Mr. Bob Patterson
Rowland Trucking Co., Inc. (RTCI)
P.O. Box 99
Eunice, New Mexico 88231

Re: Pit Closure Sec 34-Ts21s-R27e
Carlsbad Facility GW-278
Eddy Co, NM

Dear Mr. Patterson:

New Mexico Oil Conservation Division (NMOCD) is in receipt of the Amended Work Plan submitted by Safety & Environmental Solutions, Inc. Dated February 2, 1999 for the above referenced project.

The plan is hereby approved subject to the following additional conditions:

1. RTCI shall notify the OCD Artesia District II office 48 hours in advance of collecting bottom hole samples so as OCD may witness or split samples.

2. RTCI shall submit a detail closure report by April 2, 1999.

Please be advised that NMOCD approval of this plan does not relieve RTCI of liability should their operations fail to adequately investigate and remediate contamination that pose a threat to ground water, surface water, human health or the environment. In addition, NMOCD approval does not relieve RTCI of responsibility for compliance with any other federal, state, or local laws and/or regulations.

If you require any further information or assistance please do not hesitate to write or call me at (505-827-7155).

Sincerely Yours,

Wayne Price-Environmental Bureau

cc: OCD Artesia

P.O. Box 1613
703 E. Clinton Suite 103
Hobbs, New Mexico 88240
505/397-0510
fax 505/393-4388

Safety & Environmental Solutions, Inc.

February 2, 1999

Mr. Wayne Price
New Mexico Oil Conservation Division
2040 S. Pacheco Street
Santa Fe, New Mexico 87505

RE: Rowland Trucking Co., Inc. Carlsbad Clean Out Pit

Dear Wayne:

Enclosed please find an Amended Work Plan for the closure of the pit. We feel that this amended plan will protect the public as well as the environment and is cost effective for Rowland Trucking. Please review this proposal at your convenience and contact me should you have questions or require further information.

Thank you for your attention in this matter.

Sincerely,

Bob Allen

Bob Allen REM, CET, CES
President

BA/baa

Amended Work Plan
Carlsbad Clean Out Pit
Rowland Trucking Co., Inc.

Purpose

The purpose of this Work Plan is to cause the closure of the abandoned clean out pit located at the Rowland Trucking Company yard in Carlsbad, New Mexico in a manner that will protect the population, environment and groundwater of the area surrounding the location.

Background

On August 27, 1998, Rowland Trucking Company secured the services of Safety and Environmental Solutions, Inc. to complete all necessary sampling and testing to determine the horizontal and vertical extent of contamination in the area of the old clean out pit in the yard located in Carlsbad, New Mexico.

Six (6) boreholes were drilled at various locations in the pit area. The analytical results have been previously reported to the New Mexico Oil Conservation Division in the report dated September 1, 1998, ***Site Assessment, Carlsbad Clean Out Pit, Rowland Trucking Company, Inc.*** The results revealed a four (4) foot layer of "red bed clay" located at a depth of approximately 21' to 26' completely underlying the subject pit area. In addition, the results indicated the vertical extent of the contamination to be between 6' and 10' above the clay layer.

Knowledge of process indicates that the material in the pit is exempt oil field waste.

Method

Rowland Trucking Company proposes to determine the vertical and horizontal extent of contamination in the pit area, excavate said contaminated soils and transport to a New Mexico Oil Conservation Division approved site, such as Controlled Recovery Inc. (CRI) or Sundance Services (Parabo).

After the excavation of the contaminated material, the sides and bottom of the excavated area will be tested to verify that the TPH, BTEX and Chlorides levels are below the NMOCD guidelines, i.e., 100 ppm for TPH, 50 ppm for BTEX and 250 ppm for Chlorides.

The excavated area will be backfilled with clean soils, with additional testing performed to verify that the TPH, BTEX and Chloride levels are below the NMOCD guidelines. The appropriate pit closure forms will be filed with the NMOCD.

Groundwater

The results of the vertical extent investigation indicate that the contamination did not reach the confining layer of clay and no groundwater was encountered above the clay layer. Therefore, we do not propose any further groundwater investigation.

NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

Certified Mail Z 357 870 042
Return Receipt Requested:

December 2, 1998

Mr. Bob Patterson
Rowland Trucking Co., Inc. (RTCI)
P.O. Box 99
Eunice, New Mexico

Re: Pit Closure Sec 34-Ts21s-R27e
Carlsbad Facility GW-278
Eddy Co, NM

Dear Mr. Patterson:

New Mexico Oil Conservation Division (NMOCD) is in receipt of the Site Assessment and Work Plan submitted by Safety & Environmental Solutions, Inc. Dated September 24, 1998 for the above referenced project.

The NMOCD denies the plan until the following conditions and/or requirements are satisfied:

1. Please provide to OCD the engineering data sheet or product bulletin for the proposed liner. Please provide the engineering design, installation drawing and selection process for the liner. Please include the effective life of the liner.
2. Please provide a plan describing how the three foot deep liner and contaminated soils below the liner will be protected in the foreseeable future. Please include a plan as to how future owners of the property will be advised of the buried material, i.e. deed recording, permanent markers, etc.
3. Please provide a plan to delineate the chlorides.
4. Please indicate what level of BTEX, TPH and Chloride contaminants will be placed back in the hole.
5. Please review the recent EPA Compliance Evaluation Inspection report which was generated due to a site inspection conducted in April of 1998. Please list all contaminants that exceed the WQCC ground water limits. Please include a plan to address these contaminants. Please note the plan should be based on total contaminant values not TCLP levels.
6. Please provide the soil type, consistency, estimated thickness and hydraulic conductivity of the clay layer. Representative samples should be taken and classified by a soils laboratory..

NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

7. Please explain how up-gradient soil moisture or possible leachate from the buried material will be prevented from exiting the site down-gradient in the vadzose zone. OCD has a concern about the underlying sloping red clay bed. Where does it outcrop? How continuous is it? OCD noticed that boring TH#1 shows a different soil class than the others, it appeared to have sand in it and is down-dip. OCD's concern is whether this would be a conduit to down gradient surface water or groundwater.

8. Please include a plan to describe how RTCI will monitor the buried contamination in order to ensure that contaminants will not cause the groundwater standards to be exceeded in the foreseeable future. NMOCD expects the buried material to be remediated to acceptable levels before the life of the liner has expired.

If you require any further information or assistance please do not hesitate to call (505-827-7155) or write this office.

Sincerely Yours,

Wayne Price

Wayne Price-Environmental Engineer

cc: Tim Gumm-District II Supervisor

File: O:/wp/rowgw278

Safety & Environmental Solutions, Inc.

September 24, 1998

Mr. Roger Anderson
New Mexico Oil Conservation Division
2040 S. Pacheco Street
Santa Fe, New Mexico 87505

Dear Roger:

Enclosed please find the Site Investigation report for the Rowland Trucking Co., Inc. pit in Carlsbad. The vertical extent of the hydrocarbon contamination was reached with the bottom hole samples for each borehole. As you can see, chloride levels are high in each of the same samples. However, a red clay layer was delineated under the pit area, which should act as an impermeable barrier to the contamination.

I have also enclosed a proposed Work Plan for the closure of the pit. We feel that this plan will protect the public and well as the environment and is cost effective for Rowland Trucking. Please review this proposal at your convenience and contact me should you have questions or require further information.

Thank you for your attention in this matter.

Sincerely,

Bob Allen

Bob Allen REM, CET, CES
President

11/10/98
Bob Allen will
Take Pictures
& E-mail
LWP

BA/do

11/20/98
Hold for conf call
from Bob Patterson
& Bob Allen!

Phone 505/397-0510
703 E. Clinton Suite 103
Hobbs, New Mexico 88240
Fax 505/393-4388

GW-278

Work Plan
Carlsbad Clean Out Pit
Rowland Trucking Co., Inc.

Purpose

The purpose of this Work Plan is to cause the closure of the abandoned clean out pit located at the Rowland Trucking Company yard in Carlsbad, New Mexico in a manner that will protect the population, environment and groundwater of the area surrounding the location.

Background

On August 27, 1998, Rowland Trucking Company secured the services of Safety and Environmental Solutions, Inc. to complete all necessary sampling and testing to determine the horizontal and vertical extent of contamination in the area of the old clean out pit in the yard located in Carlsbad, New Mexico.

Six (6) boreholes were drilled at various locations in the pit area. The analytical results have been previously reported to the New Mexico Oil Conservation Division in the report dated September 1, 1998, ***Site Assessment, Carlsbad Clean Out Pit, Rowland Trucking Company, Inc.*** The results revealed a four (4) foot layer of "red bed clay" located at a depth of approximately 21' to 26' completely underlying the subject pit area. In addition, the results indicated the vertical extent of the contamination to be between 6' and 10' above the clay layer.

SOP's

Knowledge of process indicates that the material in the pit is exempt oil field waste.

Method

Rowland Trucking Company proposes to remove the source of contamination in the pit, stabilize the source, insure the red bed clay layer is intact in the bottom of the pit, replace the stabilized source, install a top impermeable liner and cap the pit with clean soil. The method used to accomplish the closure will be detailed below.

Source Removal and Stabilization

The source contamination in the clean out pit will be excavated and placed in the area adjacent to the pit on plastic, where it will be stabilized by allowing the source to be exposed to the atmosphere. This material will be allowed to dry and the BTEX will evaporate from this material. The stabilization will take approximately sixty (60) days and the material will be turned during this time to allow complete drying. This excavation will remove approximately 3200 cubic yards of source contamination from the pit. Rowland Trucking plans to blend approximately 1000 cubic yards of soil with

1000 clean soil

the clean soil removed from the new clean out pit. The mixed soils will be used on-site for fill and containment material. This process will allow room in the pit for a cap of clean soil after closure is complete.

After the excavation of the source material, the sides and bottom of the original pit will be exposed to the atmosphere for the period used to stabilize the source material. This exposure will allow any trapped BTEX to evaporate and the sides and bottom to dry. The removed source material will have TPH levels of 5000 ppm to 8000 ppm. ?? Blanket

Additional testing (TPH, BTEX, and Chlorides) will be performed on the bottom of the pit after excavation and stabilization in order to determine the effects of the stabilization effort. ? Verify with Closure ? CL at 25 CLAY TEST #6

Groundwater

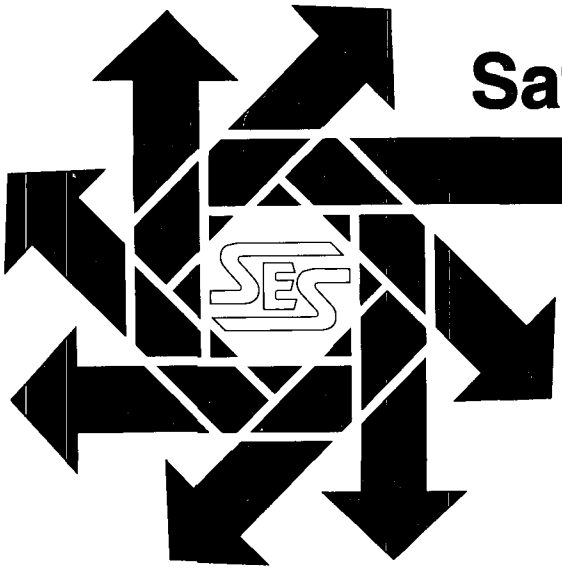
The results of the vertical extent investigation indicate that the contamination did not reach the confining layer of clay and no groundwater was encountered above the clay layer. Therefore, we do not propose any further groundwater investigation.

Liner System

The bottom of the pit area will be lined by the existing "red bed clay" layer approximately 4' in thickness. The top liner will be made of 20 mil polyethylene plastic with seams, if any, bound together with heat or adhesive methods in such a manner to prevent leakage or separation of the liner.

The stabilized source material will be back filled over the clay layer to a depth of approximately 3' below the surface. The top liner will be installed and a cap of approximately 3' of clean soil will be back filled over the top liner. This liner system will effectively encapsulate the stabilized source material and prevent the material from coming in contact with any surface moisture. Both top and bottom liners will extent past the horizontal extent of the contamination and form an umbrella, which will protect the stabilized material, and the soil left in place.

The remaining source soil will be used as berm material in the yard to assist in the control of storm water and preventive maintenance of existing berms and tank dikes.



Safety & Environmental Solutions, Inc.

COPY

Site Assessment

Carlsbad Clean Out Pit
Rowland Trucking Company, Inc.

Section 34 Township 21 S Range 27 E
Eddy County, New Mexico

Safety & Environmental Solutions, Inc.
703 E. Clinton Suite 103
Hobbs, New Mexico 88240
(505) 397-0510

TABLE OF CONTENTS

I. Background

Safety & Environmental Solutions, Inc. (SES) was engaged on August 27, 1998 by Rowland Trucking Co., Inc. to perform a site assessment of an abandoned clean out pit which is to be closed pursuant to the New Mexico Oil Conservation Division discharge plan. The subject area is located in Section 34, Township 21 S Range 27 E in Eddy County, New Mexico. (Figure 1) The abandoned clean out pit is situated in the lower yard level near the east side of the property. (Figure 2)

II. Work Performed

SES contracted Atkins Engineering & Associates from Roswell, New Mexico to perform drilling services for this project. Cardinal Laboratories of Hobbs, New Mexico was also contracted to perform the laboratory analytical testing required for this project. Atkins Engineering used an hollow stem auger rig for the drilling and a hand auger and split spoon for sampling. Six (6) test holes were drilled throughout the subject site to depths that represent the vertical extent of contamination or the top of the red bed clay found above the water table in the area. The regulatory limits found in **"Unlined Surface Impoundment Closure Guidelines"** *New Mexico Oil Conservation Division* - February 1993 address Total Petroleum Hydrocarbons (TPH), Benzene, Ethyl Benzene, Toluene and Total Xylenes (BTEX). The vertical extent of contamination was found when Total Petroleum Hydrocarbon levels of 100 ppm were encountered.

On August 27, 1998, SES sampled the test holes at various intervals and performed field analytical tests to determine the extent of contamination of each sample. The field analytical tests performed were Total Petroleum Hydrocarbons (TPH) (EPA Method 418.1) using a Buck Total Petroleum Hydrocarbon Analyzer Model 404 Serial # 403, and Benzene, Toluene, Ethylbenzene, and Xylene (BTEX) using headspace analysis with a Photovac Microtip MP 100 Photoionization Detector (PID) Serial # NA89005 calibrated with 100 ppm Isobutylene. Soil sampling was performed on soils from each test hole using SOPs found in **Environmental Protection Agency, 1984, Characterization of Hazardous Waste Site - A Methods Manual: Vol II.** The bottom hole samples were preserved on ice and delivered along with Chain of Custody to Cardinal Laboratories for testing. The samples were analyzed for Total Petroleum Hydrocarbons (EPA Method 600/4-79-020, 418.1) and BTEX (EPA Method SW-846-8260) and Chlorides (EPA Method 600/4-79-020 325.3). (Appendix A)

The test holes were plugged with bentonite and back filled with cuttings to the surface. (Appendix B)

III. Vertical and Horizontal Extent Investigation

A summary of each test hole is presented in the following tables:

Test Hole # 1

The first test hole was drilled on August 27, 1998 from 7:45 A.M. to 9:20 A.M. the east side of the ditch. The hole was drilled to a depth of 25' and sampled at 5', 10' and 25' and found to be virtually free of contaminants at that depth with the exception of the elevated chloride level.

ID/Depth	Lithology	TPH	BTEX	Chlorides
1 5'	Silty Sand	267	N/D	
2 10'	Sand	67	N/D	
3 25'	Sand/Clay	60	N/D	
25' (Lab)		233	<0.002-<0.006	2086

Test Hole # 2

The second test hole was drilled on August 27, 1998 from 9:25 A.M. to 10:30 A.M. on the east side of the ditch. The hole was drilled to a depth of 25' and sampled at 10' and 25' and found to be virtually free of contaminants at that depth. No laboratory analysis was run on the bottom hole sample.

ID/Depth	Lithology	TPH	BTEX	Chlorides
1 10'	Sand	67	N/D	
2 25'	Clay	67	N/D	
No Lab				

Test Hole # 3

The third test hole was drilled on August 27, 1998 from 10:35 A.M. to 11:35 A.M. on the south side of the pit. The hole was drilled to a depth of 25' and sampled at 5', 10' and 25' and found to be virtually free of TPH and BTEX however, elevated chloride levels were encountered.

ID/Depth	Lithology	TPH	BTEX	Chlorides
1 5'	Silty Sandy Clay	12552	1120	
2 10'	Silty Clayey Sand	413	N/D	
3 25'	Clay	N/D	N/D	
25' (Lab)		180	<0.002-<0.006	3549

Test Hole # 4

The fourth test hole was drilled on August 27, 1998 from 12:05 P.M. to 2:45 P.M. on the west side of the ditch. The hole was drilled to a depth of 35' and sampled at 10', 20', 25'and 35' and found to be virtually free of TPH and BTEX with elevated levels of chlorides.

ID/Depth	Lithology	TPH	BTEX	Chlorides
1 10'	Silty Clay	3172.6	N/D	
2 20'	Sandy Clay	N/D	N/D	
3 25'	Sandy Clay	N/D	N/D	
4 35'	Clay	N/D	N/D	
35' (Lab)		159	<0.002-<0.006	4235

Test Hole #5

The fifth test hole was drilled on August 27, 1998 from 2:55 P.M. to 4:05 P.M. on the east side of the pit. The hole was drilled to a depth of 25' and sampled at 20' and 25'. The field tests found no contaminants, however, the laboratory results indicated low levels of TPH and BTEX (slightly elevated Xylene) and a higher level of chlorides.

ID/Depth	*Lithology*	*TPH*	*BTEX*	*Chlorides*
1 20'	Clay	N/D	N/D	
2 25'	Clay	N/D	N/D	
25' (Lab)		244	<0.002-0.016	3567

Test Hole # 6

The sixth test hole was drilled on August 27, 1998 from 4:20 P.M. to 5:30 A.M. on the north side of the pit. The hole was drilled to a depth of 25' and sampled at 10', 20' and 25' and field tests were unable to detect any contaminants at that depth. Laboratory results indicate low TPH and BTEX and high chloride levels.

ID/Depth	*Lithology*	*TPH*	*BTEX*	*Chlorides*
1 10'	Silty Clay	N/D	N/D	
2 20'	Sand	N/D	N/D	
3 25'	Clay	N/D	N/D	
25' (Lab)		222	<0.002-<0.006	7579

IV. Summary

This site assessment has revealed the vertical extent of TPH, BTEX, and Chloride contamination extends to the top of the red clay layer encountered at depths of 21' to 26'. (See Figure 3) The red clay layer was encountered in each borehole under the pit site. It is anticipated that the layer extends the full length and breadth of the pit area. (See Figure 4) Bore hole #2 proved the red clay layer to be in excess of 4' in thickness. It would appear the red clay layer has formed a natural barrier to protect the groundwater from contamination from the pit or other sources above the layer due to the high concentrations of chlorides on top of the clay layer. The high Chlorides levels seen in the bottom hole samples are indicative of the type of contamination one could expect from an old clean out pit.

V. Figures and Appendices

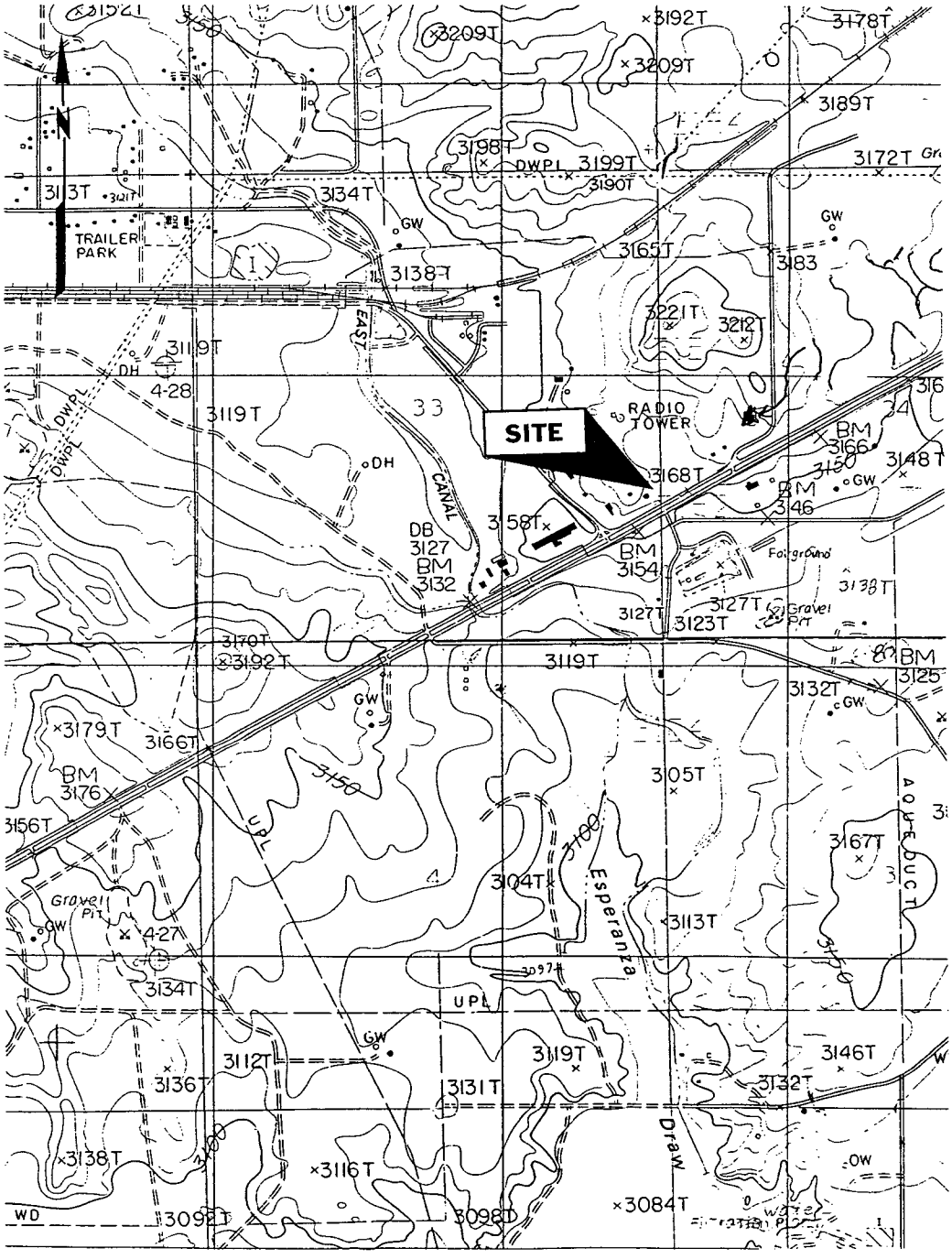
Figures:

Figure 1 - Vicinity Map
Figure 2 - Site Plan
Figure 3 - Test Results
Figure 4 - Red Clay Layer Position

Appendices:

Appendix A - Analytical Results
Appendix B - Logs of Boring

Figure 1
Vicinity Map



Rowland Trucking Company, Inc.	**Carlsbad Clean Out Pit Vicinity Map**	*Safety & Environmental Solutions, Inc. Hobbs, NM*

Figure 2
Site Plan

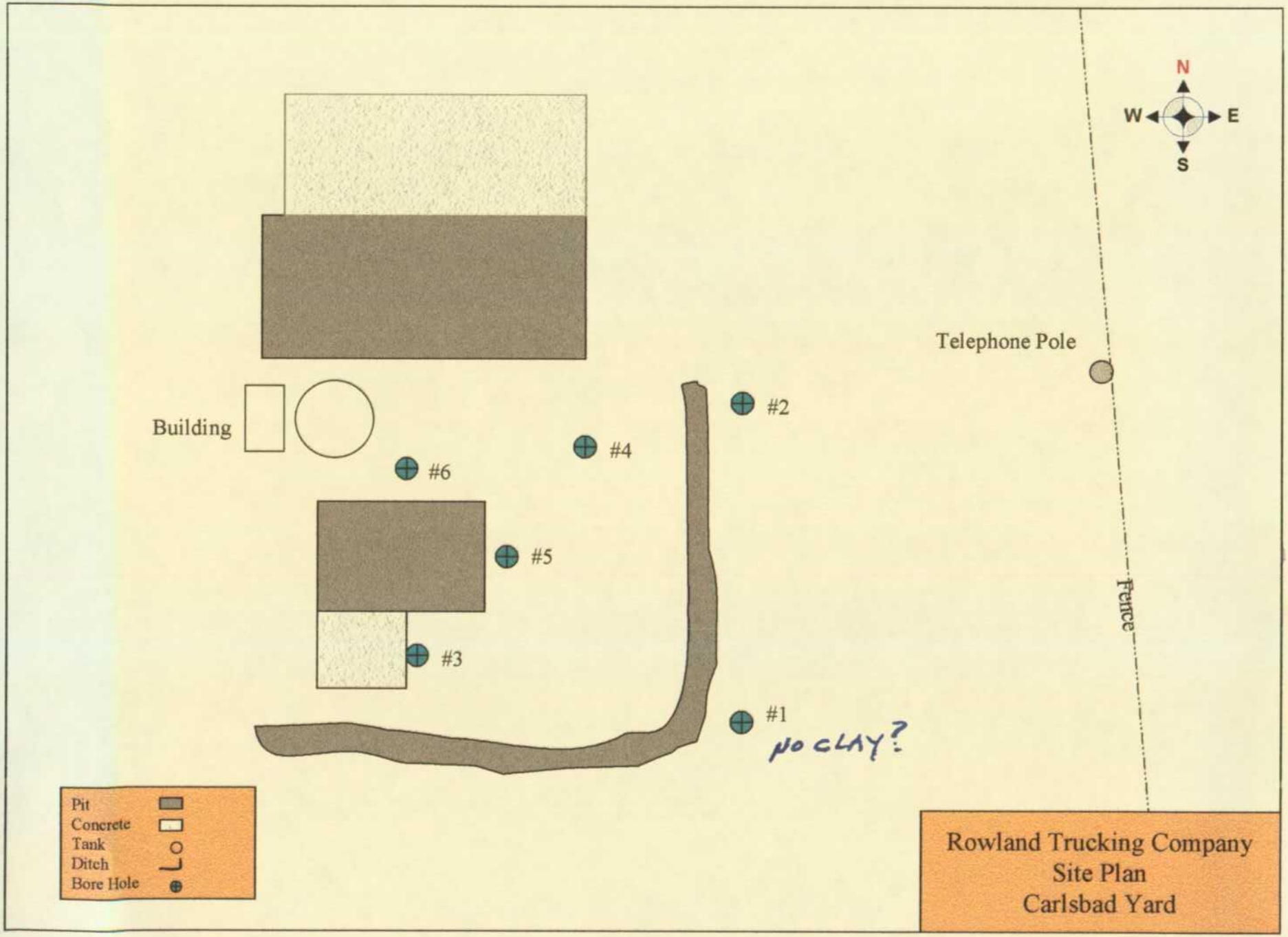

N
W
E
S
Telephone Pole
Fence
Building
#1
#2
#3
#4
#5
#6
NO CLAY?
Pit
Concrete
Tank
Ditch
Bore Hole
Rowland Trucking Company
Site Plan
Carlsbad Yard

Figure 3
Test Results

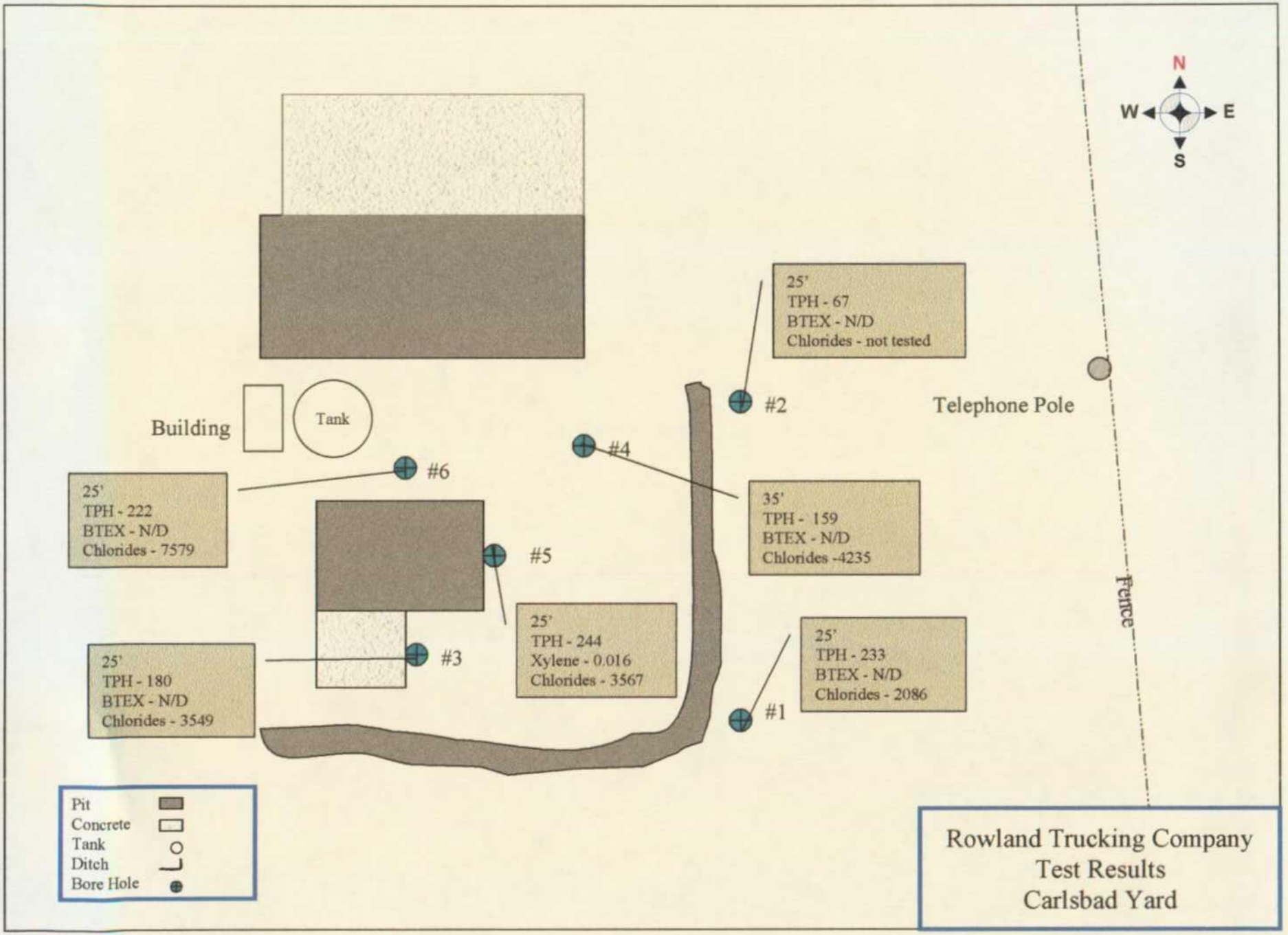
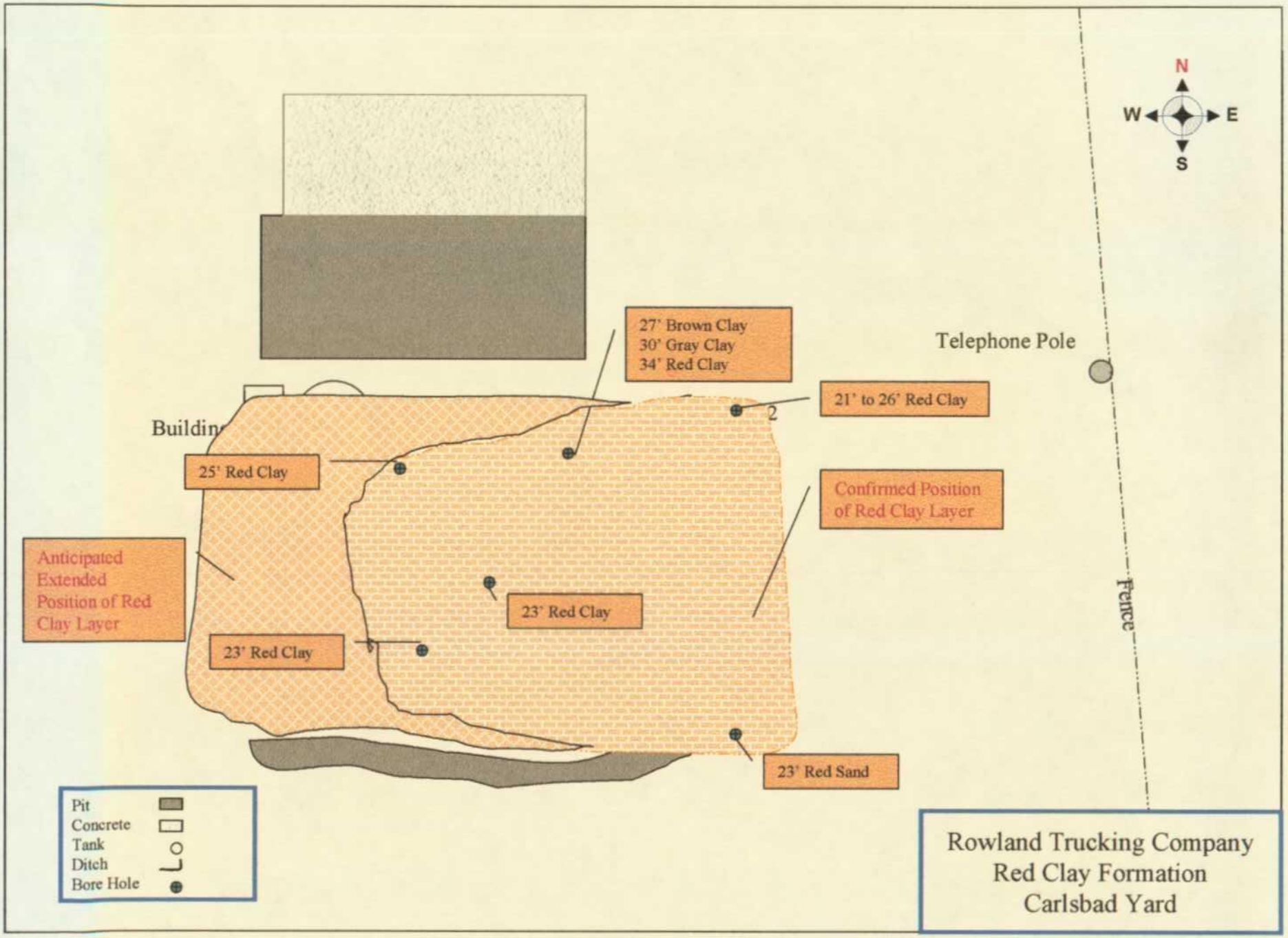

N
W
E
S
Building
Tank
Telephone Pole
Fence
25'
TPH - 67
BTEX - N/D
Chlorides - not tested
#2
#4
25'
TPH - 222
BTEX - N/D
Chlorides - 7579
#6
35'
TPH - 159
BTEX - N/D
Chlorides -4235
#5
25'
TPH - 244
Xylene - 0.016
Chlorides - 3567
25'
TPH - 180
BTEX - N/D
Chlorides - 3549
#3
25'
TPH - 233
BTEX - N/D
Chlorides - 2086
#1
Pit
Concrete
Tank
Ditch
Bore Hole
Rowland Trucking Company
Test Results
Carlsbad Yard

Figure 4
Red Clay Layer Position


N
W
E
S
27' Brown Clay
30' Gray Clay
34' Red Clay
Telephone Pole
21' to 26' Red Clay
2
Buildin
25' Red Clay
Confirmed Position of Red Clay Layer
Anticipated Extended Position of Red Clay Layer
23' Red Clay
23' Red Clay
Fence
23' Red Sand
Pit
Concrete
Tank
Ditch
Bore Hole
Rowland Trucking Company
Red Clay Formation
Carlsbad Yard

Appendix A
Analytical Results

CARDINAL LABORATORIES

PHONE (915) 673-7001 • 2111 BEECHWOOD • ABILENE, TX 79603
PHONE (505) 393-2326 • 101 E. MARLAND • HOBBS, NM 88240

ANALYTICAL RESULTS FOR
SAFETY & ENVIRONMENTAL SOLUTIONS, INC.
ATTN: DEE WHATLEY
703 E. CLINTON SUITE 103
HOBBS, NM 88240
FAX TO: (505) 393-4388

Receiving Date: 08/28/98
Reporting Date: 09/01/98
Project Number: R-1
Project Name: ROWLAND TRUCKING CARLSBAD PIT
Project Location: ROWLAND CARLSBAD YARD

Sampling Date: 08/27/98
Sample Type: SOIL
Sample Condition: COOL & INTACT
Sample Received By: GP
Analyzed By: BC/AH

LAB NUMBER	SAMPLE ID	TPH (mg/Kg)	Cl (mg/Kg)	BENZENE (mg/Kg)	TOLUENE (mg/Kg)	ETHYL BENZENE (mg/Kg)	TOTAL XYLENES (mg/Kg)
ANALYSIS DATE:		08/28/98	08/28/98	08/28/98	08/28/98	08/28/98	08/28/98
H3823-1	BORE HOLE #1 25'	233	2086	<0.002	<0.002	<0.002	<0.006
H3823-2	BORE HOLE #3 25'	180	3549	<0.002	<0.002	<0.002	<0.006
H3823-3	BORE HOLE #4 30'	159	4235	<0.002	<0.002	<0.002	<0.006
H3823-4	BORE HOLE #4 35'	244	3567	0.016	<0.002	<0.002	<0.006
H3823-5	BORE HOLE #6 25'	222	7579	<0.002	<0.002	<0.002	<0.006
Quality Control		240	1209	0.105	0.100	0.101	0.304
True Value QC		234	1319	0.100	0.100	0.100	0.300
% Recovery		102	91.7	105	100	101	103
Relative Percent Difference		3.0	4.4	1.1	1.7	3.1	4.0

METHODS: TRPHC-EPA 600/4-79-020, 418.1;Cl-EPA 600/4-79-020 325.3 BTEX-EPA SW-846-8260

Burgess J. A. Cooke Ph. D.

9/1/98
Date

H3823-1.XLS

CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

CARDINAL LABORATORIES, INC.

2111 Beechwood, Abilene, TX 79603 (915) 673-7001 Fax (915) 673-7020

101 East Marland, Hobbs, NM 88240 (505) 393-2326 Fax (505) 393-2476

Company Name:	Safety & Environmental Sol.	BILL TO	PO #:
Project Manager:	Dee Weatherly	Company:	SESI
Address:	703 E. Clinton Suite 103	Attn:	
City:	Hobbs State: NM Zip: 88240	Address:	
Phone #:	397-0510	City:	
Fax #:	393-4388	State:	Zip:
Project #:	R-1 Project Owner: Rowland	Phone #:	
Project Name:	Rowland Trucking Carlsbad Pit	Fax #:	
Project Location:	Rowland Carlsbad Yard		

ANALYSIS REQUEST

FOR LAB USE ONLY LAB I.D.	Sample I.D.	(G)RAB OR (C)OMP.	# CONTAINERS	MATRIX: GROUNDWATER	WASTEWATER	SOIL	OIL	SLUDGE	OTHER:	PRES.: ACID:	ICE / COOL	OTHER:	SAMPLING: DATE	TIME	TPH	BTEX	Chlorides
H3823-1	Bore Hole #1 25'	✓	1			✓					✓		8-27-98	8:30Am	✓	✓	✓
-2	Bore Hole #3 25'	✓	1			✓					✓		"	"	✓	✓	✓
-3	Bore Hole #4 30'	✓	1			✓					✓		"	"	✓	✓	✓
-4	Bore Hole #4 35'	✓	1			✓					✓		"	"	✓	✓	✓
-5	Bore Hole #6 25'	✓	1			✓					✓		"	"	✓	✓	✓

Sampler Relinquished:	Date: 8-28-98	Received By:	Phone Result ☐ Yes ☐ No Additional Fax #:
	Time: 8:30 Am		Fax Result: ☐ Yes ☐ No
Relinquished By:	Date: 08/28/98	Received By: (Lab Staff)	REMARKS:
	Time: 9:20		
Delivered By: (Circle One) Sampler - UPS - Bus - Other:		Sample Condition Cool: ☒ Yes ☐ No Intact: ☒ Yes ☐ No	CHECKED BY: (Initials)

† Cardinal cannot accept verbal changes. Please fax written changes to 915-673-7020.

Appendix B
Log of Borings

Atkins Engineering Associates, Inc. P.O. Box 3156 Roswell, New Mexico 88202	LOG OF BORING Rowland TH #1 (Page 1 of 1)

Rowland Trucking Co., Inc.
P.O. Box 99
Eunice, NM 88231
Contact: Bob Patterson
Job #: 98298.00

Date	: 8-27-98	Site Location	: E. Carlsbad Hobbs Hwy.
Drill Start	: 7:45 A.M	Auger Type	: Hollow Stem
Drill End	: 9:20 A.M.	Logged By	: Mort Bates
Boring Location	: S.E. Corner, outside of pit.		

Well: TH-1
Elev.:

Depth in feet	GRAPHIC	USCS	Samples	DESCRIPTION
0		CL		Silty Clay w/Caliche, Brown, Loose, Dry
5			1	Caliche w/Clay, Tan to White, Firm, Dry
10		SM	2	Silty Sand w/Caliche, Tan, Loose, Dry
15		SM		Silty Sand, Tan, Loose, Dry
		GW		Gravel w/Sand, Tan, Loose, Damp
20		SP		Sand, Tan, Loose, Damp
25		SP	3	Sand, Red, Loose, Moist
30				TD = 26 ft.
35				

Backfilled to land surface w/drill cuttings.

2' Bentonite Seal

08-28-1998 c:\mtech46\rowland\th-1.bor

Atkins Engineering Associates, Inc. P.O. Box 3156 Roswell, New Mexico 88202	LOG OF BORING Rowland TH #2 (Page 1 of 1)
Rowland Trucking Co., Inc. P.O. Box 99 Eunice, NM 88231 Contact: Bob Patterson Job #: 98298.00	Date : 8-27-98 Drill Start : 9:25 A.M Drill End : 10:30 A.M. Boring Location : N.E. Corner, outside of pit. Site Location : E. Carlsbad Hobbs Hwy. Auger Type : Hollow Stem Logged By : Mort Bates

Well: TH-2

Elev.:

Depth in feet	GRAPHIC	USCS	Samples	DESCRIPTION
0		CL		Silty Clay w/Caliche, Tan, Loose, Dry
5		SM		Silty Sand, Tan, Loose, Damp
				Caliche, Tan, Firm, Dry
10		SP	1	Sand, Red, Loose, Damp
		SC		Clayey Sand, Red, Firm, Damp
		SP		Sand, Tan, Loose, Damp
15		CL		Sandy Clay, Red, Loose, Damp
20		CL		Silty Sandy Clay, Red, Loose, Moist
25		CL	2	Clay, Red, Stiff, Moist
				TD = 26 ft.
30				
35				

Backfilled to land surface w/drill cuttings.

2' Bentonite Seal

08-31-1998 c:\mtech4\6\rowland\th-2.bor

Atkins Engineering Associates, Inc. P.O. Box 3156 Roswell, New Mexico 88202	LOG OF BORING Rowland TH #3 (Page 1 of 1)

Rowland Trucking Co., Inc. P.O. Box 99 Eunice, NM 88231			
Contact: Bob Patterson			
Job #: 98298.00			
Date	: 8-27-98	Site Location	: E. Carlsbad Hobbs Hwy.
Drill Start	: 10:35 A.M	Auger Type	: Hollow Stem
Drill End	: 11:35 A.M.	Logged By	: Mort Bates
Boring Location	: Southside of pit, Midway.		

Depth in feet	GRAPHIC	USCS	Samples	DESCRIPTION
0		GC		Gravel w/Clay Fill, Tan, Loose, Damp
		CL		Silty Sandy Clay, Tan, Loose, Damp
		CL		Silty Sandy Clay, Black, Loose, Damp
5			1	
		SC		Silty Clayey Sand, Gray, Loose, Damp
10			2	
		CL		Clay w/Caliche, Tan, Stiff, Damp
15				
		GC		Gravel w/Silty Clay, Tan, Stiff, Damp
20		CL		Silty Clay, Tan, Stiff, Damp
		CL		Clay, Red, Stiff, Moist
25			3	
				TD = 26 ft.
30				
35				

Well: TH-3

Elev.:

Backfilled to land surface w/drill cuttings.

2' Bentonite Seal

08-28-1998 c:\mtech46\rowland\th-3.bor

Atkins Engineering Associates, Inc. P.O. Box 3156 Roswell, New Mexico 88202	LOG OF BORING Rowland TH #4 (Page 1 of 1)

Rowland Trucking Co., Inc.
P.O. Box 99
Eunice, NM 88231
Contact: Bob Patterson
Job #: 98298.00

Date	: 8-27-98	Site Location	: E. Carlsbad Hobbs Hwy.
Drill Start	: 12:05 P.M	Auger Type	: Hollow Stem
Drill End	: 2:45 P.M.	Logged By	: Mort Bates
Boring Location	: N.E. Corner, inside pit.		

Well: TH-4
Elev.:

Depth in feet	GRAPHIC	USCS	Samples	DESCRIPTION
0		CL		Silty Clay w/Caliche, Tan, Loose, Damp
10		CL	1	Silty Clay, Black, Loose, Damp
		SP		Sand w/Caliche, Tan, Loose, Damp
15		SP		Sand, Tan, Loose, Damp
20		CL	2	Sandy Clay, Brown, Stiff, Damp
25		CL	3	Sandy Clay, Gray, Loose, Damp
30		CL		Clay, Brown, Stiff, Damp
		CL		Clay, Gray, Stiff, Moist
35		CL	4	Clay, Red, Stiff, Damp
40				TD = 36 ft.

Backfilled to land surface w/drill cuttings.

2' Bentonite Seal

08-28-1998 c:\mtech46\rowland\th-4.bor

Atkins Engineering Associates, Inc. P.O. Box 3156 Roswell, New Mexico 88202	LOG OF BORING Rowland TH #5 (Page 1 of 1)

Rowland Trucking Co., Inc. P.O. Box 99 Eunice, NM 88231	Date	: 8-27-98	Site Location : E. Carlsbad Hobbs Hwy.
	Drill Start	: 2:55 P.M	Auger Type : Hollow Stem
Contact: Bob Patterson	Drill End	: 4:05 P.M.	Logged By : Mort Bates
Job #: 98298.00	Boring Location	: Center of pit.	

Depth in feet	GRAPHIC	USCS	Samples	DESCRIPTION
0		CL		Silty Clay, Tan, Loose, Damp
5		CL	1	Silty Clay, Black, Loose, Damp
10			2	
15				
20		CL	3	Clay, Brown, Stiff, Damp
25		CL		Clay, Red, Stiff, Damp
				TD = 25 ft.
				Below 25' - Caliche, White, Hard, Dry
30				
35				
40				

Well: TH-5

Elev.:

Backfilled to land surface w/drill cuttings.

2' Bentonite Seal

08-31-1998 c:\mtech46\rowlandth-5.bor

Atkins Engineering Associates, Inc. P.O. Box 3156 Roswell, New Mexico 88202	LOG OF BORING Rowland TH #6 (Page 1 of 1)

Rowland Trucking Co., Inc.
P.O. Box 99
Eunice, NM 88231

Contact: Bob Patterson

Job #: 98298.00

Date	: 8-27-98	Site Location	: E. Carlsbad Hobbs Hwy.
Drill Start	: 4:20 P.M	Auger Type	: Hollow Stem
Drill End	: 5:30 P.M.	Logged By	: Mort Bates
Boring Location	: N.W. corner, inside pit.		

Well: TH-6
Elev.:

Depth in feet	GRAPHIC	USCS	Samples	DESCRIPTION
0				Silty Clay w/Caliche, Tan, Loose, Dry
5		CL		
10			1	
				Caliche w/Silty Sand, Tan, Firm, Damp
15				Sandy Caliche, Tan, Loose, Damp
20		SP		Sand, Yellow, Loose, Damp
		SP		Sand, Tan, Loose, Damp
25		CL	2	Clay, Red, Stiff, Moist
				TD = 26 ft. Below 26' - Caliche, Tan, Firm, Damp
30				
35				
40				

Backfilled to land surface w/drill cuttings.

2' Bentonite Seal

08-31-1998 c:\mtech46\rowlandth-6.bor

Safety & Environmental Solutions, Inc.

August 19, 1998

Mr. Roger Anderson
New Mexico Oil Conservation Division
2040 S. Pacheco Street
Santa Fe, New Mexico 87505

Dear Mr. Anderson:

Safety & Environmental Solutions, Inc. of Hobbs, New Mexico has been engaged by Rowland Trucking Company to perform a site characterization of the old pit area located at the Rowland Trucking Company yard, at 1609 East Greene in Carlsbad, New Mexico. This delineation will be performed using a hollow stem auger and drill rig with split spoon sampling taken at 5' intervals to determine the horizontal and vertical extent of any contamination.

The samples will be field analyzed for TPH and BTEX. These results will be used to characterize the site in accordance with the **"Unlined Surface Impoundment Closure Guidelines"** *New Mexico Oil Conservation Division, February 1993.*

Once site characterization is completed, a report will be submitted detailing the results and will include a work plan for the remediation of the pit area.

Thank you for your consideration in this matter.

Sincerely,

James R. Allen

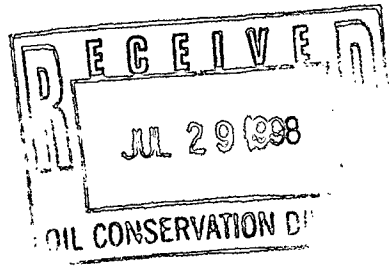
James R. Allen, REM
President

BA/baa

703 East Clinton, Suite 103
Phone 505/397-0510 *Hobbs, New Mexico 88240* *Fax 505/393-4388*

Safety & Environmental Solutions, Inc.

July 23, 1998



Mr. Mark Ashley
New Mexico Oil Conservation Division
2040 South Pacheco
Santa Fe, NM 87505

Dear Mr. Ashley:

As agreed to in our conversation on July 23, 1998, your office will receive the Monitor Well Investigation Results report for the Scurlock Permian Brine Well by September 4, 1998. This extension is due to the problems encountered with obtaining a drilling unit. We are tentatively scheduled to drill these monitor wells the week of August 10, 1998.

If you have any questions please don't hesitate to call. Thank you.

Sincerely,

Beth A. Aldrich for
Bob Allen, President
SES, Inc.

File!

Cc: Jim Ephraim

BA/baa

NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

P 288 259 014

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Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	$
Postmark or Date	

PS Form 3800, April 1995

February 6, 1998

CERTIFIED MAIL
RETURN RECEIPT NO. P-288-259-014

Mr. Bob Patterson
Rowland Trucking
P.O. Box 99
Eunice, New Mexico 88231

Re: Clean Out Pit Approval
Carlsbad Facility
Eddy, New Mexico

Dear Mr. Patterson:

The New Mexico Oil Conservation Division (OCD) has reviewed the Rowland Trucking Company, Inc. (Rowland) letter date January 21, 1998. It contains the plans for the proposed clean out pit located at the Carlsbad facility in Carlsbad, New Mexico. The proposed clean out pit was included as a modification in discharge plan renewal that was approved by the OCD on the June 10, 1997. The OCD hereby approves of the proposed plans under the conditions contained in the discharge plan renewal (GW-278) dated June 10, 1997.

Please be advised that Rowland is not relieved of responsibility for compliance with any other federal, state or local laws and/or regulations.

If you have any questions, please call me at (505) 827-7155.

Sincerely,

Mark Ashley
Geologist

xc: OCD Artesia Office

ROWLAND TRUCKING CO., INC.

P.O. BOX 99

EUNICE, NM 88231

(505) 394-2581

JANUARY 21, 1998

State of New Mexico
Energy, Minerals, and Natural Resources Department
Oil Conservation Division
P. O. Box 2088
Santa Fe, NM 87501

ATTN: Mr. Mark Ashley

SUBJECT: Approval of proposed clean out pit at the Carlsbad Terminal

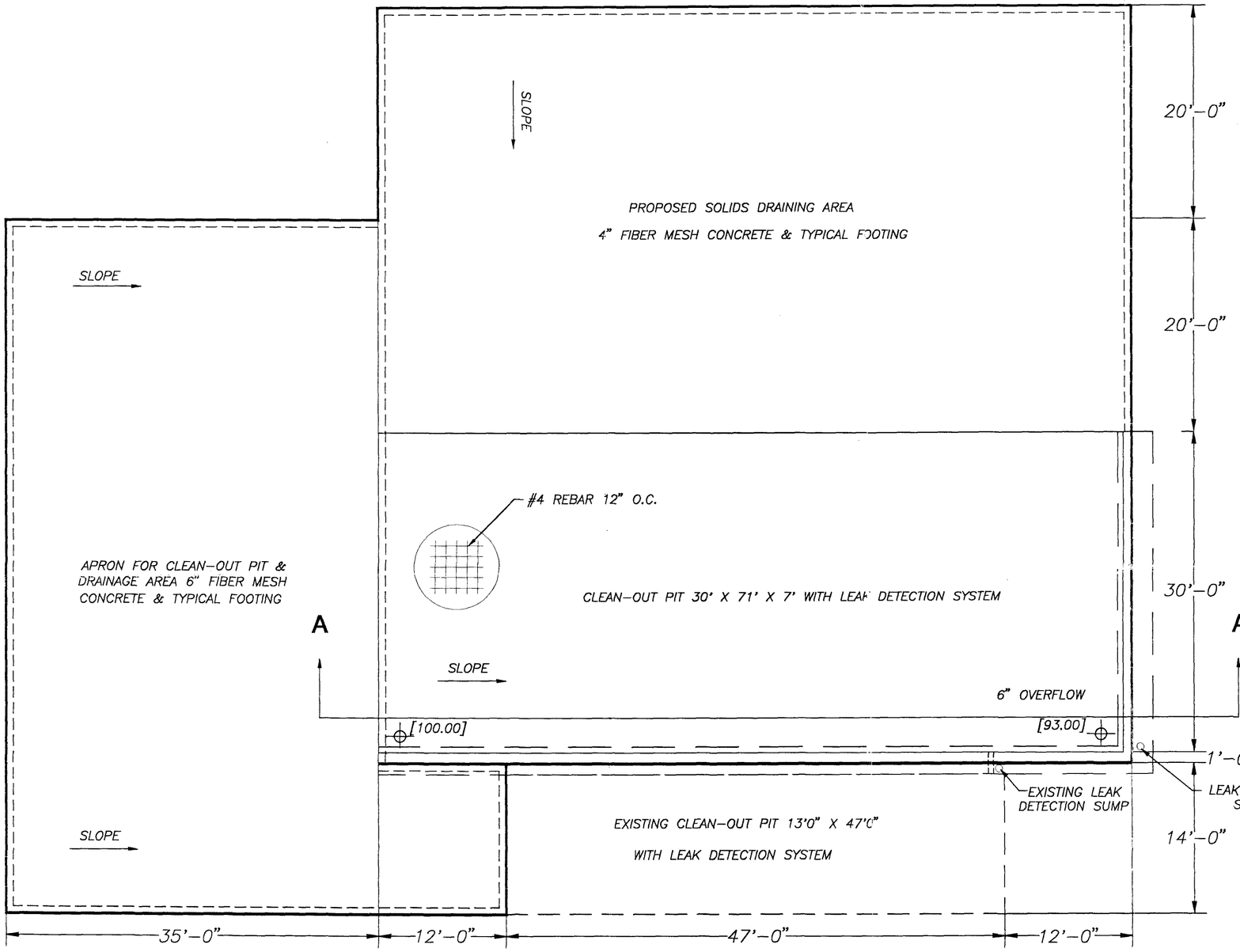
Dear Mr. Ashley,

Enclosed is a drawing of the proposed clean out pit to be constructed at the Carlsbad Terminal. This pit was proposed in the discharge plan under Section IX. Proposed Modifications. Construction is scheduled to began upon receiving written approval from your office. Please address any questions or comments to Bob Patterson at the above telephone number or box number.

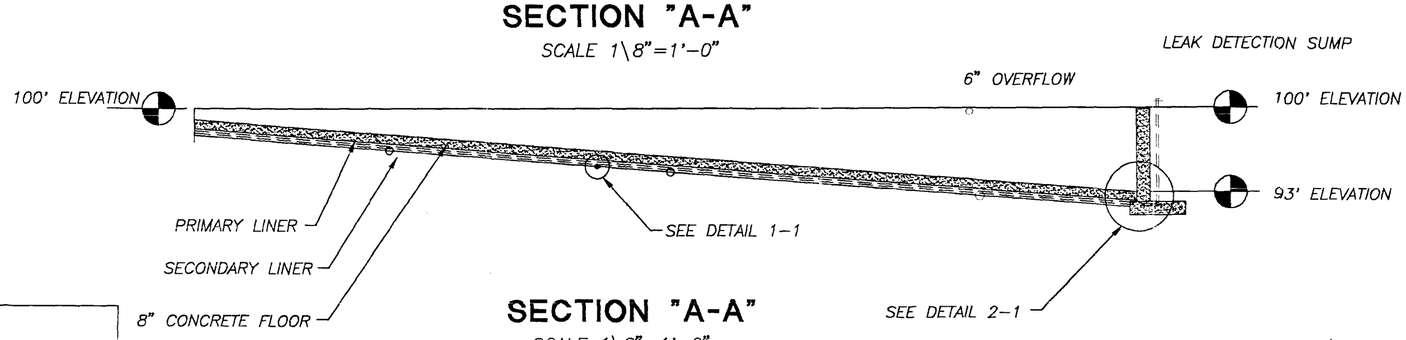
Sincerely,

Bob Patterson,
Rowland Trucking Co.,Inc.

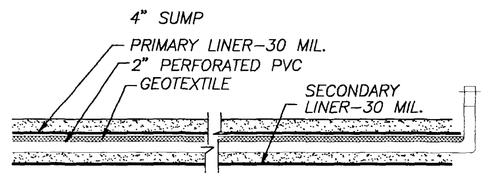
CARLSBAD TERMINAL CLEAN OUT PIT
ROWLAND TRUCKING CO. INC.
CARLSBAD — EDDY COUNTY — NEW MEXICO



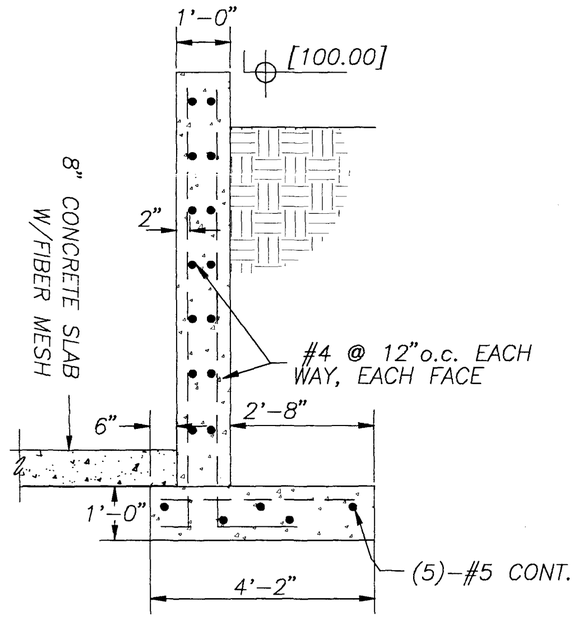
SECTION "A-A"
SCALE 1\8"=1'-0"



SECTION "A-A"
SCALE 1\8"=1'-0"



DETAIL 1-1
LEAK DETECTION SYSTEM
NTS



DETAIL 2-1
TYPICAL FOOTING & WALL DETAIL
SCALE 1\2"=1'-0"

Smith Engineering Company
A Full Service Engineering Company
Roswell, NM Albuquerque, NM Santa Fe, NM

357219
NAME: G/ACADPRGJ/397219/CLEANOUT.DWG DATE: DEC 01, 1997 TIME: 8:04 AM SCALE: 1