

GW - 284

**GENERAL
CORRESPONDENCE**

YEAR(S):
2002 - 1997



GW-284

December 3, 2002

State of New Mexico
Oil Conservation Commission
Jack Ford
120 South Saint Francis
Santa Fe, New Mexico 87505

Dear Jack,

Process Equipment & Service Co. is starting up the permit system in using our spray paint booth on December 5, 2002. Attached is a copy of the Air Quality Permit No. 2566 issued to PESCO for the use of the paint booth. We are submitting this Air Quality Permit as a supplement to our Discharge Plan with the State of New Mexico.

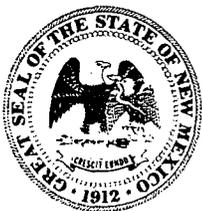
If you have any question or need any additional information, please contact me at PESCO.

Ph. (505) 327-2222
Fax. (505) 327-7550
e-mail rod@pescio-pci.com

ROD TROXELL

Rod Troxell
Direct HS&E

Cc: Denny Foust



GARY E. JOHNSON
GOVERNOR

State of New Mexico
ENVIRONMENT DEPARTMENT

AIR QUALITY BUREAU

2048 Galisteo

Santa Fe, New Mexico 87505

Telephone (505) 827-1494

Fax (505) 827-1523



PETER MAGGIORE
SECRETARY

PAUL R. RITZMA
DEPUTY SECRETARY

CERTIFIED MAIL NO. 7000 0520 0021 3769 1074

RETURN RECEIPT REQUESTED

Permittee:

Process Equipment and Service Company
(PESCO)
P. O. Box 929
Farmington, NM 87401

NSR Air Quality Permit No. 2566
Main Plant
AIRS No. 35-045-0421

Company Official:
Blake Wallace
Vice President

Sandra Ely
Bureau Chief
Air Quality Bureau

August 7, 2001
Date of Issuance

Air Quality Permit No. 2566 is issued by the Air Quality Bureau of the New Mexico Environment Department (Department) to Process Equipment and Service Company (PESCO) pursuant to the Air Quality Control Act (Act) and regulations adopted pursuant to the Act including Title 20, New Mexico Administrative Code (NMAC), Chapter 2, Part 72, (20 NMAC 2.72), Construction Permits, Subpart II and is enforceable pursuant to the Act and the air quality control regulations applicable to this source. The public notice and completeness determination for this permit (2566) referred to it as permit number 2540.

This permit authorizes the construction and operation of the PESCO Main Plant. The function of the facility is to manufacture and paint oil and gas production equipment such as tanks, dehydrators, and pressure vessels. This facility is located in Township 29N, Range 12W, Section 21, in San Juan County between Farmington and Bloomfield, New Mexico.

No New Source Performance Standards (NSPS) or National Emission Standards for Hazardous Air

Pollutants (NESHAP) apply to this facility. During any asbestos demolition or renovation work the Code of Federal Regulations (CFR) Title 40, Part 61, Subpart M does apply.

As per 20.2.75NMAC, the Department will assess an annual enforcement/compliance fee as Specified in Section 110. At time of permit issuance this fee is \$220. This fee does not apply to sources which are assessed an annual fee in accordance with 20.2.71NMAC. The ABQ will invoice the permittee for the amount.

The Department has reviewed the permit application for the proposed construction and has determined that the provisions of the Act and ambient air quality standards will be met. Conditions have been imposed in this permit to assure continued compliance. 20.2.72 NMAC, Section 210.D, states that any term or condition imposed by the Department on a permit is enforceable to the same extent as a regulation of the Environmental Improvement Board. Pursuant to 20.2.72 NMAC, the facility is subject to the following conditions:

CONDITIONS

1. Construction and Operation

- a) The plant shall be constructed and operated in accordance with all representations in the permit application dated March 23, 2001 and received April 10, 2001, unless modified by conditions of this permit.

The Department has relied on air quality modeling to issue this permit. Any change in the parameters used for this modeling may require a permit modification.

- b) The equipment regulated by this permit consists of a paint spray booth. The paint booth shall be equipped with a particulate emission control system having a minimum of 90 percent control by weight of Total Suspended Particulates and Particulate Matter 10 (PM10).
- c) This facility is authorized to operate 24 hours per day, 7 days per week, and 52 weeks per year for a total of 8760 hours per year.
- d) No more than three spray guns shall be operated at any time. The quarterly average paint and solvent use shall not exceed thirty gallons per hour of painting.
- e) Painting activities and solvent use shall not occur outside of the paint booth, except that incidental clean up and painting activities that use less than two (2) gallons of paint and solvent per day may occur outside of the paint booth.
- f) Annual paint and solvent usage combined shall not exceed 15,000 gallons per year and shall not exceed 2500 gallons per month. Annual paint and solvent usage shall

be determined using a twelve (12) month rolling average.

- g) The paint booth shall only be operated when the particulate matter control system is functioning correctly.
- h) Prior to the initial use of any paint or solvent, the content of Toxic Air Pollutants in that paint or solvent shall be evaluated to assure that use of such paint or solvent will not require a revision to the permit under Condition 7.b, below.
- i) Changes in plans, specifications, and other representations stated in the application documents shall not be made if they cause a change in the method of control of emissions or in the character of emissions, or will increase the discharge of emissions. Any such proposed changes shall be submitted as a revision or modification as provided in Condition 7, Revisions and Modifications of this permit.
- j) National Emission Standards for Hazardous Air Pollutants (NESHAP) do not apply to this facility. However, during any asbestos demolition or renovation work CFR Title 40, Part 61, Subpart M (NESHAP) does apply.

Condition 1 has been placed in the permit in accordance with 20 NMAC 2.72. Section 210.A, which provides that the contents of the application specifically identified shall become terms and conditions of the permit. This is to ensure that the source will meet the requirements of the Air Quality Control Act.

Compliance with Condition 1 will be based on Department inspections of the facility or other means to verify that the equipment specified in the permit application is installed and operated in accordance with both the application and the terms and conditions of this permit.

2. Emission Limits

a) Volatile Organic Compounds Emissions

The Volatile Organic Compounds emissions from the paint booth shall not exceed 48.1 tons per year.

b) Particulate Matter – 10 (PM-10) Emissions

No visible emissions shall be released from the abrasive blasting enclosure. The PM-10 emissions from the paint booth stack shall not exceed 9.8 pounds per hour and shall not exceed 2.5 tons per year.

b) Hazardous Air Pollutants (HAP)

Total emissions of any individual HAP, including xylene, ethylbenzene, toluene or hexamethylene-1,6-diisocyanate (HDI), shall not exceed 9.5 tons per year. Combined emissions of all Hazardous Air Pollutants shall not exceed 24 tons per year.

Condition 2 has been placed in the permit in accordance with 20 NMAC 2.72, Sections 210.A and 210.B.1.b, which provide that the contents of the application and the emission rates specifically identified shall become terms and conditions of the permit. This is to ensure that the source will meet the requirements of the Air Quality Control Act.

Compliance with Condition 2 will be based on Department inspections of the facility, reporting requirements, and appropriate compliance tests.

3. Monitor Requirements

The differential pressure (inches of water) across the air filters used to control particulate emissions from the paint booth shall be continuously monitored by the use of differential pressure gauge(s). The air filters shall be replaced before the pressure drop across the air filters exceeds the manufacturer's specifications.

Compliance with Condition 3 will be based on Department inspections of the facility.

4. Recordkeeping

The following records shall be maintained:

- a) Pressure drop across the paint booth air filters shall be recorded in an operating log once during each eight-hour period the paint booth is operated. The date and time of measurement and the name of the person making the measurement shall be included in the record. The manufacturers specifications for optimum and maximum pressure drops shall be posted as a guide.
- b) The date and time when an air filter(s) is replaced.
- c) Material Safety Data Sheets (MSDS) for each paint and solvent. For epoxy paint, this includes the MSDS sheets for both base and hardener.
- d) A summary, for each paint and solvent, of its composition (in pounds per gallon) for each of the following: density, Volatile Organic Compounds (VOC), each Hazardous Air Pollutant (HAP) present (such as xylene, ethylbenzene, toluene, and hexamethylene-1,6-diisocyanate (HDI)), and each Toxic Air Pollutant (TAP) present (such as carbon black iron oxide, n butylacetate, Stoddard solvent, and VM&P

Naptha). Composition information shall be based on MSDS or on manufacturers written specifications. If supporting documents provide a range of compositions (weight percent) for an ingredient, the maximum value shall be used in calculating the quantity of that ingredient in the material.

- e) Monthly and annual usage of each solvent and paint shall be recorded. Supporting records for usage, such as purchase invoices and disposal manifests, shall be maintained.
- f) Monthly aggregate totals of VOC, and individual (such as xylene, ethylbenzene, and toluene) and total HAPs, shall be calculated and recorded. A rolling 12 month average of VOC, and individual and total HAPs shall be calculated and recorded. Supporting documentation shall be maintained for each quarterly report required in Condition 5.
- g) Total quantity of paint and solvent consumed and the total number of painting hours shall be recorded for each quarter.
- h) Records of the evaluations required in Condition 1.h shall be maintained.
- i) All malfunctions or other problems with process or control equipment shall be reported to the Department as required by 20 NMAC 2.7 – Excess Emissions During Malfunction, Startup, Shutdown, or Scheduled Maintenance.

These records shall be maintained on-site for a minimum of two (2) years from the time of recording. MSDS sheets and records regarding material composition shall be maintained on-site while the material is present at the facility and for a minimum of two (2) years from the time that the material is removed from the facility. All records maintained as a requirement of this permit shall be made available to Department personnel upon request.

Condition 4 has been placed in the permit in accordance with 20 NMAC 2.72, Sections 210.B.4, and 210.D to allow the Department to determine compliance with the terms and conditions of the permit.

Compliance with Condition 4 will be based on Department inspections of the facility and records.

5. Reporting

The permittee shall notify the Enforcement Section, Air Quality Bureau in writing of each of the following:

- a) The anticipated date of initial startup of the spray paint booth not less than thirty (30) days prior to the date;

- b) The actual date of initial startup of the spray paint booth within fifteen (15) days after the startup date;
- c) Any change of operators within fifteen (15) days of such change;
- c) Any necessary update or correction no more than sixty (60) days after the operator knows or should have known of the condition necessitating the update or correction of the permit.
- d) The manufacturer operations and maintenance specifications of the air filters used to control particulate emissions within thirty (30) days after startup of the paint booth.
- e) Each quarter, a report of the monthly aggregate totals for each month of that quarter, and the aggregate rolling 12 month annual totals of the following shall be submitted: paint and solvent usage, VOC emissions, and individual (such as xylene, ethylbenzene, and toluene) and total HAP emissions. The report shall be submitted within thirty (30) days following the end of each quarter. In addition, the total quantity of paint and solvent consumed, the total number of painting hours, and the average paint usage per painting hour, shall be reported for the quarter.

Condition 5 has been placed in the permit in accordance with 20 NMAC 2.72, Sections 210.B and 210.E, and 212 to allow the Department to determine compliance with the terms and conditions of the permit.

Compliance with Condition 5 will be based upon the timely submittal of the required reports.

6. Compliance Test

Initial compliance tests are waived for VOC's and PM-10 from the paint booth. Compliance tests may be reimposed if Department inspections indicate possible noncompliance with permit conditions.

If tests are necessary, the tests shall be conducted in accordance with EPA Reference Methods contained in CFR Title 40, Part 60, Appendix A, and with the requirements of Subpart A. General Provisions, paragraph 60.8 (f). VOC's shall be measured by methods approved in advance by the Department and submitted with the test protocol.

7. Revisions and Modifications

- a) Any future physical changes or changes in the method of operation may constitute a modification as defined by 20 NMAC 2.72, Construction Permits. Unless the source or activity is exempt under 20 NMAC 2.72, Section 202, no modification shall begin prior to issuance of a permit. Modifications or revisions to this permit shall be

processed in accordance with 20 NMAC 2.72.

- b) A modification of this permit is required under 20.2.72.402 NMAC prior to the use of paints or solvents that have potential emissions of Toxic Air Pollutants (TAP) greater than the threshold values listed in 20.2.72.502.

Condition 7 has been placed in the permit in accordance with 20 NMAC 2.72, Sections 200.A.2, 210.B.4, and 200.E, to enable the Department to review proposed changes to the facility which may constitute a permit modification prior to such changes.

Compliance with Condition 7 will be based on Department inspections of the facility and the submittal of appropriate application for permit modifications or revisions. For purposes of this permit, a paint or solvent has potential emissions equal to the threshold value for a TAP if the TAP content in one gallon of such paint or solvent exceeds 0.1667 multiplied by the emissions threshold (in pounds per hour) listed for that TAP in 20.2.72.502 NMAC. In the case of any TAP that can be shown to be emitted as particulate (rather than as vapor), a paint or solvent has potential emissions equal to the threshold value for a TAP if the TAP content in such paint or solvent exceeds 1.667 multiplied by the emissions threshold (in pounds per hour) listed for that TAP in 20.2.72.502 NMAC.

8. Notification to Subsequent Owners

The permit and conditions apply in the event of any change in control or ownership of the facility. No permit modification is required in such case. However, in the event of any such change in control or ownership, the permittee shall notify the succeeding owner of the permit and conditions and shall notify the Department of the change in ownership within fifteen (15) days of that change.

Any new owner or operator shall notify the Department, within thirty (30) days of assuming ownership, of the new owner's or operator's name and address.

Condition 8 has been placed in the permit in accordance with 20 NMAC 2.72, Sections 107.M.1, 210.B.4, and 212.C and 20 NMAC 2.73.II.204.C, to ensure that new owners are aware of the permit and its conditions.

Compliance with Condition 8 will be based on the permittee's notification of the permit and its conditions to any succeeding owner and the Department.

9. Right to Access Property and Review Records

The Department shall be given the right to enter the facility at all reasonable times to verify the terms and conditions of this permit. The company, upon either a verbal or written request from an authorized representative of the Department, shall produce any records or

information necessary to establish that the terms and conditions of this permit are being met.

Condition 9 has been placed in the permit in accordance with 20 NMAC 2.72, Sections 210.B and 210.E. and 20 NMAC 2.73, to allow the Department to determine compliance with the terms and conditions of the permit.

Compliance with Condition 9 will be based on Department inspections of the facility, production of records and information required to be maintained, and non-restricted entry to the property as defined in this condition.

10. Posting/Retention of the Permit

A copy of this permit shall be posted at the plant site or retained at the plant site at all times and shall be made available to Department personnel for inspection upon request.

Condition 10 has been placed in the permit in accordance with 20 NMAC 2.72, Section 210.B.4, to allow Department personnel to identify the equipment that constitutes the plant and to identify the permit conditions that apply to the facility.

Compliance with Condition 10 will be based on Department inspections of the facility which show that a copy of the permit has been posted.

11. Permit Cancellations

- a) the Department shall automatically cancel any permit for any source which ceases operation for five (5) years or more, or permanently. Reactivation of any source after the five (5) year period shall require a new permit.
- b) the Department may cancel a permit if the construction or modification is not commenced within two (2) years from the date of issuance or if, during the construction or modification, work is suspended for a total of one (1) year.

Condition 11 has been placed in the permit in accordance with 20 NMAC 2.72, Section 211.

ADDITIONAL REQUIREMENTS

Compliance test results and applications for permit revisions and modifications shall be submitted to:

Program Manager, Permits Section
New Mexico Environment Department
Air Quality Bureau
2048 Galisteo
Santa Fe, New Mexico 87505

Compliance test protocols, test notifications, the second copy of test results, and excess emission reports, shall be submitted to:

Program Manager, Enforcement Section
New Mexico Environment Department
Air Quality Bureau
2048 Galisteo
Santa Fe, New Mexico 87505

Regularly scheduled reports (annual, semiannual, quarterly, or monthly) shall be submitted to:

Program Manager, Compliance Section
New Mexico Environment Department
Air Quality Bureau
2048 Galisteo
Santa Fe, New Mexico 87505

REVOCATION

The Department may revoke this permit if the applicant or permittee has knowingly and willfully misrepresented a material fact in the application for the permit. Revocation will be made in writing, and an administrative appeal may be taken to the Secretary of the Department within thirty (30) days. Appeals will be handled in accordance with the Department's Rules Governing Appeals From Compliance Orders.

APPEAL PROCEDURES

20 NMAC 2.72, Section 207, provides that any person who participated in a permitting action before the Department and who is adversely affected by such permitting action, may file a petition for hearing before the Environmental Improvement Board. The petition shall be made in writing to the Environmental Improvement Board within thirty (30) days from the date notice is given of the Department's action and shall specify the portions of the permitting action to which the petitioner objects, certify that a copy of the petition has been mailed or hand-delivered and attach a copy of the permitting action for which review is sought. Unless a timely request for hearing is made, the decision of the Department shall be final. The petition shall be copied simultaneously to the Department upon receipt of the appeal notice. If the petitioner is not the applicant or permittee, the petitioner shall mail or hand-deliver a copy of the petition to the applicant or permittee. The Department shall certify the administrative record to the board. Petitions for a hearing shall be sent to:

Environmental Improvement Board
1190 St. Francis Drive, Runnels Bldg.
P.O. Box 26110
Santa Fe, New Mexico 87502

If you have questions about this permit or the permitting process please call Lany Weaver of the New Source Review Unit in Santa Fe at (505) 827-1494, extension 8090.

cc: NMED Field Office, Farmington
Vincent Vigil, Program Manager, Enforcement Section
Roger Polisar, NMED AQB, Farmington
R.C. Cudney, ESI, Albuquerque

Enclosure: Industry/Consultant Feedback Questionnaire with envelope

Jack Foust



August 28, 2001

Oil Conservation Division
Denny Foust
1000 Rio Brazos Road
Aztec, NM 87401



Dear Denny,

PESCO is concerned about the past three spills that we have had on our steam pad in the last two months. We have determined that we will use one doubled bottom-double wall tank with no outer fittings on it for the storage of fluids and wastewater from our steam pad area. We will keep a 50 BBL in the back area of the steam pad for reserve storage if we cannot get the primary tank emptied. By moving the one reserve tank and getting rid of the other storage tanks it will open up the front of the steam pad area for the forklifts to get in and out. We hope this action will meet with your approval until we can move the storage tanks to the bottom of the hill as we redesign our facilities.

Rod Troxell

Safety Director



ROD TROXELL
Director of Health, Safety & Environmental
P.O. Box 929 • 87499 / 5680 U.S. Hwy. 64 • 87401
Farmington, New Mexico
Phone: (505) 327-2222 • Fax: (505) 327-7550
Cell: (505) 486-4938 • Pager: (505) 949-2348
E-Mail: rod@pesco-pci.com

ACKNOWLEDGEMENT OF RECEIPT
OF CHECK/CASH

I hereby acknowledge receipt of check No. [redacted] dated 7/3/02,

or cash received on _____ in the amount of \$ 4,700.00

from PESCO

for Farmington Facility GLW-284

Submitted by: [Signature] Date: 7-9-02 (DP No.)

Submitted to ASD by: _____ Date: _____

Received in ASD by: _____ Date: _____

Filing Fee _____ New Facility _____ Renewal

Modification _____ Other _____ (specify)

Organization Code 521.07 Applicable FY 2001

To be deposited in the Water Quality Management Fund.

Full Payment or Annual Increment _____

PROCESS EQUIPMENT SERVICE, INC.

P.O. BOX 929 PH. 325-5758
FARMINGTON, NM 87499

95-219-2472
1070

DATE 7/3/02

PAY TO THE ORDER OF WATER MANAGEMENT QUALITY MGMT FUND

\$ 1700.00

ONE THOUSAND SEVEN HUNDRED & no/100* * * * * DOLLARS  Security Features Included. Details on Back.

 Wells Fargo Bank New Mexico, N.A.
100 E. Broadway
Farmington, NM 87401
www.wellsfargo.com

FOR Discharge Plan

[Signature] RP

AFFIDAVIT OF PUBLICATION

Ad No. 46207

**STATE OF NEW MEXICO
County of San Juan:**

CONNIE PRUITT, being duly sworn says:
That she is the Classified Manager of THE DAILY TIMES, a daily newspaper of general circulation published in English at Farmington, said county and state, and that the hereto attached Legal Notice was published in a regular and entire issue of the said DAILY TIMES, a daily newspaper duly qualified for the purpose within the meeting of Chapter 167 of the 1937 Session Laws of the State of New Mexico for publication on the following day(s):
Monday, May 27, 2002.

And the cost of the publication is \$72.20

Connie Pruitt

ON 5-31-02 CONNIE PRUITT appeared before me, whom I know personally to be the person who signed the above document.

Garry Beck
My Commission Expires April 2, 2004.

COPY OF PUBLICATION

918 Legals

NOTICE OF PUBLICATION

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

Notice is hereby given that pursuant to the New Mexico Water Quality Control Commission Regulations, the following discharge plan application has been submitted to the Director of the Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, New Mexico 87505, Telephone (505) 476-3200:

(GW-284) - Process Equipment and Service Company, Inc. (PESCO), Mr. Blake Wallace, P.O. Box 929, Farmington, New Mexico 87499, has submitted a discharge plan renewal application for their Farmington Service facility located in the SE/4 SW/4, Section 21, Township 29 North, Range 12 West, NMPM, San Juan County, New Mexico. Approximately 600 gallons per day of washdown waste water will be stored in a closed top double-walled steel tank prior to transport to an OCD approved off-site disposal facility. Groundwater most likely to be affected by an accidental discharge is at a depth of 135 feet with a total dissolved solids concentration of approximately 3800 mg/l. The discharge plan addresses how spill, leaks, and other accidental discharges to the surface will be managed.

Any interested person may obtain further information from the Oil Conservation Division and may submit written comments to the Director of the Oil Conservation Division at the address given above. The discharge plan application may be viewed at the above address between 8:00 a.m. and 4:00 p.m., Monday thru Friday. Prior to ruling on any proposed discharge plan 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 him and public hearing may be requested by any interested person. Request for public hearing shall set forth the reasons why a hearing shall be held. A hearing will be held if the director determines that there is significant public interest.

If no hearing is held, the Director will approve or disapprove the plan based on the information available. If a public hearing is held, the Director will approve the plan based on the information in the plan and information presented at the hearing.

GIVEN under the Seal of New Mexico Conservation Commission at Santa Fe, New Mexico, on this 26th day of April 2002.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

SEAL
LORI WROTENBERY, Director

Legal No. 46207, published in The Daily Times, Farmington, New Mexico, Monday, May 27, 2002

THE SANTA FE
NEW MEXICAN
 Founded 1849

NM OIL CONSERVATION DIVISION
 1220 S. ST. FRANCIS
 SANTA FE, NM 87505
 ATTN ED MARTIN

AD NUMBER: 262514 ACCOUNT: 56689
 LEGAL NO: 71505 P.O.#: 02199000249
 184 LINES 1 time(s) at \$ 81.11
 AFFIDAVITS: 5.25
 TAX: 5.40
 TOTAL: 91.76

AFFIDAVIT OF PUBLICATION

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STATE OF NEW MEXICO
 OIL CONSERVATION DIVISION
 SEAL

LORI WROTENBERY, Director
 Legal #71505
 Pub. May 28, 2002

STATE OF NEW MEXICO
 COUNTY OF SANTA FE

I, K. Voorhes 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 #0 **71505** a copy of which is hereto attached was published in said newspaper 1 day(s) between 05/28/2002 and 05/28/2002 and that the notice was published in the newspaper proper and not in any supplement; the first publication being on the 28 day of May, 2002 and that the undersigned has personal knowledge of the matter and things set forth in this affidavit.

/s/ K. Voorhes
 LEGAL ADVERTISEMENT REPRESENTATIVE

Subscribed and sworn to before me on this
 29 day of May A.D., 2002

Notary Laura R. Harding

Commission Expires 11/23/03

Ford, Jack

From: Martin, Ed
Sent: Wednesday, May 22, 2002 3:45 PM
To: Farmington Daily Times (E-mail)
Cc: Anaya, Mary; Ford, Jack

Please publish the attached legal notice, one time only, on or before Tuesday, May 28, 2002.

Upon publication, forward to this office:

1. Publisher's affidavit.
2. Invoice. Our purchase order number is **02199000251**

If you have any questions, please contact me.

Thank you.



Publ. Notice
GW-284.doc

Ed Martin

Ed Martin
New Mexico Oil Conservation Division
Environmental Bureau
1220 S. St. Francis
Santa Fe, NM 87505
Phone: (505) 476-3492
Fax: (505) 476-3471

Ford, Jack

From: Martin, Ed
Sent: Wednesday, May 22, 2002 3:42 PM
To: Santa Fe New Mexican (E-mail)
Cc: Ford, Jack; Anaya, Mary; Bruce S. Garber; Chris Shuey; Colin Adams; Director, State Parks; Don Fernald; Don Neepser; Eddie Seay; Gerald R. Zimmerman; Jack A. Barnett; James Bearzi; Jay Lazarus; Lee Wilson & Associates; Marcy Leavitt; Martin Nee; Mike Matush; Mike Schultz; Ned Kendrick; Regional Forester; Ron Dutton; Secretary, NMED
Subject: Legal Notice

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1. Publisher's affidavit.
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Publ. Notice
GW-284.doc

Ed Martin

Ed Martin
New Mexico Oil Conservation Division
Environmental Bureau
1220 S. St. Francis
Santa Fe, NM 87505
Phone: (505) 476-3492
Fax: (505) 476-3471

ACKNOWLEDGEMENT OF RECEIPT
OF CHECK/CASH

I hereby acknowledge receipt of check No. [redacted] dated 5/10/02
or cash received on _____ in the amount of \$ 100.00

from Environmental Services for PESCO
for PESCO FARMINGTON 900-284

Submitted by: [Signature] Date: 5/21/02

Submitted to ASD by: _____ Date: _____

Received in ASD by: _____ Date: _____

Filing Fee New Facility _____ Renewal
Modification _____ Other _____
(Optional)

Organization Code 521.07 Applicable FY 2001

To be deposited in the Water Quality Management Fund.
Full Payment or Annual Increment _____

ENVIRONMENTAL SERVICES, INC. 04-96
PH. 505-266-6611
4665 INDIAN SCHOOL RD. NE, SUITE 106
ALBUQUERQUE, NM 87110

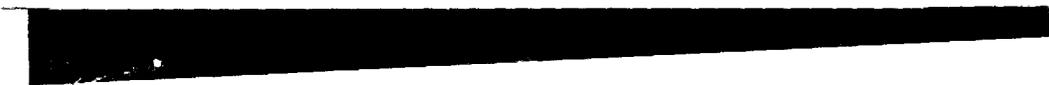
Date 10 May '02 95-32/1070 NM
2260

Pay to the order of NM OCD \$ 100.00
One Hundred and ^{no} 00/100 Dollars

Bank of America 

ACH R/T 107000327
For Disch. Plan Filing Fee PES 002

[Signature]



DATE: 10 May '02

TO: Jack Ford

FROM: Jane Audrey

Jack -

We forgot to include the filing fee with the discharge plan renewal for PESCO - I hope the attached check will suffice. Please let me know if you need any further information

- BURN BEFORE READING
- JUST A QUICK NOTE
- FOR YOUR INFORMATION
- READ IT AND
 - WEEP
 - SWEAR
 - PASS OUT
 - IGNORE IT
- PLEASE COMPLETE AND SEND BACK
- I'D TELL YOU MORE BUT THEN I'D HAVE TO KILL YOU
- HERE'S WHAT I PROMISED TO SEND YOU
- PLEASE CALL ME BACK ABOUT THIS
- HOW'S THE FAMILY?
- SAY HI TO FOR ME!
- THIS IS NOT JUNK MAIL!

NOTICE OF PUBLICATION

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

Notice is hereby given that pursuant to the New Mexico Water Quality Control Commission Regulations, the following discharge plan application has been submitted to the Director of the Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, New Mexico 87505, Telephone (505) 476-3200:

(GW-284) – Process Equipment and Service Company, Inc. (PESCO), Mr. Blake Wallace, P.O. Box 929, Farmington, New Mexico 87499, has submitted a discharge plan renewal application for their Farmington Service facility located in the SE/4 SW/4, Section 21, Township 29 North, Range 12 West, NMPM, San Juan County, New Mexico. Approximately 600 gallons per day of washdown waste water will be stored in a closed top double-walled steel tank prior to transport to an OCD approved off-site disposal facility. Groundwater most likely to be affected by an accidental discharge is at a depth of 135 feet with a total dissolved solids concentration of approximately 3800 mg/l. The discharge plan addresses how spill, leaks, and other accidental discharges to the surface will be managed.

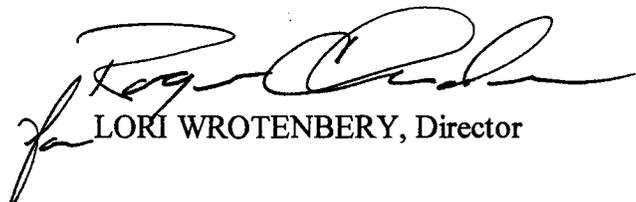
Any interested person may obtain further information from the Oil Conservation Division and may submit written comments to the Director of the Oil Conservation Division at the address given above.

The discharge plan application may be viewed at the above address between 8:00 a.m. and 4:00 p.m., Monday thru Friday. Prior to ruling on any proposed discharge plan 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 him and public hearing may be requested by any interested person. Request for public hearing shall set forth the reasons why a hearing shall be held. A hearing will be held if the director determines that there is significant public interest.

If no hearing is held, the Director will approve or disapprove the plan based on the information available. If a public hearing is held, the Director will approve the plan based on the information in the plan and information presented at the hearing.

GIVEN under the Seal of New Mexico Conservation Commission at Santa Fe, New Mexico, on this 26th day of April 2002.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


LORI WROTENBERY, Director

SEAL

Ford, Jack

From: Ford, Jack
Sent: Friday, April 26, 2002 9:15 AM
To: Martin, Ed
Subject: Public Notice for GW-284



284REPUB.DOC

April 24, 2002

Jack Ford
New Mexico Oil Conservation Division (OCD)
1220 South St. Francis Drive
Santa Fe, NM 87505

RECEIVED

APR 25 2002
Environmental Bureau
Oil Conservation Division

Re: Discharge Plan Renewal, PESCO

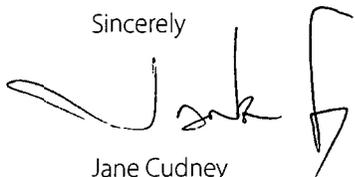
Dear Jack

On behalf of Process Equipment and Service Company (PESCO) we are submitting this renewal application for a groundwater discharge plan. PESCO provides support services to the oil and gas industry. This facility sells, manufactures and repairs oil and gas production and processing equipment such as tanks, dehydrators, and pressure vessels.

This discharge plan renewal describes the procedures that PESCO will follow to manage waste at their facility. The format of the document follows that of the discharge plan application form (found on the first page of the attached bound document). As required, the original plus one copy of the application is attached in this submittal.

Please feel free to contact me or Rod Troxell of PESCO at (505) 327 2222 if you have any questions regarding this application.

Sincerely



Jane Cudney
Environmental Scientist II

Cc: OCD District III
Rod Troxell, PESCO

DATE 4/1

CONFIRMATION #

207 105
3 0 9 1 6



NEB ARK Courier, Inc.

PO BOX 91776 • ALBUQUERQUE, NM 87199-1776
ALBQ (505) 888-3087 • FAX (505) 858-0694
NM 1-800-564-5170

SERVICE (Circle One)

1 Hour Stat SDS 12:00
2 Hour Stat SDS 2:00
Stat by _____ SDS 2:30
SDS 5:00

SHIPPER

CASH () CHECK () CHARGE () ACCOUNT (✓) DRIVER # 30

NAME ESI

PHONE 210-661-1111

STREET 4615 HOLLOW SCHOOL NE SK 1011

CITY AND STATE Alb NM

ZIP CODE 87110

# OF PIECES <u>1</u>	DISCREPANCY CONTENTS <u>DECLARED VALUE</u>	FOR OFFICE USE ONLY	
		BASE CHARGE	
MAIL <u>X</u>	PARCEL	EXCESS PACKAGES	
SPECIAL BILLING <u>PERSONAL</u>		OTHER	
SPECIAL INSTRUCTIONS TO COURIER		TAX	
SHIPPER'S SIGNATURE X		TOTAL CHARGES	

CONSIGNEE

CASH () CHECK () CHARGE () ACCOUNT () DRIVER #

NAME NEW MEXICO DIVISION
ATTN: JACK BOCK

PHONE 807-1157

STREET 1200 SOUTH S. FRANKS LN

CITY AND STATE SEDER F NM

ZIP CODE 87505

Conditions of Contract: No single package or article can exceed 75 lbs. **Declared Value** - Unless a greater value is declared in the declared value box, the shipper hereby declares the released value of each package or article, covered by this receipt to be as follows, \$50.00 for each package or article. Valuations in excess of \$50.00 will be insured at the rate of \$.50 per \$50.00 over and above the original \$50.00 amount. Claim for loss or damage must be made within 9 months from the date of this receipt. A claim not made within the time limit specified is deemed waived. **Consequential Damage** - NebArk will not be responsible or liable for any loss or damage resulting from delay, non-delivery or damage to a package or article except as noted above. This includes loss of sales, profit, income, interest, attorneys fees and other costs, but is not limited to these items. Such damages are called "consequential damages." The maximum declared value cannot exceed \$500.00. **(RECEIVED IN GOOD ORDER EXCEPT AS NOTED)**

CONSIGNEE'S SIGNATURE

X John R. Bock

DATE 4/1 5:20 TIME

PRINT SIGNATURE

X

CONSIGNEE



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Betty Rivera
Acting Cabinet Secretary

February 14, 2002

Lori Wrotenbery
Director
Oil Conservation Division

CERTIFIED MAIL
RETURN RECEIPT NO. 3929 7488

Mr. Blake Wallace
Plant Manager
Process Equipment & Service Company, Inc.
P.O. Box 929
Farmington, New Mexico 87499-929

**RE: Discharge Plan Renewal Notice for the Process Equipment Service
Company, Inc. Facility**

Dear Mr. Wallace:

Process Equipment & Service Company, Inc. has the following discharge plan, which expires during the current calendar year.

GW-284 expires 8/14/2002 – Farmington Facility

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]

The discharge plan renewal application for each of the above facilities is subject to WQCC Regulation 20NMAC 6.2.3114. Every billable facility submitting a discharge plan renewal will be assessed a fee equal to the filing fee of \$100.00. After January 15, 2001 renewal discharge plans require a flat fee equal to the flat fee schedule for oil field service facilities pursuant to revised WQCC Regulations 20NMAC 6.2.3114. A copy of the revised fee schedule is included for your assistance. The \$100.00 filing fee is to be submitted with each discharge plan renewal application and is nonrefundable.

Mr. Blake Wallace
February 14, 2002
Page 2

Please make all checks payable to: **NMED-Water Quality Management** and addressed to the OCD Santa Fe Office. Please submit the original discharge plan renewal application and one copy to the OCD Santa Fe Office and one copy to the OCD Hobbs District Office. **Note that the completed and signed application form must be submitted with your discharge plan renewal request.** A complete copy of the regulations is also available on NMED's website at www.nmenv.state.nm.us.

If any of the above-sited facilities no longer has any actual or potential discharges and a discharge plan is not needed, please notify this office. If Process Equipment & Service Company, Inc. has any questions, please do not hesitate to contact Mr. Jack Ford at (505) 476-3489.

Sincerely,



Roger C. Anderson
Oil Conservation Division

RCA/wjf

cc: OCD Aztec District Office

U.S. Postal Service CERTIFIED MAIL RECEIPT (Domestic Mail Only; No Insurance Coverage Provided)	
OFFICIAL USE	
Postage	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$
Postmark Here	
Sent To <i>B. Wallace</i>	
Street, Apt. No., or PO Box No. <i>Process Equip. & Serv.</i>	
City, State, ZIP+ 4 <i>GW-284</i>	
PS Form 3800, January 2001 See Reverse for Instructions	

982 7488
629 3929
4000 0000
040 0461
7002

6259

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 plan application has been submitted to the Director of the Oil Conservation Division, 2040 South Pacheco, Santa Fe, New Mexico 87505, Telephone (505) 827-7131:

(GW-284) - Process Equipment & Service Company, Inc., Mr. James E. Rhodes, (505)-327-2222, P.O. Box 929, Farmington, NM, 87499, has submitted a Discharge Plan Application for their Farmington facility located in the SE/4 SW/4, Section 21, Township 29 North, Range 12 West, NMPM, San Juan County, New Mexico. Hydrotest water is recycled in a closed top tank and production equipment rinse water is stored in a closed top tank and disposed of offsite. Groundwater most likely to be affected by a spill, leak, or accidental discharge to the surface is at a depth of approximately 54 feet with a total dissolved solids concentration of approximately 1,000 to 2,000 mg/L. The discharge plan 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 and may submit written comments to the Director of the Oil Conservation Division at the address given above. The discharge plan application may be viewed at the above address between 8:00 a.m. and 4:00 p.m., Monday through Friday. Prior to ruling on any proposed discharge plan 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 him 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 plan based on information available. If a public hearing is held, the director will approve or disapprove the proposed plan based on information in the discharge plan application and information submitted at the hearing.

GIVEN under the Seal of New Mexico Oil Conservation Commission at Santa Fe, New Mexico, on this 1st. day of July, 1997.

NO EFFECT FINDING

The described action will have no effect on listed species, wetlands, or other important wildlife resources.

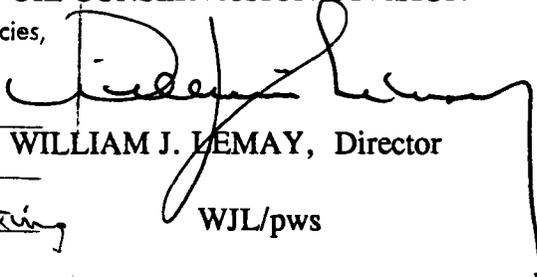
Date 8/4/97

Case # SEAL GW OCD - 97-1

Approved by Charles B. M. Donald Acting

U.S. FISH and WILDLIFE SERVICE
NEW MEXICO ECOLOGICAL SERVICES FIELD OFFICE
ALBUQUERQUE, NEW MEXICO

**STATE OF NEW MEXICO
OIL CONSERVATION DIVISION**


WILLIAM J. LEMAY, Director
WJL/pws

RECEIVED

JUL 21 1997

Environmental Bureau
Oil Conservation Division

AFFIDAVIT OF PUBLICATION

No. 38195

COPY OF PUBLICATION

STATE OF NEW MEXICO

County of San Juan:

DENISE H. HENSON being duly sworn says: That she is the Classified Manager of THE DAILY TIMES, a daily newspaper of general circulation published in English at Farmington, said county and state, and that the hereto attached Legal Notice was published in a regular and entire issue of the said DAILY TIMES, a daily newspaper duly qualified for the purpose within the meaning of Chapter 167 of the 1937 Session Laws of the State of New Mexico for publication on the following day(s):

Wednesday, July 9, 1997;

and the cost of publication is: \$62.29

Denise H. Henson

On 7-11-97 DENISE H. HENSON appeared before me, whom I know personally to be the person who signed the above document.

George Olson
My Commission Expires November 1, 2000

Legals



NOTICE OF PUBLICATION

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ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

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GIVEN under the Seal of New Mexico Oil Conservation Commission at Santa Fe, New Mexico, on this 1st. day of July 1997.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION
/s/William J. LeMay
WILLIAM J. LEMAY, Director

SEAL

Legal No. 38195 published in The Daily Times, Farmington, New Mexico, on Wednesday, July 9, 1997.

Okay to Pay DWB
7-21-97

The Santa Fe New Mexican

Since 1849. We Read You.

NM OIL DIVISION

AD NUMBER: 661176

ACCOUNT: 56689

LEGAL NO: 62004

P.O. #: 96-199-00299

170 LINES ONCE at \$ 68.00

Affidavits: 5.25

Tax: 4.58

Total: \$ 77.83

AFFIDAVIT OF PUBLICATION

NOTICE OF PUBLICATION

STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

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GIVEN under the Seal of New Mexico Oil Conservation Commission at Santa Fe, New Mexico, on this 1st day of July 1997.

STATE OF NEW MEXICO
OIL CONSERVATION
DIVISION
WILLIAM J. LEMAY,
Director
Legal #62004
Pub. July 7, 1997

STATE OF NEW MEXICO
COUNTY OF SANTA FE

I, BETSY PERNER being first duly sworn declare and say that I am Legal Advertising Representative of THE SANTA FE NEW MEXICAN, a daily news paper 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 # 62004 a copy of which is hereto attached was published in said newspaper once each WEEK for ONE consecutive week(s) and that the notice was published in the newspaper proper and not in any supplement; the first publication being on the 7 day of JULY 1997 and that the undersigned has personal knowledge of the matter and things set forth in this affidavit.

/S/

Betsy Perner
LEGAL ADVERTISEMENT REPRESENTATIVE

Subscribed and sworn to before me on this 7 day of JULY A.D., 1997

Notary Laura E. Harding
Commission Expires 11/23/99

Okay Pub
7-9-97

Any interested person may

202 East Marcy Street • P.O. Box 2048 • Santa Fe, New Mexico 87501

505-983-3303

NOTICE OF PUBLICATION

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

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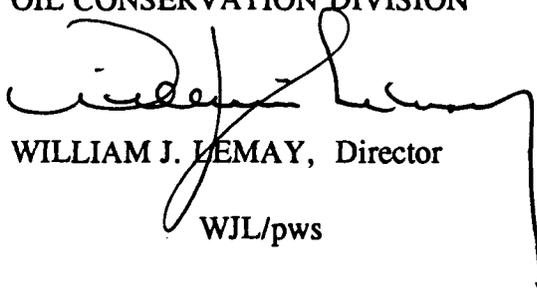
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GIVEN under the Seal of New Mexico Oil Conservation Commission at Santa Fe, New Mexico, on this 1st. day of July, 1997.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


WILLIAM J. LEMAY, Director

WJL/pws

S E A L

District I - (505) 393-6101
P. O. Box 1980
Hobbs, NM 88241-1980
District II - (505) 748-1283
811 S. First
Artesia, NM 88210
District III - (505) 334-6178
1000 Rio Brazos Road
Aztec, NM 87410
District IV - (505) 827-7131

New Mexico
Energy Minerals and Natural Resources Department
Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

Revised 12/1/96
Submit Origin.
Plus 1 Copy
to Santa Fe
1 Copy to appropriate
District Office

RECEIVED
JUN 30 1997

GW-284 (File Copy)

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

RECEIVED

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

JUN 30 1997

Environmental Bureau
Oil Conservation Division

New Renewal Modification

- Type: Sales, manufacture, & repair of oil and gas production equipment
- Operator: Process Equipment & Service Company, Inc.
Address: P.O. Box 929, Farmington, NM 87499
Contact Person: Jim Rhodes or Blake Wallace Phone: 505-327-2222
- Location: SE 1/4 SW 1/4 Section 21 Township 29N Range 12W
Submit large scale topographic map showing exact location.
- Attach the name, telephone number and address of the landowner of the facility site.
- Attach the description of the facility with a diagram indicating location of fences, pits, dikes and tanks on the facility.
- Attach a description of all materials stored or used at the facility.
- Attach a description of present sources of effluent and waste solids. Average quality and daily volume of waste water must be included.
- Attach a description of current liquid and solid waste collection/treatment/disposal procedures.
- Attach a description of proposed modifications to existing collection/treatment/disposal systems.
- Attach a routine inspection and maintenance plan to ensure permit compliance.
- Attach a contingency plan for reporting and clean-up of spills or releases.
- Attach geological/hydrological information for the facility. Depth to and quality of ground water must be included.
- Attach a facility closure plan, and other information as is necessary to demonstrate compliance with any other OCD rules, regulations and/or orders.
- CERTIFICATION

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

NAME: James E. Rhodes Title: V.P. - Plant Operations
Signature: *James E. Rhodes* Date: 6/27/97

Process Equipment & Service Company, Inc.
(PESCO)
Discharge Plan
Farmington, New Mexico

I Type of Operation

Process Equipment & Service Company, Inc. sells, manufactures, and repairs oil and gas production and processing equipment.

II Operator

Process Equipment & Service Company, Inc.
P.O. Box 929
Farmington, NM 87499
505-327-2222
Contact: Jim Rhodes or Blake Wallace

III Location

5680 U.S. Hwy. 64, Farmington NM
SE1/4 SW1/4 Sec 21
Township 29 North
Range 12 West
San Juan County
New Mexico

IV Landowner of Facility Site

Edwin A. Rhodes
1521 Camina Contenta
Farmington, NM 87401
505-325-8565

V Facility Description

See Facility Plan (Attached)

VI Materials Stored or Used at the Facility

Material	Constituents (includes additives)	Form	Type of Container	Estimated Volume Stored (Max.)	Location
A. Drilling Fluids	NA	NA	NA	NA	NA
B. Brines	NA	NA	NA	NA	NA
C. Acids/ Caustics	NA	NA	NA	NA	NA
D. Detergents/ Soaps	NA	NA	NA	NA	NA
E. Solvents/ Degreasers	Safety-Kleen Solvent	Liquid	Drum	110 Gal.	Service Area
	Xylene	Liquid	Drum	110 Gal.	Paint Area
F. Paraffin Treatment	NA	NA	NA	NA	NA
G. Biocides	NA	NA	NA	NA	NA
H. Others	Diesel	Liquid	Steel Tank	300 Gal.	Bulk Fuel Area
	Gasoline	Liquid	Steel Tank	300 Gal.	Bulk Fuel Area
	Glycol (new)	Liquid	Steel Tank	500 Gal.	Bulk Fuel Area
	Glycol (used)	Liquid	Steel Tank	90 Bbl.	Steam Pad Area
	Anti-Freeze (new)	Liquid	Drum	55 Gal.	Service Area
	Anti-Freeze (used)	Liquid	Steel Tank	45 Bbl.	Steam Pad Area
	Paint	Liquid	1 & 5 Gal. Pail	300 Gal.	Paint Storage
	Paint Waste	Liquid	Drum	110 Gal.	Paint Area
	Test Water (new equipment)	Liquid	Steel Tank/ Concrete Sump	710 Bbl. 1500 Gal.	Service Area Warehouse
	Test Water (reworks)	Liquid	Steel Tank	1500 Gal.	Repair Area
Steam Pad Wash Water/ Oil Mix	Liquid	Steel Tank	290 Bbl.	Steam Pad Area	

VI Materials Stored or Used at the Facility (Continued)

Material	Constituents (includes additives)	Form	Type of Container	Estimated Volume Stored (Max.)	Location
H. Other (cont.)	Lubricating Oil (used)	Liquid	Drum	55 Gal.	Bulk Fuel Area
	Lubricating Oil (new)	Liquid	1 Gal. Jug	40 Gal.	Warehouse
	Kerosine	Liquid	Drum	30 Gal.	Bulk Fuel Area
	Solids/Sludges from Tanks	Solid	Drum	14 BBL	Steam Pad Area
	Blast Sand	Solid	1 Yd ³ Bag	15 Bags	Sand Storage
	Raw Material (steel)	Solid	Self-Containing	1000 Tons	Yard
	General Trash	Solid	Dumpster Drum	7 Yd ³ 7 Yd ³	Yard Shops

VII Sources of Effluent and Waste Solids

Waste Stream	Source	Composition	Estimated Volume
Spent solvents	parts cleaning in shop	Safety-Kleen solvents (monoethanolamine, petroleum naphtha 150), inert solids, oil	15 gal/month
Paint waste	painting/cleanup	paint, xylene	10 gal/month
Glycol (used)	equipment brought in for repair	triethelene/diethelene glycol	175 gal/month
Anti-Freeze (used)	equipment brought in for repair	ethelene glycol, water	250 gal/month
Test water (new equipment)	Hydrotesting new equipment	water	recycled
Test water (repaired equipment)	hydrotesting repaired equipment	water, trace hydrocarbons	recycled
Wash water	steam pad (steaming units prior to repair)	water, crude oil inert solids	7000 gal/month
Used oil	forklift maintenance, pipe threading machines	lubricants	5 gal/month
Used filters	forklift maintenance	metal, fiber	3/month
Batteries	battery changing in vehicles	lead/acid	3/year
Solids/sludges	steam pad (cleaning units prior to repair)	inert solids, paraffin	2 drums/month
Blast sand	sand blasting	inert sand, inert solids	6 yd ³ /month
Metal scrap	manufacturing	steel, brass copper, aluminum	10 tons/month
General trash	operations at facility	paper, cardboard, plastic, wood, tires	35 yd ³ /week

VIII Current Liquid and Solid Waste Collection/Treatment/Disposal Procedures

Waste Stream	On-site Handling	Disposal
Spent solvents	stored in drums at shop	Recycled by Safety-Kleen Corp. 4200 A Hawkins Rd. Farmington, NM
Paint waste	stored in drums at paint area	Safety-Kleen Corp.
Glycol (used)	stored in double bottom steel tank at steam pad area	Recycled by Coastal Chemical Co., Inc. 10 Rd. 5911 Farmington, NM
Anti-Freeze (used)	stored in steel tank at steam pad area	Re-loaded in repaired equipment
Test water (new equipment)	stored in steel tank at service area	Reused
Test water (repaired equipment)	stored in steel tank at repair area	Reused
Wash water	stored in steel tanks w/ secondary containment near steam pad	Basin Disposal 6 Rd. 5046 Bloomfield, NM
Used oil	stored in steel drum w/ secondary containment at bulk fuel area	Industrial Engine Repair 5577 US Hwy. 64 Farmington, NM
Used filters	crushed, oil goes to used oil storage and filters go to dumpster	Waste Management of Four Corners 101 Spruce Farmington, NM
Batteries	stored in warehouse	Recycled by Farmington Iron & Metal 4805 Herrera Rd. Farmington, NM
Solids/sludges	stored in steel drums w/ secondary containment near steam pad	Land farmed by Envirotech, Inc. 5796 US Hwy. 64 Farmington, NM
Blast sand	mounded at sand blast area	Waste Management of Four Corners
Metal scrap	stored in special bins	Recycled by Farmington Iron & Metal
General trash	stored in dumpster and steel drums	Waste Management of Four Corners

IX Proposed Modifications

- 1) All drums (barrels) containing liquids or solids (with the exception of those containing general trash) will be consolidated at specific locations. Secondary containment will be utilized for each of these drums. This will be completed during 1997.
- 2) An area will be set aside for the storage of all empty drums (barrels). These will be stored horizontally with the bungs in the horizontal position. This will be completed during 1997.
- 3) Secondary containment will be utilized for all steel tanks used for liquid storage. In most cases, this will be accomplished by employing double-wall, double-bottom tanks with leak detection capability. This will be accomplished during 1997.
- 4) The tanks used for wash water/oil storage are currently surrounded by an earthen berm. A plastic liner will be installed in this bermed area and the tanks will be elevated in order to allow observation of the bottom of each tank (for leak detection). This will be accomplished during 1997.
- 5) A concrete pad, with suitable curbing, will be installed at the sand blast area. This will provide a barrier between the sand blast media and the ground and will be accomplished before mid 1998. A sand recycling system is being considered at this time.
- 6) PESCO personnel are in the initial stages of planning a new building to house all service department functions. This would include modern paint and hydrotest facilities and would be designed in a manner to alleviate environmental concerns. Completion of this building is anticipated during the five year permit period, but ultimately depends upon the profitability of the company.

XI Contingency Plan

As previously outlined in this document, suitable steps are being taken to minimize any chance of leaks or spills at the PESCO facility. However, should a spill occur, the following steps will be taken:

Notification

- (1) For significant leaks and spills, notification will be in accordance with NMOCD Rule 116 (attached) and WQCC Section 1203 (attached). Spill (release) quantities exceeding 1 barrel (5 barrels for hydrotest water) and less than 25 barrels will be reported as minor releases. Spills in excess of 25 barrels, and other releases as defined in NMOCD rule 116.B(1), will be reported as major releases. Any spill that is properly contained by secondary containment will not be considered as reportable.
- (2) Verbal notification of reportable releases shall be made within 24 hours of release discovery. Written notification shall be reported on OCD Form C-141 and shall be submitted within 15 days of release discovery. Notifications will be made to both of the following:

OCD Environmental Bureau Chief
2040 S. Pacheco
Santa Fe, NM 87505
(Currently Roger C. Anderson 505-827-7152)

OCD District III
1000 Rio Brazos Road
Aztec, NM 87401
(Currently Denny G. Foust 505-334-6178)

Spill Containment

- (1) The first step in spill containment will be spill control...stopping the source of the spill. This will be done by any suitable means that does not endanger personnel. Then, the spill will be contained as warranted by the situation. Possible methods of containment include building earthen berms, using absorbent materials, transferring fluids from damaged containment into backup containment, etc. Backup containment will be kept on hand at all times.

Spill Cleanup

- (1) Spill cleanup and disposition of spill material will be per applicable rules and regulations.

XII Site Characteristics

Bodies of water: The San Juan River is approximately 1/3 mile southwest of the facility.

Groundwater is at 54 feet. Water quality analysis is being performed at this time and will be available on or before 7/1/97. Water testing is being performed by:

Inter-Mountain Laboratories, Inc.
2506 W. Main Street
Farmington, NM 87401
505-326-4737

Arroyos: There is a small arroyo that runs from north to south located approximately 50 yards outside the west property line.

Soil type: Soil type is sandy.

Flooding Potential: The site is situated such that the chance for flooding is extremely remote. Ditches and berms are utilized to route heavy run-off away from buildings and storage facilities.

XIII Other Compliance Information

Closure Plan

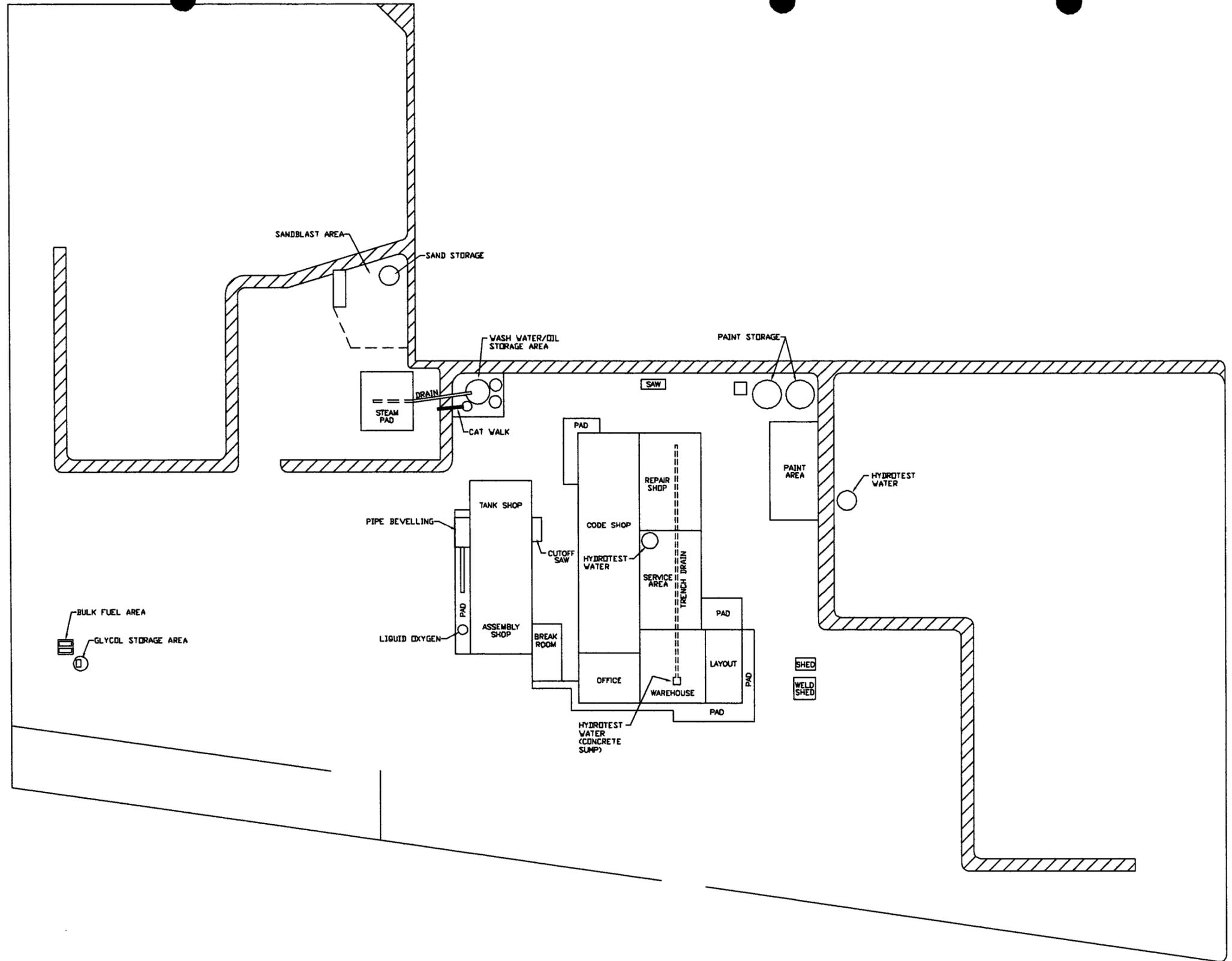
Should operations cease at the facility, the following will be done:

1. The facility will be cleaned...trash, etc. will be removed.
2. All solids and liquids will be removed and disposed of in an appropriate manner.
3. All containment not associated with permanent structures will be removed.
4. Any obvious spills and/or contamination will be remediated in accordance with applicable environmental standards.
5. The empty facility will be brought into acceptable environmental compliance.

Attachments

The following documents are attached:

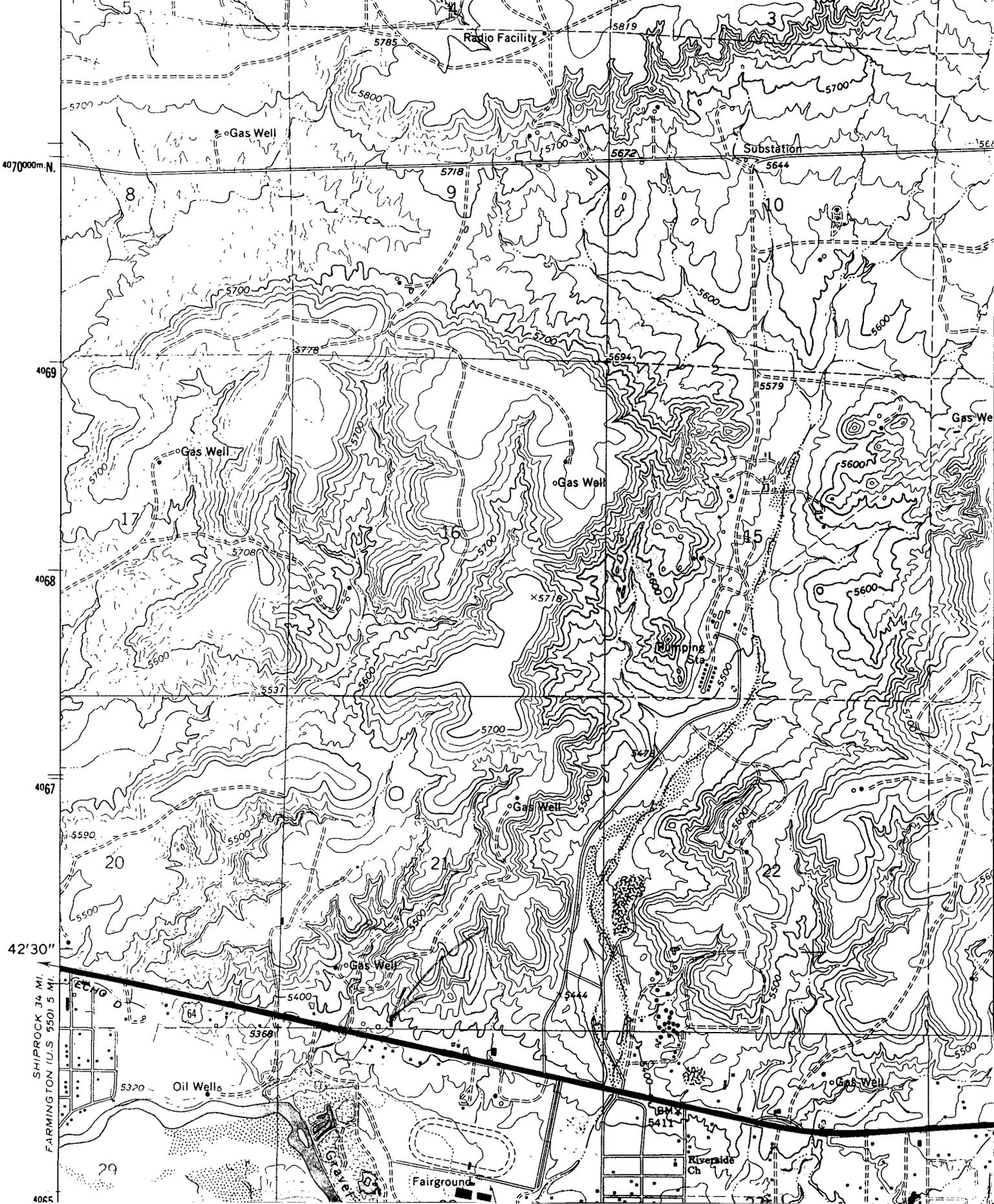
1. Facility (Site) Plan
2. Topographical Map
3. NMOCD Rule 116
4. WQCC Section 1203
5. OCD Letter
6. Water Quality Analysis (to follow)



	FACILITY PLAN		
	PESCD	SCALE NONE	DRAWN BY BUCKLES
	PROCESS EQUIPMENT & SERVICE CO., INC.		
	DATE 6-25-97	APPROVED BY	DRAWN BY FACILITY

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

108° 07' 30" 757000m E. 758 759 760 5' 761
36° 45'



108° 07' 30"
36° 45'

757000m E.

758

759

760

5'

761

4070000m N.

4069

4068

4067

42' 30"

4066

SHIPROCK 34 MI
FARMINGTON (U.S. 550) 5 MI



108° 07' 30"
36° 45'

757000m E.

758

759

760

5'

761

4070000m N.

4069

4068

4067

42' 30"

4066

SHIPROCK 34 MI
FARMINGTON (U.S. 550) 5 MI

116 RELEASE NOTIFICATION AND CORRECTIVE ACTION

116.A. NOTIFICATION

(1) The Division shall be notified of any unauthorized release occurring during the drilling, producing, storing, disposing, injecting, transporting, servicing or processing of crude oil, natural gases, produced water, condensate or oil field waste including regulated NORM, or other oil field related chemicals, contaminants or mixture thereof, in the State of New Mexico in accordance with the requirements of this Rule. [1-1-50... - - 97.]

(2) The Division shall be notified in accordance with this Rule with respect to any release from any facility of oil or other water contaminant, in such quantity as may with reasonable probability be detrimental to water or cause an exceedance of the standards in 19 NMAC 15.A.19. B(1), B(2) or B(3). [- 97.]

116.B. REPORTING REQUIREMENTS: Notification of the above releases shall be made by the person operating or controlling either the release or the location of the release in accordance with the following requirements:

(1) A Major Release shall be reported by giving both immediate verbal notice and timely written notice pursuant to Paragraphs C(1) and C(2) of this Rule. A Major Release is:

- (a) an unauthorized release of a volume, excluding natural gases, in excess of 25 barrels;
- (b) an authorized release of any volume which:
 - (i) results in a fire;
 - (ii) will reach a water course;
 - (iii) may with reasonable probability endanger public health; or
 - (iv) results in substantial damage to property or the environment;
- (c) an unauthorized release of natural gases in excess of 500 mcf; or
- (d) a release of any volume which may with reasonable probability be detrimental to water or cause an exceedance of the standards in 19 NMAC 15.A.19. B(1), B(2) or B(3). [- 97.]

(2) A Minor Release shall be reported by giving timely written notice pursuant to Paragraph C(2) of this Rule. A Minor Release is an unauthorized release of a volume, greater than 5 barrels but not more than 25 barrels; or greater than 50 mcf but less than 500 mcf of natural gases. [- - 97]

116.C. CONTENTS OF NOTIFICATION:

(1) Immediate verbal notification required pursuant to Paragraph B shall be reported within twenty-four (24) hours of discovery to the Division District Office for the area within which the release takes place. In addition, immediate verbal notification pursuant to Subparagraph B.(1).(d). shall be reported to the Division's Environmental Bureau Chief. This notification shall provide the information required on Division Form C-141. [5-22-73... - -97.]

(2) Timely written notification is required to be reported pursuant to Paragraph B within fifteen (15) days to the Division District Office for the area within which the release takes place by completing and filing Division Form C-141. In addition, timely written notification required pursuant to Subparagraph B.(1).(d). shall also be reported to the Division's Environmental Bureau Chief within fifteen (15) days after the release is discovered. The written notification shall verify the prior verbal notification and provide any appropriate additions or corrections to the information contained in the prior verbal notification. [5-22-73... - -97.]

116.D. CORRECTIVE ACTION: The responsible person must complete Division approved corrective action for releases which endanger public health or the environment. Releases will be addressed in accordance with a remediation plan submitted to and approved by the Division or with an abatement plan submitted in accordance with Rule 19 (19 NMAC 15.A.19). [- -97.]

1995 OCT 27 PM 1:25

B. Plans, specifications and reports required by this Section, if related to facilities for the production, refinement and pipeline transmission of oil and gas, or products thereof, shall be filed instead with the Oil Conservation Division. [1-4-68, 12-1-95]

C. Plans and specifications required to be filed under this Section must be filed prior to the commencement of construction. [9-3-72]

1203. NOTIFICATION OF DISCHARGE--REMOVAL.

A. With respect to any discharge from any facility of oil or other water contaminant, in such quantity as may with reasonable probability injure or be detrimental to human health, animal or plant life, or property, or unreasonably interfere with the public welfare or the use of property, the following notifications and corrective actions are required: [2-17-74, 12-24-87]

1. As soon as possible after learning of such a discharge, but in no event more than twenty-four (24) hours thereafter, any person in charge of the facility shall orally notify the Chief of the Ground Water Protection and Remediation Bureau of the department, or his counterpart in any constituent agency delegated responsibility for enforcement of these rules as to any facility subject to such delegation. To the best of that person's knowledge, the following items of information shall be provided:

a. the name, address, and telephone number of the person or persons in charge of the facility, as well as of the owner and/or operator of the facility;

b. the name and address of the facility;

c. the date, time, location, and duration of the discharge;

d. the source and cause of discharge;

e. a description of the discharge, including its chemical composition;

f. the estimated volume of the discharge; and

g. any actions taken to mitigate immediate damage from the discharge.

[2-17-74, 2-20-81, 12-24-87, 12-1-95]

2. When in doubt as to which agency to notify, the

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person in charge of the facility shall notify the Chief of the Ground Water Protection and Remediation Bureau of the department. If that department does not have authority pursuant to commission delegation, the department shall notify the appropriate constituent agency. [12-24-87, 12-1-95]

3. Within one week after the discharger has learned of the discharge, the facility owner and/or operator shall send written notification to the same department official, verifying the prior oral notification as to each of the foregoing items and providing any appropriate additions or corrections to the information contained in the prior oral notification. [12-24-87]

4. The oral and written notification and reporting requirements contained in this Subsection A are not intended to be duplicative of discharge notification and reporting requirements promulgated by the Oil Conservation Commission (OCC) or by the Oil Conservation Division (OCD); therefore, any facility which is subject to OCC or OCD discharge notification and reporting requirements need not additionally comply with the notification and reporting requirements herein. [2-17-74, 12-24-87]

5. As soon as possible after learning of such a discharge, the owner/operator of the facility shall take such corrective actions as are necessary or appropriate to contain and remove or mitigate the damage caused by the discharge. [2-17-74, 12-24-87]

6. If it is possible to do so without unduly delaying needed corrective actions, the facility owner/operator shall endeavor to contact and consult with the Chief of the Ground Water Protection and Remediation Bureau of the department or appropriate counterpart in a delegated agency, in an effort to determine the department's views as to what further corrective actions may be necessary or appropriate to the discharge in question. In any event, no later than fifteen (15) days after the discharger learns of the discharge, the facility owner/operator shall send to said Bureau Chief a written report describing any corrective actions taken and/or to be taken relative to the discharge. Upon a written request and for good cause shown, the Bureau Chief may extend the time limit beyond fifteen (15) days. [12-24-87, 12-1-95]

7. The Bureau Chief shall approve or disapprove in writing the foregoing corrective action report within thirty (30) days of its receipt by the department. In the event that the report is not satisfactory to the department, the Bureau Chief shall specify in writing to the facility owner/operator any shortcomings in the report or in the corrective actions already taken or proposed to be taken relative to the discharge, and shall give the facility owner/operator a reasonable and clearly specified

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time within which to submit a modified corrective action report. The Bureau Chief shall approve or disapprove in writing the modified corrective action report within fifteen (15) days of its receipt by the department. [12-24-87]

8. In the event that the modified corrective action report also is unsatisfactory to the department, the facility owner/operator has five (5) days from the notification by the Bureau Chief that it is unsatisfactory to appeal to the department secretary. The department secretary shall approve or disapprove the modified corrective action report within five (5) days of receipt of the appeal from the Bureau Chief's decision. In the absence of either corrective action consistent with the approved corrective action report or with the decision of the secretary concerning the shortcomings of the modified corrective action report, the department may take whatever enforcement or legal action it deems necessary or appropriate. [12-24-87, 12-1-95]

9. If the secretary determines that the discharge causes or may with reasonable probability cause water pollution in excess of the standards and requirements of Section 4103 of this Part, and the water pollution will not be abated within one hundred and eighty (180) days after notice is required to be given pursuant to Section 1203.A.1 of this Part, the secretary may notify the facility owner/operator that he is a responsible person and that an abatement plan may be required pursuant to Sections 4104 and 4106.A of this Part. [12-1-95]

B. Exempt from the requirements of this Section are continuous or periodic discharges which are made: [2-17-74]

1. in conformance with regulations of the commission and rules, regulations or orders of other state or federal agencies; or [2-17-74]

2. in violation of regulations of the commission, but pursuant to an assurance of discontinuance or schedule of compliance approved by the commission or one of its duly authorized constituent agencies. [2-17-74]

C. As used in this Section and in Sections 4100 through 4115, but not in other Sections of this Part: [2-17-74, 12-1-95]

1. "discharge" means spilling, leaking, pumping, pouring, emitting, emptying, or dumping into water or in a location and manner where there is a reasonable probability that the discharged substance will reach surface or subsurface water; [2-17-74]

2. "facility" means any structure, installation, operation, storage tank, transmission line, motor vehicle, rolling

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stock, or activity of any kind, whether stationary or mobile;
[2-17-74]

3. "oil" means oil of any kind or in any form including petroleum, fuel oil, sludge, oil refuse and oil mixed with wastes; [2-17-74]

4. "operator" means the person or persons responsible for the overall operations of a facility; and
[12-24-87]

5. "owner" means the person or persons who own a facility, or part of a facility. [12-24-87]

D. Notification of discharge received pursuant to this Part or information obtained by the exploitation of such notification shall not be used against any such person in any criminal case, except for perjury or for giving a false statement.
[2-17-74]

E. Any person who has any information relating to any discharge from any facility of oil or other water contaminant, in such quantity as may with reasonable probability injure or be detrimental to human health, animal or plant life, or property, or unreasonably interfere with the public welfare or the use of property, is urged to notify the Chief of the Ground Water Protection and Remediation Bureau of the department. Upon such notification, the secretary may require an owner/operator or a responsible person to perform corrective actions pursuant to Sections 1203.A.5 or 1203.A.9 of this Part. [12-1-95]

[1204-1209] Reserved

1210. VARIANCE PETITIONS.

A. Any person seeking a variance pursuant to Section 74-6-4 (G) NMSA 1978, shall do so by filing a written petition with the commission. The petitioner may submit with his petition any relevant documents or material which the petitioner believes would support his petition. Petitions shall: [7-19-68, 11-27-70, 9-3-72]

1. state the petitioner's name and address;
[7-19-68, 11-27-70]

2. state the date of the petition; [7-19-68]

3. describe the facility or activity for which the variance is sought; [7-19-68, 11-27-70]

4. state the address or description of the property upon which the facility is located; [11-27-70]

OIL CONSERVATION DIVISION

October 17, 1995

Mr. Blake Wallace, Plant Manager
Process Equipment & Service Company, Inc
P.O. Box 929
Farmington, New Mexico 87499

Re: PESCO Waste Classification

Dear Mr. Wallace:

The Oil Conservation Division (OCD) is in receipt of your request for a regulatory determination of specific waste streams generated at the PESCO Farmington facility. The following is the OCD interpretation of the EPA regulatory determination:

1. Oily solids from tanks, separators and other production equipment: These wastes are exempt from regulation under RCRA Subtitle C only if the equipment is integral to exploration and production of crude oil and natural and is considered part of "primary field operations". "BS&W and other tank bottoms generated as part of the process of transporting products away from primary field operations are not exempt."
2. Oily washwater generated from removing oily solids from tanks, dehydrators, separators and other production equipment: Wastes generated by activities uniquely associated with the exploration, development or production of crude oil or natural gas at primary field operations are exempt from regulation under RCRA Subtitle C regardless of whether or not they are generated on-site by a service company. Wastes generated by the cleaning of the referenced equipment are exempt only if the equipment only contain E&P related exempt wastes, that the water or fluid used in the washing process is determined to be non-hazardous and no other non-exempt wastes are mixed with the resulting waste.

Please note that "treatment" of oily wastes is a term used only for a process of product recovery and is inappropriate for use in a cleaning operation where the economic recovery of a resource is not the objective.

Mr. Blake Wallace
October 18, 1995
Page 2

3. Transportation of exempt wastes off-site: An E&P related exempt waste will retain it's exemption only if no other non-exempt or hazardous wastes are mixed with it.

4. Wastes generated in connection with a service company's operation: As stated in 2 above, wastes generated by a service company that was derived exclusively from an E&P exempt waste and was not generated with the use of a fluid that is subject to regulation under RCRA Subtitle C will retain its exemption regardless of where it is generated only if no other non-exempt or non-hazardous waste is mixed with it.

Please be aware that exemption from RCRA Subtitle C regulations does not render the wastes as non-hazardous. The exemption only pertains to the requirements of the regulations. Most E&P exempt wastes contain constituents that are hazardous and must be disposed of in compliance with OCD regulations that are protective of public health and the environment.

Please be advised that all exempt wastes transported to or generated at a service company facility are required to be isolated and segregated from all non-exempt wastes.

If you have any questions, please do not hesitate to call me at (505) 827-7152.

Sincerely,



Roger C. Anderson
Environmental Bureau Chief

MEMORANDUM OF MEETING OR CONVERSATION

<input checked="" type="checkbox"/> Telephone	<input type="checkbox"/> Personal	Time 8:09 AM	Date 6/27/97
---	-----------------------------------	--------------	--------------

<u>Originating Party</u>	<u>Other Parties</u>
Pat Sanchez - OCD	Mr. Blake Wallace - PESCO

Subject Discharge Plan Permit Application.

Discussion I informed Mr. Wallace that his permit application is due today. He informed me that they were finishing putting the permit together and that they would send it out today Fed Ex, so that OCD would receive it (the permit) on Monday June 30, 1997. - We discussed the applications completeness & Mr. Wallace let me know that they were also waiting on Groundwater analysis from IML.

Conclusions or Agreements Mr. Wallace - (i.e. PESCO) will submit the original, one copy and \$50 filing fee to OCD Santa Fe, and will submit one copy to the Aztec OCD District office. Will be sent out today - June 27, 1997 Fed Ex.

Distribution File.

Signed



Pat Sanchez



STATE OF NEW MEXICO
ENVIRONMENTAL
IMPROVEMENT DIVISION

VIOLATION NOTICE
OF
OPEN BURNING

Air Quality Control Regulation No. 301: To Control Open Burning

ALLEGEDLY RESPONSIBLE PARTY: Procers Equipment & Service Company, Inc
LOCATION OF VIOLATION: 5670 US Hwy 64, Farmington NM
DATE OF VIOLATION: ~~2-26~~ 2-26-97 TIME OF VIOLATION: 8:30 AM

DESCRIPTION OF MATERIAL BEING BURNED, CIRCUMSTANCES AND APPROPRIATE SURROUNDING CONDITIONS AND EFFECTS:

Burning paint residues from 10 5-gallon
buckets of paint.

RECEIVED
MAR - 6 1997

OIL CON. DIV
DATE 3

The undersigned representative of the HED Environmental Improvement Division has observed you violating New Mexico Air Quality Control Regulation No. 301: TO CONTROL OPEN BURNING.

Violation of this Regulation is a petty misdemeanor (74-2-14, B (1) NMSA, 1978 Comp.) and is punishable by a fine up to \$100, or a jail sentence up to six (6) months, or both.

- This is a warning which has been served in lieu of prosecution. A similar violation in the future will subject you to criminal prosecution in magistrate court.
- You are hereby informed that the undersigned EID representative will file a criminal complaint against you in magistrate court, whereupon a summons will be issued. This notice is not a summons and is not a legal prerequisite to any legal action or the issuance of summons.

RECEIVED
MAR - 7 1997

David A Tompko, Health Program Mgr I
NAME & TITLE

San Juan
COUNTY

Environmental Bureau
Oil Conservation Division
NM HED ENVIRONMENTAL IMPROVEMENT DIVISION, AIR QUALITY BUREAU

Copies of Regulation 301: TO CONTROL OPEN BURNING may be obtained from the above EID representative.

ADDRESS: NM ED - District I Field Office TELEPHONE: 307-9851
724 W. Animas
Farmington NM 87401
Charley Fyles - Adm. MGR.



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 S. PACHECO
SANTA FE, NEW MEXICO 87505
(505) 827-7131

February 27, 1997

CERTIFIED MAIL
RETURN RECEIPT NO. P-288-258-775

Mr. Blake Wallace
Plant Manager
Process Equipment & Service Company, Inc.(PESCO)
P.O. Box 929
Farmington, NM 87499

**Re: Discharge Plan Requirement
PESCO Farmington facility
San Juan County, New Mexico**

Dear Mr. Wallace:

Under the provision of the Water Quality Control Commission (WQCC) Regulations, and as a result of the April 19, 1996 facility inspection by the New Mexico Oil Conservation Division (OCD), you are hereby notified that the filing of a discharge plan is required for the facility located at 5680 US Highway 64, Farmington, New Mexico.

The notification of discharge plan requirement is pursuant to Section 3104 and 3106 of the WQCC regulations. The discharge plan, defined in Section 1101.N of the WQCC regulations should cover all discharges of effluent or leachate at the facility site or adjacent to the facility site. Included in the plan should be plans for controlling spills and accidental discharges at the facility, including detection of leaks in buried underground tanks and/or piping.

Pursuant to Section 3106.A, a discharge plan should be submitted for approval to the OCD Director within 120 days of receipt of this letter. Please submit the original and one copy to the OCD Santa Fe Office and one copy to the OCD Aztec District Office. Note that the completed and signed application form must be submitted with your discharge plan request.

The Director shall allow a period of thirty days from the date of this letter for requesting an exemption from filing a discharge plan. Requests for an exemption shall be in writing and shall set forth the reasons why an exemption should be granted.

Mr. Blake Wallace
PESCO - Discharge Plan Requirement
February 27, 1997
Page 2

A copy of the regulations have been enclosed for your convenience. Also enclosed is a copy of the OCD guideline for the preparation of discharge plans at oil & gas service companies. The guideline addresses berming of tanks, curbing and paving of process areas susceptible to leaks or spills and the disposition of any solid wastes.

The discharge plan is subject to WQCC Regulation 3114. Every billable facility submitting a discharge plan will be assessed a fee equal to the filing fee of \$50 plus the flat rate of \$1380 for oil & gas service companies. The \$50 dollar filing fee is due when the discharge plan is submitted. The flat rate fee is due upon approval of the discharge plan.

Please make all checks payable to: **NMED Water Quality Management** and addressed to the OCD Santa Fe office.

If you have any questions, please feel free to contact Pat Sanchez at (505)-827-7156.

Sincerely,



Roger C. Anderson
Environmental Bureau Chief
(505)-827-7152

RCA/pws

enclosure- Application Form, Guidelines, WQCC Regulations, and photos taken by the OCD during the April 19, 1996 inspection.

c: Mr. Denny Foust - OCD Aztec, w/o enclosure

P 288 258 775

US Postal Service

Receipt for Certified Mail

No Insurance Coverage Provided.

Do not use for International Mail (See reverse)

Sent to PESCO - Mr. Wallace	
Street & Number DP. REX	
Post Office, State, & ZIP Code	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date	

PS Form 3800, April 1995

PESCO - Farmington, NM GW - ^{TO BE} DETER: (PHOTOS BY OCD)



PHOTO NO. 1

DATE: 4/19/96



PHOTO NO. 2

DATE: 4/19/96

PESCO - Farmington, NM GW - TO BE
DETER: (PHOTOS BY OCD)



PHOTO NO. 3

DATE: 4/19/96



PHOTO NO. 4

DATE: 4/19/96

PESCO - Farmington, NM GW - ^{TO BE} DETER: (PHOTOS BY OCD)



PHOTO NO. 5

DATE: 4/19/96



PHOTO NO. 6

DATE: 4/19/96

PESCO - Farmington, NM GW - TO BE DETER: (PHOTOS BY OCD)

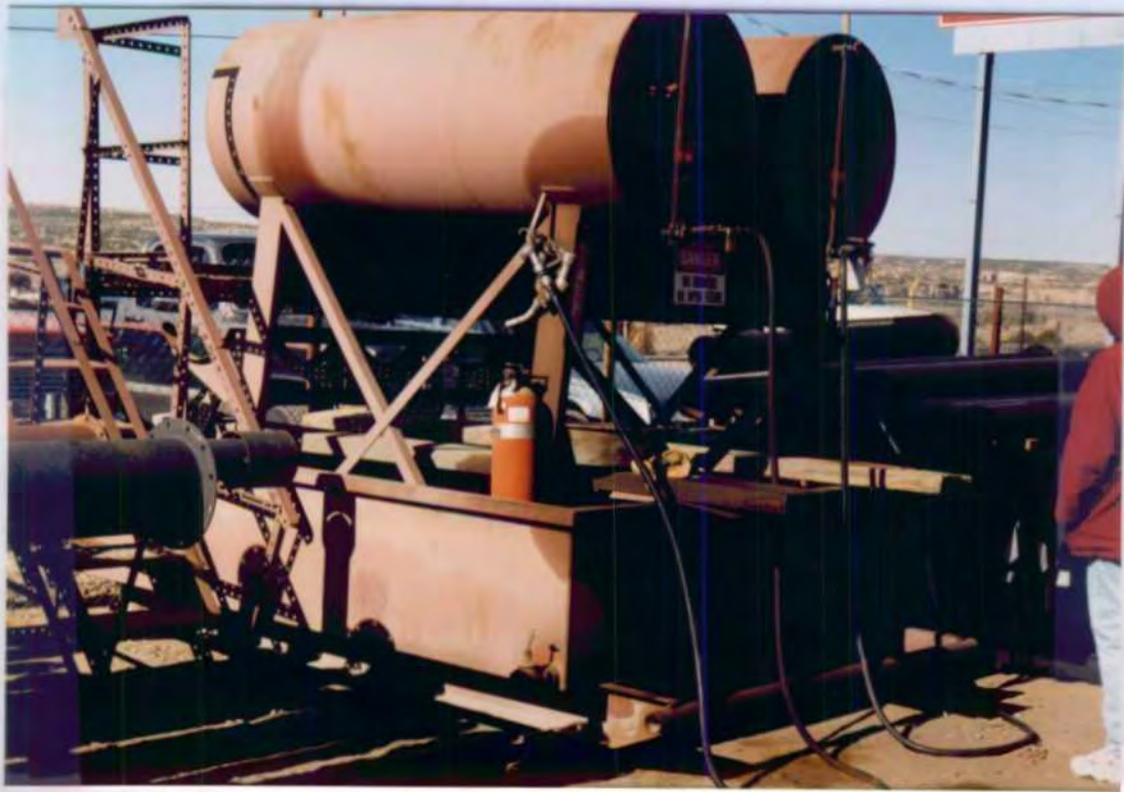


PHOTO NO. 7

DATE: 4/19/96



PHOTO NO. 8

DATE: 4/19/96

PESCO - Farmington, NM GW - TO BE
DETER: (PHOTOS BY OCD)

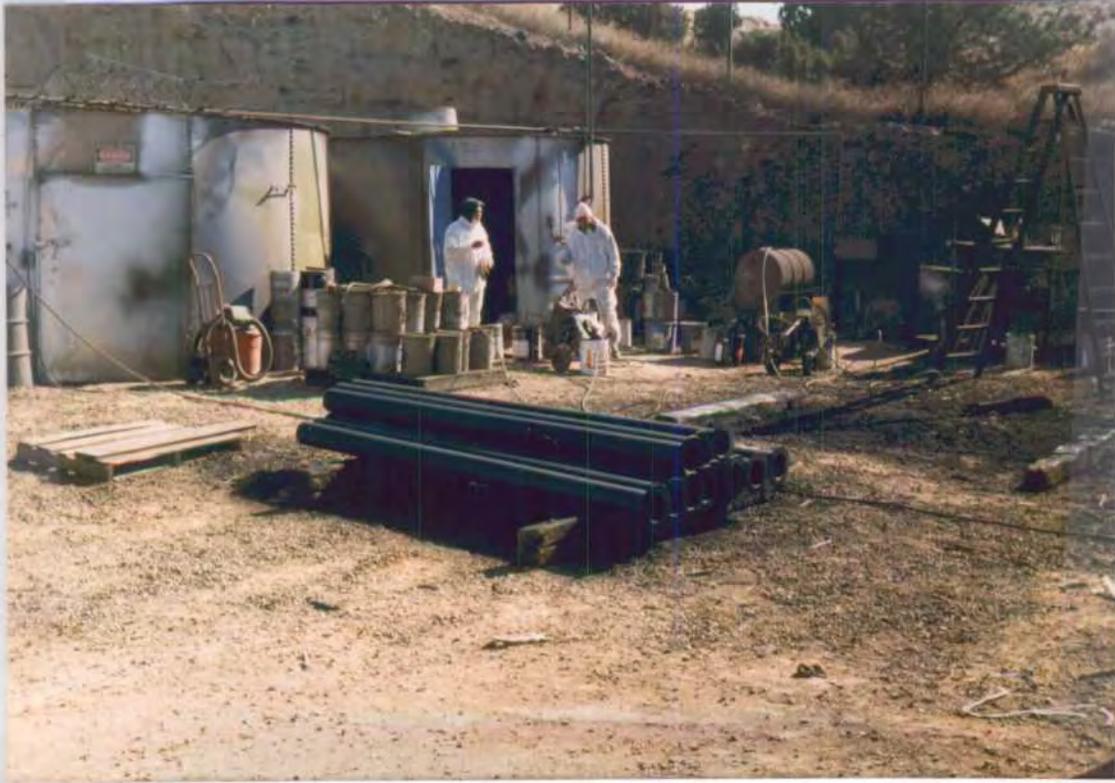


PHOTO NO. 9

DATE: 4/19/96



PHOTO NO. 10

DATE: 4/19/96

4-19-96

Farmington

PESCO

PARTS WAREHOUSE

contains sand trap acting as last point of observ. They want to block off the drain system before entering sand trap. This would leave a floor drain approx. 14" x 14" x 14" w/grade on top. They use this to collect and drain off hydro test water * actively discharging to ditch

Cutting table in warehouse used to cut steel (torch) that has reservoir containing fresh water and steel slag. Clean out by recycling
Empty Drums stored up right * on ground

Painting Area - NE part of facility
paint cans shown around
Paint gets on ground
Xylene drums on ground

PESCO (Cont)

STEAM CLEAN AREA

clean out on pad w/ floor drain to a tank (no berm). Separation takes place in tank. Solids to Envirotech, lig to Basin
* Needs Pad & Curb
Sand Blast Area

lots of unused blast media poured onto ground *

Fuel area - on pad & curb
* need housekeeping

Septic System - used for sinks and toilets only

STORM DRAIN - betw/ office bldg & "break room" bldg
good shape; no potential problems

OIL CONSERVATION DIVISION

October 17, 1995

Mr. Blake Wallace, Plant Manager
 Process Equipment & Service Company, Inc
 P.O. Box 929
 Farmington, New Mexico 87499

Re: PESCO Waste Classification

Dear Mr. Wallace:

The Oil Conservation Division (OCD) is in receipt of your request for a regulatory determination of specific waste streams generated at the PESCO Farmington facility. The following is the OCD interpretation of the EPA regulatory determination:

1. Oily solids from tanks, separators and other production equipment: These wastes are exempt from regulation under RCRA Subtitle C only if the equipment is integral to exploration and production of crude oil and natural and is considered part of "primary field operations". "BS&W and other tank bottoms generated as part of the process of transporting products away from primary field operations are not exempt."
2. Oily washwater generated from removing oily solids from tanks, dehydrators, separators and other production equipment: Wastes generated by activities uniquely associated with the exploration, development or production of crude oil or natural gas at primary field operations are exempt from regulation under RCRA Subtitle C regardless of whether or not they are generated on-site by a service company. Wastes generated by the cleaning of the referenced equipment are exempt only if the equipment only contain E&P related exempt wastes, that the water or fluid used in the washing process is determined to be non-hazardous and no other non-exempt wastes are mixed with the resulting waste.

Please note that "treatment" of oily wastes is a term used only for a process of product recovery and is inappropriate for use in a cleaning operation where the economic recovery of a resource is not the objective.

Mr. Blake Wallace
October 18, 1995
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3. Transportation of exempt wastes off-site: An E&P related exempt waste will retain it's exemption only if no other non-exempt or hazardous wastes are mixed with it.
4. Wastes generated in connection with a service company's operation: As stated in 2 above, wastes generated by a service company that was derived exclusively from an E&P exempt waste and was not generated with the use of a fluid that is subject to regulation under RCRA Subtitle C will retain its exemption regardless of where it is generated only if no other non-exempt or non-hazardous waste is mixed with it.

Please be aware that exemption from RCRA Subtitle C regulations does not render the wastes as non-hazardous. The exemption only pertains to the requirements of the regulations. Most E&P exempt wastes contain constituents that are hazardous and must be disposed of in compliance with OCD regulations that are protective of public health and the environment.

Please be advised that all exempt wastes transported to or generated at a service company facility are required to be isolated and segregated from all non-exempt wastes.

If you have any questions, please do not hesitate to call me at (505) 827-7152.

Sincerely,



Roger C. Anderson
Environmental Bureau Chief

CC: Denny Faust



Process Equipment & Service Company, Inc.

5680 U.S. HIGHWAY 64 • 87401 / P.O. BOX 929 • 87499
FARMINGTON, NEW MEXICO
PHONE: (505) 327-2222 • FAX: (505) 327-7550

September 19, 1995

OIL CONSERVATION DIVISION
RECEIVED

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Mr. Roger Anderson
Environmental Bureau Chief
Oil Conservation Division
2040 S. Pacheco
Santa Fe, NM 87505

Subject: PESCO Waste Classification

Dear Mr. Anderson,

This is to request a regulatory determination from the OCD regarding certain waste streams generated in connection with our services provided to oil and gas operators in the San Juan Basin. Specifically, the waste streams at issue are oily solids and oily washwater from tanks, dehydrators, separators and similar production equipment brought to our facility for inspection and repair (note that no solvents are used in this process.) Process Equipment and Service Company, Inc. (PESCO) is seeking your concurrence that these wastes are classified as "exploration and production wastes," and therefore are exempted from consideration as hazardous waste, pursuant to 40 CFR 261.4(b)(5).

The regulatory guidance for our conclusion that these wastes are exempt comes from EPA's *Regulatory Determination for Oil and Gas Wastes*, published on July 6, 1988 (FR Vol. 53, No.129), and the subsequent *Clarification of the Regulatory Determination*, published on March 22, 1993 (FR Vol 58, No. 53). These guidance documents have been used to answer the following key questions:

Are oily solids from tanks, dehydrators, separators and other production equipment exempt under RCRA?

Clearly the oily solids from these sources are exempt, as they are specifically listed in EPA's original Regulatory Determination:

- BS&W and other tank bottoms from storage facilities
- Accumulated materials such as hydrocarbons, solids, sand and emulsion from production separators, fluid treating vessels

- Pipe scale, hydrocarbon solids, hydrates and other deposits removed from piping and equipment (in use prior to transportation of oil/gas to refinery or market).

Does the RCRA exemption apply to oily washwater (no solvents added) generated from removing the oily solids from tanks, dehydrators, separators and other production equipment?

This particular waste stream is not specifically listed in EPA's Regulatory Determination. However, inferences from the list indicates that the introduction of water does not negate the exemption. For example, rigwash, filter backwash and pigging wastes all of which are specifically listed exempt wastes, can incorporate the use or introduction of water in the process of generation.

There are also a couple of key references in EPA's Clarification document which points to the conclusion that this waste stream is exempt. In the discussion under the section on *Crude Oil Reclamation Industry*, EPA states that, *Treatment of, or product recovery from, E&P exempt wastes prior to disposal does not negate the exemption.* If one concludes that the application of washwater is considered treatment, then this concept is applicable.

However, perhaps the best argument for the exemption of oily washwater comes from EPA's discussion of vacuum truck and drum reinsate in the Clarification document. EPA states that, *...vacuum truck and drum reinsate from trucks and drums transporting or containing exempt wastes is exempt, provided that the trucks or drums only contain E&P related exempt wastes and that the water or fluid used in the rinsing is not subject to RCRA Subtitle C (i.e. is itself non-hazardous.)* As applied to PESCO's operation, the tank or separator vessel contains only exempt waste, and the water used in the rinsing is non-hazardous (no solvents added.)

Is the RCRA exemption lost because the wastes are transported off-site or because of a change in custody?

EPA specifically addresses this issue in their Clarification document. EPA states that, *...the off-site transport of exempt waste from a primary field site for treatment, reclamation, or disposal does not negate the exemption. The change in custody criterion does not apply to exempt wastes moving off-site for treatment or disposal since these wastes were generated by the E&P operations and not by the transportation process.*

Is the exemption lost because the waste is generated in connection with a service company's operation instead of the oil and gas operator?

EPA also addresses this issue in their Clarification document. To paraphrase, EPA states that wastes generated by activities uniquely associated with E&P operations are exempt under RCRA, regardless of whether they are generated by a service company or by the principal oil and gas operator.

Disposal options identified by PESCO for these RCRA exempt waste streams include landfarm treatment of the oily solids (Tierra or Envirotech), and commercial Class II injection well disposal for the oily washwater (Basin Disposal or Sunco Disposal). PESCO is evaluating an oil/water separation process which would allow for the accumulation and recycling of oil from the washwater.

We would appreciate your prompt review and written concurrence with our waste classification analysis and approval of the disposal options identified. Please contact me at (505) 327-2222, should you have any questions.

Sincerely yours,



Blake Wallace
Plant Manager