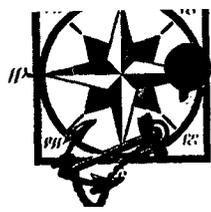


GW - 316

WORK PLANS



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Environmental Bureau
Oil Conservation Division

June 01, 2000

Hat Mesa Compressor Station Stormwater Discharge Plan & SPCC Plan Determination

The following is the determination for the need of a *Stormwater Discharge Plan*, and the need for a *Spill Prevention Control and Countermeasure (SPCC)* plan for the Hat Mesa Compressor Station. It is prepared in accordance with federal, state, and local laws and regulations.

Storm Water Discharges Associate with Industrial Activity 40 C.F.R. 122.26(b)(14)

The term "Storm Water Discharges Associated with Industrial Activity" defined in federal regulations 40 CFR 122.26(b)(14)(i)-(xi), determined which industrial facilities are potentially subject to Phase I of the storm water program. Facilities subject to the program must apply for a permit. The definition uses either SIC (Standard Industrial Classification) codes or narrative descriptions to characterize the activities. Note that categories iii, viii, and xi have special conditions, or exceptions which may make a facility NOT subject to the program, and therefore not required to apply, even though the facility's activity matches one of the SIC codes category (i) Facilities subject to storm water effluent limitations guideline, new source performance standards, or toxic pollutant effluent standards under 40 CFR subchapter N (except facilities with toxic pollutant effluent standards which are exempted under category (xi)). These types of facilities include the following:

40 CFR Subchapter N

- =====
- SIC Code
 - 10 metal mining (metallic mineral/ores)
 - 12 coal mining
 - 13 oil and gas extraction
 - 14 non-metallic minerals except fuels

Oil and gas operations that discharge contaminated storm water at any time between November 16, 1987 and October 1, 1992, and that are currently not authorized by an NPDES permit, must apply for a permit. Operators of oil and gas exploration, production, processing, or treatment operations or transmission facilities, that are not required to submit a permit application as of October 1, 1992 in accordance with 40 CFR 122.26(c)(1)(iii), but that after October 1, 1992 have a discharge of a reportable quantity of oil or a hazardous substance (in a storm water discharge) for which notification is required pursuant to either 40 CFR 110.6, 117.21, or 302.6, must apply for a permit.



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Storm Water Discharge Plan Determination

Since LG & E Natural has not had a discharge at this facility of a reportable quantity of oil or a hazardous substance (in a storm water discharge) for which notification is required pursuant to either 40 CFR 110.6, 117.21, or 302.6, a storm water discharge plan is not required for the Hat Mesa Compressor Station.

SPCC Regulations

An SPCC plan must be prepared by all facilities subject to regulation. This plan is to help prevent any discharge of oil into navigable waters or adjoining shorelines. The main thrust of the SPCC regulations is prevention as opposed to after-the-fact reactive measures commonly described in Spill Contingency Plans.

Facilities regulated by the SPCC regulations

There are three criteria a facility must meet to be regulated by the SPCC regulations. These criteria are

1. the facility must be non-transportation related,
2. the facility must have an aboveground storage capacity greater than 660 gallons in a single container or an aggregate storage capacity greater than 1,320 gallons or a total underground storage capacity greater than 42,000 gallons, and
3. there must be a reasonable expectation of a discharge to navigable waters or adjoining shorelines.

Non-transportation related facilities

These facilities (including all equipment and appurtenances) may include, but are not limited to:

- Fixed onshore and offshore oil well drilling facilities;
- Mobile onshore and offshore oil well drilling platforms, barges, trucks or other mobile facilities;
- Fixed onshore and offshore oil production structures, platforms, derricks and rigs;
- Mobile onshore and offshore oil production facilities;
- Oil refining or storage facilities;
- Industrial, commercial, agricultural, or public facilities that use, store, drill for, produce, gather, process, refine or consume oil or oil products;
- Waste treatment facilities;
- Loading areas/racks, transfer hoses, loading arms and other equipment that are appurtenant to a non-transportation related facility;
- Highway vehicles and railroad cars used to transport oil exclusively within the confines of a non-transportation related facility; and



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- Pipeline systems used to transport oil exclusively within the confines of a non-transportation related facility.

Oil storage capacity defined

Oil storage includes all containers storing oil at a facility. The **capacity** of the containers (maximum volume) must be considered and **not** the actual amount of product stored in the container (operational volume). Oil storage containers include, but are not limited to,

- tanks,
- containers,
- pails,
- drums,
- quart containers,
- transformers,
- oil-filled equipment, and
- mobile or portable totes.

A facility may be subject to SPCC regulations if they have at least one of the following oil storage capacities:

- If a facility has one aboveground oil storage container greater than 660 gallons; **or**
- If a facility has a total aboveground oil storage capacity greater than 1,320 gallons; **or**
- If a facility has a total underground oil storage capacity of greater than 42,000 gallons.

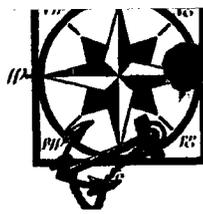
Under the SPCC regulations, oil is defined as

"oil of any kind or in any form including, but not limited to, petroleum, fuel oil, sludge, oil refuse and oil mixed with wastes other than dredged spoil and oily mixtures."

This also includes non-petroleum oils, animal and vegetable oils.

Discharge of oil into or upon navigable waters or adjoining shorelines

This determination is based upon a consideration of the geographical and locational aspects of the facility. The location of the facility must be considered in relation to streams, ponds and ditches (perennial or intermittent), storm or sanitary sewers, wetlands, mudflats, sandflats or farm tile drains. The distance to navigable waters, volume of material stored, worst case weather conditions, drainage patterns, land contours, soil conditions, etc., must also be taken into account. Further, according to the regulations, this determination shall **not** include consideration of man-made features such as dikes, equipment or other structures that may serve to restrain, hinder, contain or **prevent** an oil discharge.



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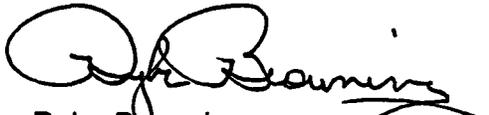
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Determination of Need for SPCC

Under the above definitions (from the regulations) the possibility for the discharge of oil into or upon navigable waters or adjoining shorelines, the Hat Mesa Compressor Station does not require a SPCC plan. Considering the location of the facility in relation to streams, ponds and ditches (perennial or intermittent), storm or sanitary sewers, wetlands, mudflats, sandflats or farm tile drains, the distance to navigable waters, volume of material stored, worst case weather conditions, drainage patters, land contours, and soil conditions, a discharge of oil into or upon navigable waters or adjoining shorelines is virtually impossible.

Persons making this determination are:


Dyke Browning
Registered Environmental Manager #7771
Certified Environmental Inspector #12441


Lee Hinman
Registered Professional Engineer
Texas #75230