

GW - 319

**PERMITS,
RENEWALS,
& MODS
Application**

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

John Bemis
Cabinet Secretary

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

Jami Bailey
Division Director
Oil Conservation Division



AUGUST 28, 2012

Mr. Bob Strasner
R & R Service Co.
P.O. Box 1409
Hobbs, NM 88241-1409

Dear Mr. Strasner:

Based on your responses given in the "Oil & Gas Facilities Questionnaire for Determination of a WQCC Discharge Permit" and a file review, the Oil Conservation Division (OCD) has determined that one of your facilities with an expired or soon to be expired permit does not require a Water Quality Control Commission (WQCC) Discharge Permit. This means that the WQCC Discharge Permit **GW - 319** (R & R - Hobbs Facility) is hereby rescinded and you are not required to proceed with the renewal of this expired or soon to expire WQCC Discharge Permit. OCD will close this permit in its database.

Because this WQCC Discharge Permit is no longer valid, you may be required to obtain a separate permit(s) for other processes at your facility, such as: pits, ponds, impoundments, below-grade tanks; waste treatment, storage and disposal operations; and landfarms and landfills. OCD will make an inspection of your facility to determine if any of these existing processes may require a separate permit under OCD's Oil, Gas, and Geothermal regulations. If OCD determines that a separate permit(s) is required, then a letter will be sent to you indicating what type of permit is required.

Please keep in mind, if your facility has any discharges that would require a WQCC Discharge Permit now or in the future, then you will be required to renew or obtain a WQCC Discharge Permit. If you have any questions regarding this matter, please contact Glenn von Gonten at 505-476-3488.

Thank you for your cooperation.

A handwritten signature in black ink, appearing to read "Jami Bailey".

Jami Bailey
Director

JB/gvg

RECEIVED

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ATTACHMENT- DISCHARGE PERMIT APPROVAL CONDITIONS

- 1. Payment of Discharge Plan Fees:** All discharge permits are subject to WQCC Regulations. Every billable facility that submits a discharge permit application will be assessed a filing fee of \$100.00, plus a flat fee (*see* WQCC Regulation 20.6.2.3114 NMAC). The Oil Conservation Division (“OCD”) has received the required \$100.00 filing fee. The flat fee for an Oil Field service company is \$1700.00 and was received and processed on September, 14, 2007.
- 2. Permit Expiration, Renewal Conditions and Penalties:** Pursuant to WQCC Regulation 20.6.2.3109.H.4 NMAC, this permit is valid for a period of five years. **The permit will expire on October 24th, 2010** and an application for renewal should be submitted no later than 120 days before that expiration date. Pursuant to WQCC Regulation 20.6.2.3106.F NMAC, if a discharger submits a discharge permit renewal application at least 120 days before the discharge permit expires and is in compliance with the approved permit, then the existing discharge permit will not expire until the application for renewal has been approved or disapproved. *Expired permits are a violation of the Water Quality Act {Chapter 74, Article 6, NMSA 1978} and civil penalties may be assessed accordingly.*
- 3. Permit Terms and Conditions:** Pursuant to WQCC Regulation 20.6.2.3104 NMAC, when a permit has been issued, the owner/operator must ensure that all discharges shall be consistent with the terms and conditions of the permit. In addition, all facilities shall abide by the applicable rules and regulations administered by the OCD pursuant to the Oil and Gas Act, NMSA 1978, Sections 70-2-1 through 70-2-38.
- 4. Owner/Operator Commitments:** The owner/operator shall abide by all commitments submitted in its September 2007 discharge plan application, including attachments and subsequent amendments and these conditions for approval. Permit applications that reference previously approved plans on file with the division shall be incorporated in this permit and the owner/operator shall abide by all previous commitments of such plans and these conditions for approval.
- 5. Modifications:** WQCC Regulation 20.6.2.3107.C and 20.6.2.3109 NMAC addresses possible future modifications of a permit. The owner/operator (discharger) shall notify the OCD of any facility expansion, production increase or process modification that would result in any significant modification in the discharge of water contaminants. The Division Director may require a permit modification if any water quality standard specified at 20.6.2.3103 NMAC is being or will be exceeded, or if a toxic pollutant as defined in WQCC Regulation 20.6.2.7 NMAC is present in ground water at any place of withdrawal for present or reasonably foreseeable future use, or that the Water Quality Standards for Interstate and Intrastate streams as specified in 20.6.4 NMAC are being or may be violated in surface water in New Mexico.
- 6. Waste Disposal and Storage:** The owner/operator shall dispose of all wastes at an OCD-approved facility. Only oil field RCRA-exempt wastes may be disposed of by injection in a Class II well. RCRA non-hazardous, non-exempt oil field wastes may be disposed of at an OCD-approved facility upon proper waste determination pursuant to 40 CFR Part 261. Any waste stream that is not listed in the discharge permit application must be approved by the OCD on a case-by-case basis.

A. OCD Rule 712 Waste: Pursuant to OCD Rule 712 (19.15.9.712 NMAC) disposal of certain non-domestic waste without notification to the OCD is allowed at NMED permitted solid waste facilities if the waste stream has been identified in the discharge permit and existing process knowledge of the waste stream does not change.

B. Waste Storage: The owner/operator shall store all waste in an impermeable bermed area, except waste generated during emergency response operations for up to 72 hours. All waste storage areas shall be identified in the discharge permit application. Any waste storage area not identified in the permit shall be approved on a case-by-case basis only. The owner/operator shall not store oil field waste on-site for more than 180 days unless approved by the OCD.

7. Drum Storage: The owner/operator must store all drums, including empty drums, containing materials other than fresh water on an impermeable pad with curbing. The owner/operator must store empty drums on their sides with the bungs in place and lined up on a horizontal plane. The owner/operator must store chemicals in other containers, such as tote tanks, sacks, or buckets on an impermeable pad with curbing.

8. Process, Maintenance and Yard Areas: The owner/operator shall either pave and curb or have some type of spill collection device incorporated into the design at all process, maintenance, and yard areas which show evidence that water contaminants from releases, leaks and spills have reached the ground surface.

9. Above Ground Tanks: The owner/operator shall ensure that all aboveground tanks have impermeable secondary containment (e.g., liners and berms), which will contain a volume of at least one-third greater than the total volume of the largest tank or all interconnected tanks. The owner/operator shall retrofit all existing tanks before discharge permit renewal. Tanks that contain fresh water or fluids that are gases at atmospheric temperature and pressure are exempt from this condition.

10. Labeling: The owner/operator shall clearly label all tanks, drums, and containers to identify their contents and other emergency notification information. The owner/operator may use a tank code numbering system, which is incorporated into their emergency response plans.

11. Below-Grade Tanks/Sumps and Pits/Ponds.

A. All below-grade tanks and sumps must be approved by the OCD prior to installation and must incorporate secondary containment with leak detection into the design. The owner/operator shall retrofit all existing systems without secondary containment and leak detection before discharge permit renewal. All existing below-grade tanks and sumps without secondary containment and leak detection must be tested annually or as specified herein. Systems that have secondary containment with leak detection shall have a monthly inspection of the leak detection system to determine if the primary containment is leaking. Small sumps or depressions in secondary containment systems used to facilitate fluid removal are exempt from these requirements if fluids are removed within 72 hours.

B. All pits and ponds, including modifications and retrofits, shall be designed by a certified registered professional engineer and approved by the OCD prior to installation. In general, all pits or ponds shall have approved hydrologic and geologic reports, location, foundation, liners, and secondary containment with leak detection, monitoring and closure plans. All pits or ponds shall be designed, constructed and operated so as to contain liquids and solids in a manner that will protect fresh water, public health, safety and the environment for the foreseeable future. The owner/operator shall retrofit all existing systems without secondary containment and leak detection before discharge permit renewal.

C. The owner/operator shall ensure that all exposed pits, including lined pits and open top tanks (8 feet in diameter or larger) shall be fenced, screened, netted, or otherwise rendered non-hazardous to wildlife, including migratory birds.

D. The owner/operator shall maintain the results of tests and inspections at the facility covered by this discharge permit and available for OCD inspection. The owner/operator shall report the discovery of any system which is found to be leaking or has lost integrity to the OCD within 15 days. The owner/operator may propose various methods for testing such as pressure testing to 3 pounds per square inch greater than normal operating pressure and/or visual inspection of cleaned tanks and/or sumps, or other OCD-approved methods. The owner/operator shall notify the OCD at least 72 hours prior to all testing.

12. Underground Process/Wastewater Lines:

A. The owner/operator shall test all underground process/wastewater pipelines at least once every five (5) years to demonstrate their mechanical integrity, except lines containing fresh water or fluids that are gases at atmospheric temperature and pressure. Pressure rated pipe shall be tested by pressuring up to one and one-half times the normal operating pressure, if possible, or for atmospheric drain systems, to 3 pounds per square inch greater than normal operating pressure, and pressure held for a minimum of 30 minutes with no more than a 1% loss/gain in pressure. The owner/operator may use other methods for testing if approved by the OCD.

B. The owner/operator shall maintain underground process and wastewater pipeline schematic diagrams or plans showing all drains, vents, risers, valves, underground piping, pipe type, rating, size, and approximate location. All new underground piping must be approved by the OCD prior to installation. The owner/operator shall report any leaks or loss of integrity to the OCD within 15 days of discovery. The owner/operator shall maintain the results of all tests at the facility covered by this discharge permit and they shall be available for OCD inspection. The owner/operator shall notify the OCD at least 72 hours prior to all testing.

13. Class V Wells: The owner/operator shall close all Class V wells (e.g., septic systems, leach fields, dry wells, etc.) that inject non-hazardous industrial wastes or a mixture of industrial wastes and domestic wastes unless it can be demonstrated that ground water will not be impacted in the reasonably foreseeable future. Leach fields and other wastewater disposal systems at OCD-regulated facilities that inject non-hazardous fluid into or above an underground source of drinking water are considered Class V injection wells under the EPA UIC program. Class V wells that inject domestic waste only, must be permitted by the New Mexico Environment Department (NMED).

14. Housekeeping: The owner/operator shall inspect all systems designed for spill collection/prevention and leak detection at least monthly to ensure proper operation and to prevent over topping or system failure. All spill collection and/or secondary containment devices shall be emptied of fluids within 72 hours of discovery. The owner/operator shall maintain all records at the facility and available for OCD inspection.

15. Spill Reporting: The owner/operator shall report all unauthorized discharges, spills, leaks and releases and conduct corrective action pursuant to WQCC Regulation 20.5.12.1203 NMAC and OCD Rule 116 (19.15.3.116 NMAC). The owner/operator shall notify both the OCD District Office and the Santa Fe Office within 24 hours and file a written report within 15 days.

16. OCD Inspections: The NMOCD performed an inspection of the facility on August 21, 2007. Larry Johnson, District 1, and Leonard Lowe, Santa Fe, represented NMOCD. Mr. Hector Rodriguez representing R&R Service was in attendance. Findings (See attachment for photos of inspections):

1. Several oil stained soil areas. (Photos 2 – 5)
2. Sand blasting sand debris silica (Photo 8 & photo 9)
3. Barrels placed inappropriately (Photo 12)

OCD would like to point out that some of the issues found during the inspection were outstanding issues that have not been resolved. OCD and R&R have not come to an acceptable resolution concerning certain on site waste. Therefore, as a condition of this permit OCD will require R&R to attend a technical meeting with the OCD Environmental Bureau on June 16, 2008 in Santa Fe, New Mexico to resolve these issues. Arrangements for the meeting can be made by contacting Leonard Lowe 505-476-3492.

17. Storm Water: The owner/operator shall implement and maintain run-on and runoff plans and controls. The owner/operator shall not discharge any water contaminant that exceeds the WQCC standards specified in 20.6.2.3101 NMAC or 20.6.4 NMAC (Water Quality Standards for Interstate and Intrastate Streams) including any oil sheen in any stormwater run-off. The owner/operator shall notify the OCD within 24 hours of discovery of any releases and shall take immediate corrective action(s) to stop the discharge.

18. Unauthorized Discharges: The owner/operator shall not allow or cause water pollution, discharge or release of any water contaminant that exceeds the WQCC standards listed in 20.6.2.3101 NMAC or 20.6.4 NMAC (Water Quality Standards for Interstate and Intrastate Streams) unless specifically listed in the permit application and approved herein. **An unauthorized discharge is a violation of this permit.**

19. Vadose Zone and Water Pollution: The owner/operator shall address any contamination through the discharge permit process or pursuant to WQCC 20.6.2.4000-.4116 NMAC (Prevention and Abatement of Water Pollution). The OCD may require the owner/operator to modify its permit for investigation, remediation, abatement, and monitoring requirements for any vadose zone

or water pollution. Failure to perform any required investigation, remediation, abatement and submit subsequent reports will be a violation of the permit.

20. Additional Site Specific Conditions: N/A

21. Transfer of Discharge Permit (WQCC 20.6.2.3111) Prior to any transfer of ownership, control, or possession (whether by lease, conveyance or otherwise) of a facility with a discharge permit, the transferor shall notify the transferee in writing of the existence of the discharge permit, and shall deliver or send by certified mail to the department a copy of such written notification, together with a certification or other proof that such notification has in fact been received by the transferee.

Upon receipt of such notification, the transferee shall have the duty to inquire into all of the provisions and requirements contained in such discharge permit, and the transferee shall be charged with notice of all such provisions and requirements as they appear of record in the department's file or files concerning such discharge permit. The transferee (new owner/operator) shall sign and return an original copy of these permit conditions and provide a written commitment to comply with the terms and conditions of the previously approved discharge permit.

22. Closure Plan and Financial Assurance: Pursuant to 20.6.2.3107 NMAC an owner/operator shall notify the OCD when any operations of the facility are to be discontinued for a period in excess of six months. Prior to closure, or as a condition of this permit, or request from the OCD, the operator will submit an approved closure plan, modified plan, and/or provide adequate financial assurance.

23. Certification: (Owner/Operator), by the officer whose signature appears below, accepts this permit and agrees to comply with all submitted commitments, including these terms and conditions contained here. **Owner/Operator** further acknowledges that the OCD may, for good cause shown, as necessary to protect fresh water, public health, safety, and the environment, change the conditions and requirements of this permit administratively.

Conditions accepted by: "I certify under penalty of law that I have personally examined and am familiar with the information submitted in this document and all attachments and that, based on my inquiry of those individuals immediately responsible for obtaining the information, I believe that the information is true, accurate, and complete. I am aware that there are significant penalties for submitting false information including the possibility of fine and imprisonment."

R&R SERVICE CO., INC.

Company Name-print name above

BOB STRASNER

Company Representative- print name



Company Representative- Signature

Title PRESIDENT

Date: JUNE 20, 2008.

OCD Inspection: R&R Service Company GW - 319

Inspectors: Larry Johnson and Leonard Lowe

Company Rep: Mr. Hector Rodriguez

Date: 08.21.07

Time: 9:50 - 10:30

Page 1

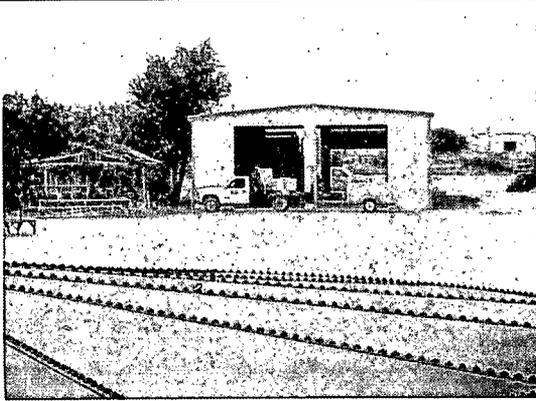


Image 1: Facing south towards the R&R shop.



Image 2: Oil staining behind one of the two batteries on the north end of the facility. Informed that standing "liquids" were rain run off onto the stain.



Image 3: Pile of oily material on ground near the battery tanks.

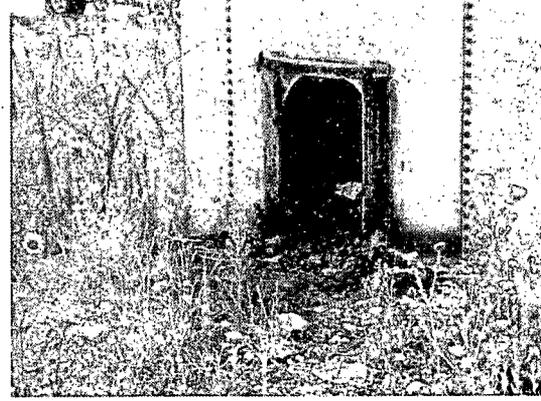


Image 4: More staining inside and out of the battery man hole.

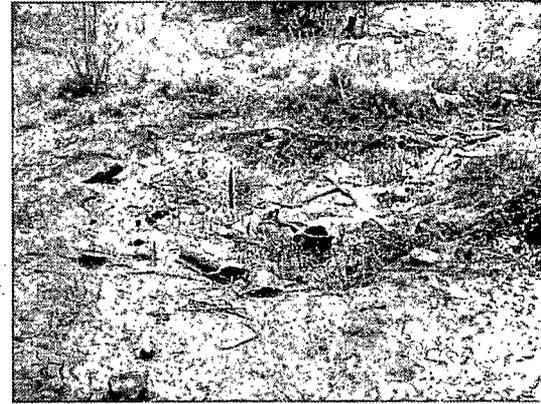


Image 5: Close up of Image 2.

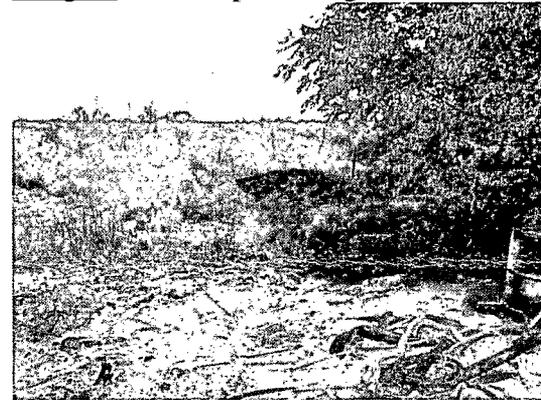


Image 6: Debris around the North West end of the battery tanks.

OCD Inspection: R&R Service Company GW - 319

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Page 2



Image 7: Debris on NE corner of property.

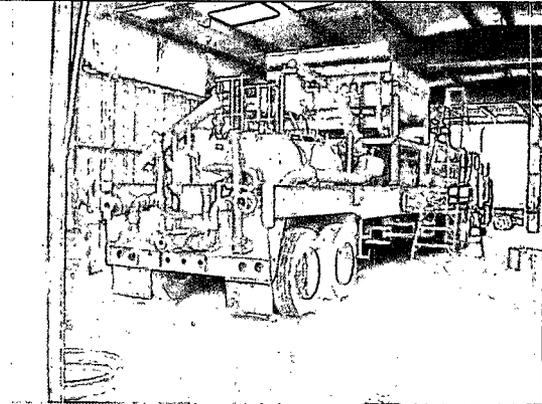


Image 10: Truck being worked on in shop.

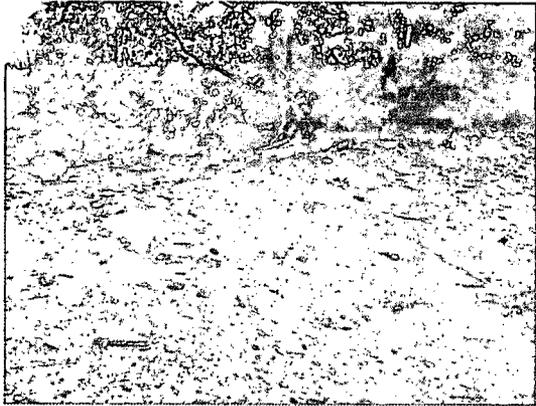


Image 8: Pile of silica used for sandblasting on the east side of the property.

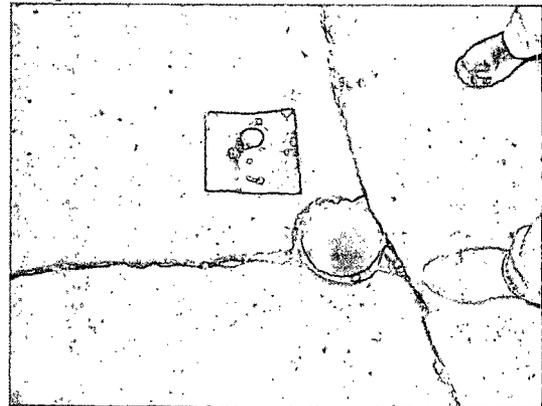


Image 11: Water well situated directly east of the facility building.

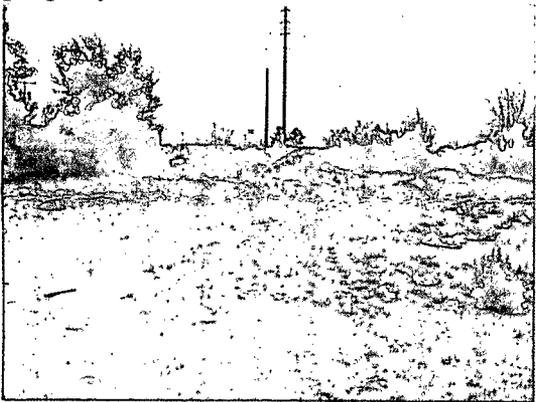


Image 9: Piles of silica used for sandblasting blown to the east side of the property.



Image 12: Flammable liquid barrels on ground without secondary containment or curbing.

OCD Inspection: R&R Service Company GW - 319

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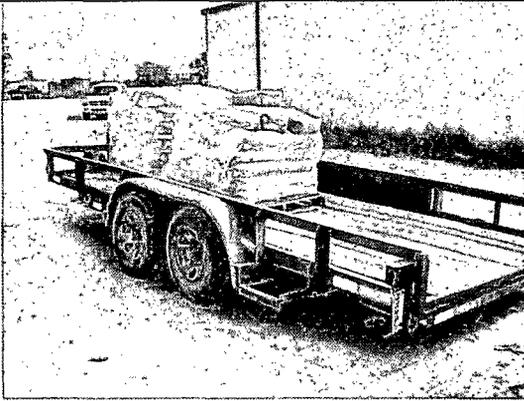


Image 13: Trailer and material (KCL) owned by Dewayne Taylor permitted by Bobby Skelton to park there.

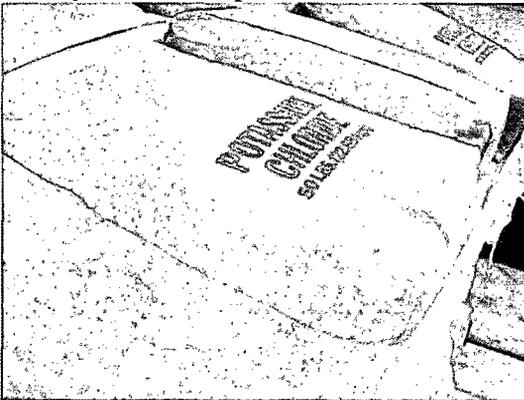


Image 14: Dewayne Taylor's, not of R&R Service company, KCL bags.



New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson

Governor
Joanna Prukop
Cabinet Secretary
Reese Fullerton
Deputy Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



May 21, 2008

Mr. Bob Strasner
P.O. Box 1409
Hobbs, New Mexico, 88241-1409

Re: Discharge Permit Renewal
R&R Service Company (GW-319)
NE/4 SW/4 Section 33, Township 18 South, Range 38 East, NMPM,
Lea County, New Mexico,

Dear Mr. Strasner:

Pursuant to Water Quality Control Commission (WQCC) Regulations 20.6.2.3104 - 20.6.2.3114 NMAC, the Oil Conservation Division (OCD) hereby approves the discharge permit for the **R&R Service Company, Inc.** (owner/operator) for the above referenced site contingent upon the conditions specified in the enclosed **Attachment to the Discharge Permit**. Enclosed are two copies of the conditions of approval. **Please sign and return one copy to the New Mexico Oil Conservation Division (OCD) Santa Fe Office within 10 working days of receipt of this letter.**

Please be advised that approval of this permit does not relieve the owner/operator of responsibility should operations result in pollution of surface water, ground water or the environment. Nor does approval of the permit relieve the owner/operator of its responsibility to comply with any other applicable governmental authority's rules and regulations.

If you have any questions, please contact Leonard Lowe of my staff at (505-476-3492) or E-mail leonard.lowe@state.nm.us. On behalf of the staff of the OCD, I wish to thank you and your staff for your cooperation during this discharge permit review.

Sincerely,



Wayne Price
Environmental Bureau Chief

Attachments-1
xc: OCD District Office



ATTACHMENT- DISCHARGE PERMIT APPROVAL CONDITIONS

- 1. Payment of Discharge Plan Fees:** All discharge permits are subject to WQCC Regulations. Every billable facility that submits a discharge permit application will be assessed a filing fee of \$100.00, plus a flat fee (*see* WQCC Regulation 20.6.2.3114 NMAC). The Oil Conservation Division (“OCD”) has received the required \$100.00 filing fee. The flat fee for an Oil Field service company is \$1700.00 and was received and processed on September, 14, 2007.
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3. Barrels placed inappropriately (Photo 12)

OCD would like to point out that some of the issues found during the inspection were outstanding issues that have not been resolved. OCD and R&R have not come to an acceptable resolution concerning certain on site waste. Therefore, as a condition of this permit OCD will require R&R to attend a technical meeting with the OCD Environmental Bureau on June 16, 2008 in Santa Fe, New Mexico to resolve these issues. Arrangements for the meeting can be made by contacting Leonard Lowe 505-476-3492.

17. Storm Water: The owner/operator shall implement and maintain run-on and runoff plans and controls. The owner/operator shall not discharge any water contaminant that exceeds the WQCC standards specified in 20.6.2.3101 NMAC or 20.6.4 NMAC (Water Quality Standards for Interstate and Intrastate Streams) including any oil sheen in any stormwater run-off. The owner/operator shall notify the OCD within 24 hours of discovery of any releases and shall take immediate corrective action(s) to stop the discharge.

18. Unauthorized Discharges: The owner/operator shall not allow or cause water pollution, discharge or release of any water contaminant that exceeds the WQCC standards listed in 20.6.2.3101 NMAC or 20.6.4 NMAC (Water Quality Standards for Interstate and Intrastate Streams) unless specifically listed in the permit application and approved herein. **An unauthorized discharge is a violation of this permit.**

19. Vadose Zone and Water Pollution: The owner/operator shall address any contamination through the discharge permit process or pursuant to WQCC 20.6.2.4000-.4116 NMAC (Prevention and Abatement of Water Pollution). The OCD may require the owner/operator to modify its permit for investigation, remediation, abatement, and monitoring requirements for any vadose zone

or water pollution. Failure to perform any required investigation, remediation, abatement and submit subsequent reports will be a violation of the permit.

20. Additional Site Specific Conditions: N/A

21. Transfer of Discharge Permit (WQCC 20.6.2.3111) Prior to any transfer of ownership, control, or possession (whether by lease, conveyance or otherwise) of a facility with a discharge permit, the transferor shall notify the transferee in writing of the existence of the discharge permit, and shall deliver or send by certified mail to the department a copy of such written notification, together with a certification or other proof that such notification has in fact been received by the transferee.

Upon receipt of such notification, the transferee shall have the duty to inquire into all of the provisions and requirements contained in such discharge permit, and the transferee shall be charged with notice of all such provisions and requirements as they appear of record in the department's file or files concerning such discharge permit. The transferee (new owner/operator) shall sign and return an original copy of these permit conditions and provide a written commitment to comply with the terms and conditions of the previously approved discharge permit.

22. Closure Plan and Financial Assurance: Pursuant to 20.6.2.3107 NMAC an owner/operator shall notify the OCD when any operations of the facility are to be discontinued for a period in excess of six months. Prior to closure, or as a condition of this permit, or request from the OCD, the operator will submit an approved closure plan, modified plan, and/or provide adequate financial assurance.

23. Certification: (Owner/Operator), by the officer whose signature appears below, accepts this permit and agrees to comply with all submitted commitments, including these terms and conditions contained here. **Owner/Operator** further acknowledges that the OCD may, for good cause shown, as necessary to protect fresh water, public health, safety, and the environment, change the conditions and requirements of this permit administratively.

Conditions accepted by: "I certify under penalty of law that I have personally examined and am familiar with the information submitted in this document and all attachments and that, based on my inquiry of those individuals immediately responsible for obtaining the information, I believe that the information is true, accurate, and complete. I am aware that there are significant penalties for submitting false information including the possibility of fine and imprisonment."

Company Name-print name above

Company Representative- print name

Company Representative- Signature

Title _____

Date: _____

OCD Inspection: R&R Service Company GW - 319

Inspectors: Larry Johnson and Leonard Lowe

Company Rep: Mr. Hector Rodriguez

Date: 08.21.07

Time: 9:50 – 10:30

Page 1

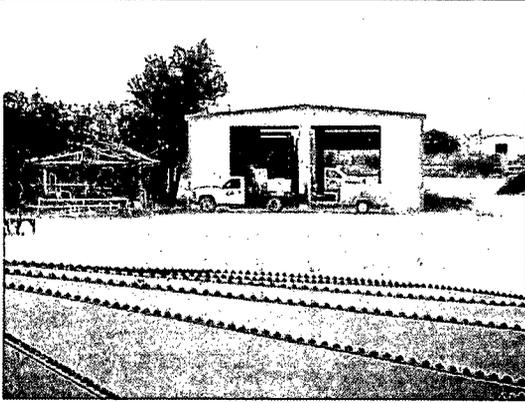


Image 1: Facing south towards the R&R shop.

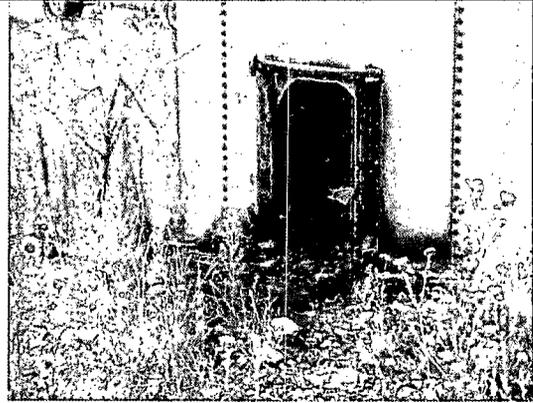


Image 4: More staining inside and out of the battery man hole.

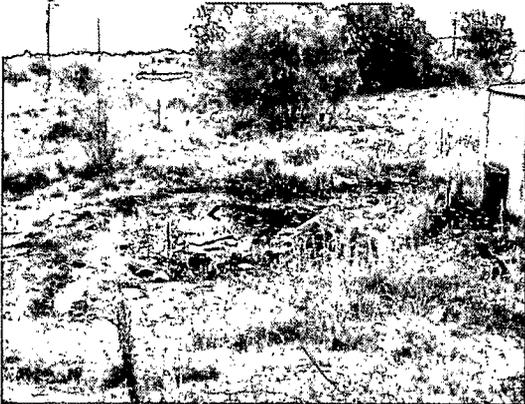


Image 2: Oil staining behind one of the two batteries on the north end of the facility. Informed that standing "liquids" were rain run off onto the stain.

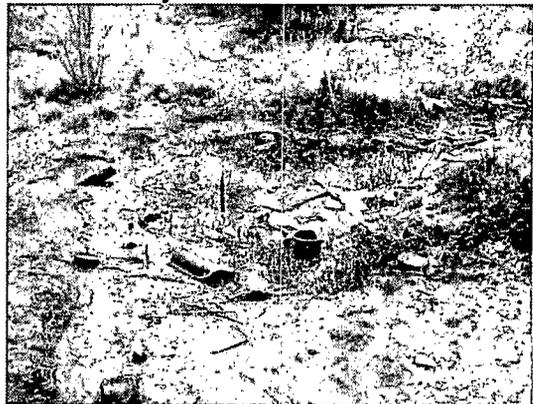


Image 5: Close up of Image 2.



Image 3: Pile of oily material on ground near the battery tanks.

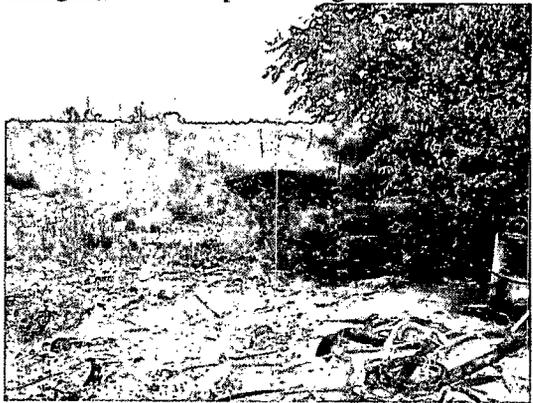


Image 6: Debris around the North West end of the battery tanks.

OCD Inspection: R&R Service Company GW - 319

Inspectors: Larry Johnson and Leonard Lowe

Company Rep: Mr. Hector Rodriguez

Date: 08.21.07

Time: 9:50 – 10:30

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Image 7: Debris on NE corner of property.

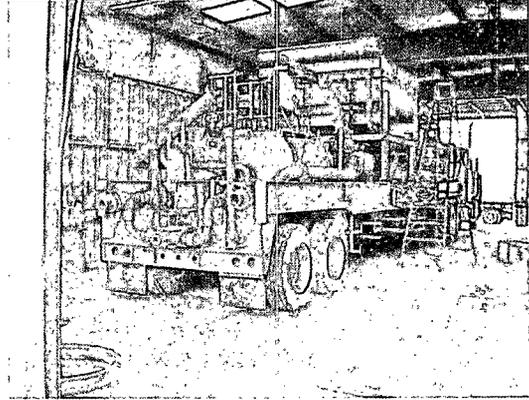


Image 10: Truck being worked on in shop.



Image 8: Pile of silica used for sandblasting on the east side of the property.

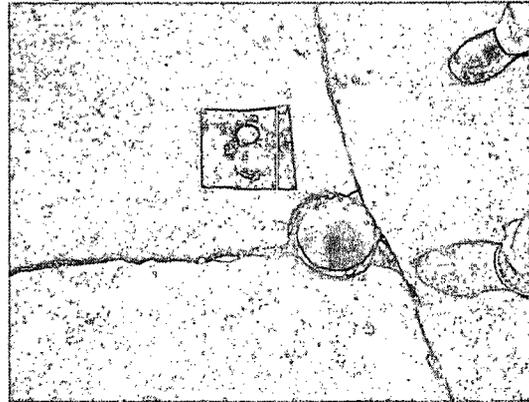


Image 11: Water well situated directly east of the facility building.

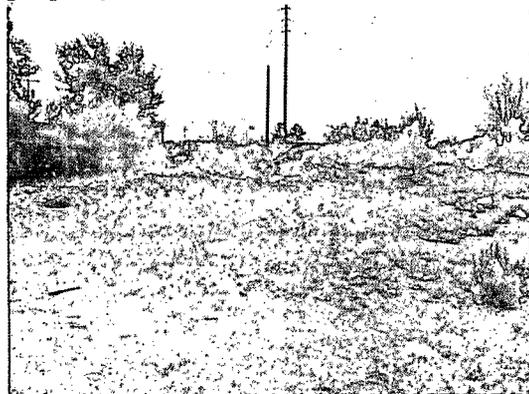


Image 9: Piles of silica used for sandblasting blown to the east side of the property.

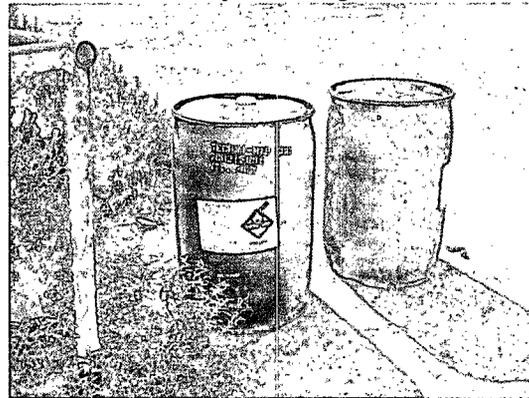


Image 12: Flammable liquid barrels on ground without secondary containment or curbing.

OCD Inspection: R&R Service Company GW - 319

Inspectors: Larry Johnson and Leonard Lowe

Company Rep: Mr. Hector Rodriguez

Date: 08.21.07

Time: 9:50 – 10:30

Page 3

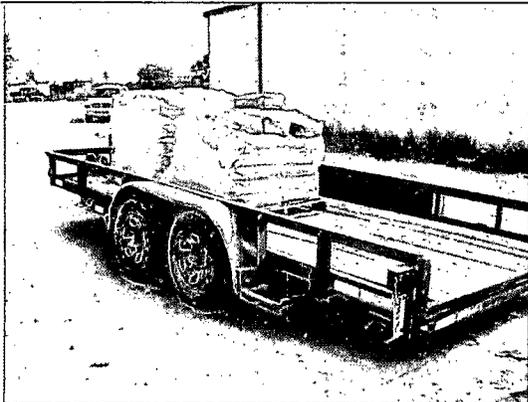


Image 13: Trailer and material (KCL)
owned by Dewayne Taylor permitted by
Bobby Skelton to park there.

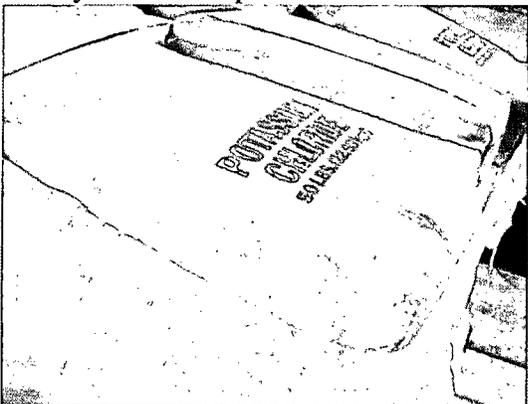


Image 14: Dewayne Taylor's, not of
R&R Service company, KCL bags.

Lowe, Leonard, EMNRD

From: Lowe, Leonard, EMNRD
Sent: Friday, February 08, 2008 12:27 PM
To: 'BLS54@aol.com'
Subject: RE: Public Notice copy

Mr. Bob Strasner,

Per your submitted Public Notice stated below, the NMOCD has approved your submitted Public Notice.

Please translate it in to Spanish and publish along side the English version in the Hobbs Sun-News. "... publishing a synopsis of the notice, in English and in Spanish, in a display ad at least two inches by three inches, not in the classified or legal advertisements section, in a newspaper of general circulation in the location of the discharge."

Once published please provide the NMOCD the proof of publication affidavit.

Thank you,

llowe

Leonard Lowe

Environmental Engineer
Oil Conservation Division/EMNRD
1220 S. St. Francis Drive
Santa Fe, N.M. 87505
Office: 505-476-3492
Fax: 505-476-3462
E-mail: leonard.lowe@state.nm.us
Website: <http://www.emnrd.state.nm.us/ocd/>

From: BLS54@aol.com [mailto:BLS54@aol.com]
Sent: Thursday, February 07, 2008 3:04 PM
To: Lowe, Leonard, EMNRD
Subject: Public Notice copy

Mr. Lowe,

I'll confess, that was the first time I've ever tried to forward something I'd printed. I sent you a copy of it this morning, but thought I'd go ahead a retype it for you all the same:

PUBLIC NOTICE

R&R Service Co., Inc., P. O. Box 1409, Hobbs, New Mexico 88241-1409, has submitted a renewal application to the New Mexico Energy, Mineral and Natural Resources Department, Oil Conservation Division for the previously approved Discharge Plan GW-319 for our site located in the NE/4 SW/4 of Section 33, Township 19 South, Range 38 East, NMPM, in Lea County, New Mexico. The physical address is 1500 W. Broadway Place.

The facility provides sandblasting and painting of oilfield equipment. There is a monthly discharge of less than fifty one-hundred pound sacks of sandblasting sand. No sand or painting materials are stored on site. Groundwater most likely to be affected by a spill, leak, or accidental discharge is at a depth of approximately 60 feet, with a total dissolved solids concentration of approximately 500 mg/l.

Any interested person or persons may obtain information, submit comments or request to be placed on a facility-specific mailing list for future notices by contacting Leonard Lowe at the New Mexico OCD at 1220 South St. Francis Dr., Santa Fe, New Mexico 87505, telephone (505) 476-3492. The OCD will accept comments and statements of interest regarding the renewal and will create a facility-specific mailing list for persons who wish to receive future notices.

Who's never won? [Biggest Grammy Award surprises of all time on AOL Music.](#)

This inbound email has been scanned by the MessageLabs Email Security System.

Lowe, Leonard, EMNRD

From: Lowe, Leonard, EMNRD
Sent: Wednesday, January 30, 2008 11:10 AM
To: 'BLS54@aol.com'
Subject: R&R Company's P.N. requirements
Attachments: GW-XXX Applicant PN example.doc; Renewal WQCC PN Rules.pdf; Renewal PN Flow Chart.pdf

Bob Strasner,

Don't worry about the confusion; clarification is only a phone call away, hopefully.

I have attached to this e-mail an example of what an applicant public notice should read like. All items highlighted in YELLOW you will fill in.

I have also attached the requirements for applicant public notice as well. Note only fonts that are in RED, that is for RENEWAL.

There is also a flow chart attached on how this renewal process goes.

Write up your public notice and send to me for review. I will send you either an approval or request for additional edits.

Once you have received an approval of your public notice, translate it to Spanish and publish along side the English version in the Hobbs Sun News. Request from the newspaper that they send you a proof of publication affidavit as soon as they can. Once you receive that send that to me. Read the requirements for details on notice requirements.

Please get your notice to me as soon as possible.

Call me again for questions.

llowe

Leonard Lowe
Environmental Engineer
Oil Conservation Division, EMNRD
1220 S. St. Francis Drive
Santa Fe, New Mexico 87505
Phone: (505) 476-3492
Fax: (505) 476-3462
E-mail: leonard.lowe@state.nm.us



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

January 30th, 2008

Mr. Bobby Strasner
P.O. Box 1409
Hobbs, New Mexico, 88241-1409

**RE: Discharge Plan Permit Renewal
R&R Service Company, GW-319
Lea County, New Mexico**

Dear Mr. Strasner:

The New Mexico Oil Conservation Division (NMOCD) has received R&R Service Company's request dated September 4, 2007, to renew the discharge plan permit GW-319 for its Oil and Gas Service Company located at 1500 West Broadway Place, Hobbs in the NE/4 SW/4 of Section 33, Township 18 South, Range 38 East, NMPM, Lea County, New Mexico. R&R Service Company has requested that the previously submitted discharge plan application be used as part of the 2007 renewal process. The NMOCD's initial review of the application and subsequent inquiries have determined the application to be "administratively" complete.

Therefore, the New Mexico Water Quality Control Commission regulations (WQCC) notice requirements of 20.6.2.3108 NMAC must be satisfied and demonstrated to the NMOCD. NMOCD will provide public notice pursuant to the WQCC notice requirements of 20.6.2.3108 NMAC to determine if there is any public interest

Please submit the required information within 30 days of receipt of this letter. If there are any questions regarding this matter, please do not hesitate to contact me at (505) 476-3492 or e-mail: leonard.lowe@state.nm.us.

Sincerely,

Leonard Lowe
Environmental Engineer

LRL/lrl

cc: OCD District I Office, Hobbs



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

January 30th, 2008

Mr. Bob Strasner
P.O. Box 1409
Hobbs, New Mexico, 88241-1409

Re: Discharge Permit Renewal
R&R Service Company (GW-319) **DRAFT**
NE/4 SW/4 Section 33, Township 18 South, Range 38 East, NMPM,
Lea County, New Mexico

Dear Mr. Strasner

Pursuant to Water Quality Control Commission (WQCC) Regulations 20.6.2.3104 - 20.6.2.3114 NMAC, the Oil Conservation Division (OCD) hereby approves the discharge permit for the **R&R Service Company** (owner/operator) for the above referenced site contingent upon the conditions specified in the enclosed **Attachment to the Discharge Permit**. Enclosed are two copies of the conditions of approval. **Please sign and return one copy to the New Mexico Oil Conservation Division (OCD) Santa Fe Office within 30 working days of receipt of this letter including permit fees.**

Please be advised that approval of this permit does not relieve the owner/operator of responsibility should operations result in pollution of surface water, ground water or the environment. Nor does approval of the permit relieve the owner/operator of its responsibility to comply with any other applicable governmental authority's rules and regulations.

If you have any questions, please contact Leonard Lowe of my staff at (505-476-3492) or E-mail leonard.lowe@sate.nm.us. On behalf of the staff of the OCD, I wish to thank you and your staff for your cooperation during this discharge permit review.

Sincerely,

Wayne Price
Environmental Bureau Chief

LWP/lrl

Attachments-1
xc: OCD District Office

ATTACHMENT- DISCHARGE PERMIT APPROVAL CONDITIONS

- 1. Payment of Discharge Plan Fees:** All discharge permits are subject to WQCC Regulations. Every billable facility that submits a discharge permit application will be assessed a filing fee of \$100.00, plus a flat fee (see WQCC Regulation 20.6.2.3114 NMAC). The Oil Conservation Division ("OCD") has received the required \$100.00 filing fee. *The flat fee for an Oil and Gas Service company is \$1700.00. Please submit this amount along with the signed certification item 23 of this document after the final permit is issued in approximately 45 days. Checks should be made out to the New Mexico Water Quality Management Fund.*
- 2. Permit Expiration, Renewal Conditions and Penalties:** Pursuant to WQCC Regulation 20.6.2.3109.H.4 NMAC, this permit is valid for a period of five years. **The permit will expire on October 24th, 2010** and an application for renewal should be submitted no later than 120 days before that expiration date. Pursuant to WQCC Regulation 20.6.2.3106.F NMAC, if a discharger submits a discharge permit renewal application at least 120 days before the discharge permit expires and is in compliance with the approved permit, then the existing discharge permit will not expire until the application for renewal has been approved or disapproved. *Expired permits are a violation of the Water Quality Act {Chapter 74, Article 6, NMSA 1978} and civil penalties may be assessed accordingly.*
- 3. Permit Terms and Conditions:** Pursuant to WQCC Regulation 20.6.2.3104 NMAC, when a permit has been issued, the owner/operator must ensure that all discharges shall be consistent with the terms and conditions of the permit. In addition, all facilities shall abide by the applicable rules and regulations administered by the OCD pursuant to the Oil and Gas Act, NMSA 1978, Sections 70-2-1 through 70-2-38.
- 4. Owner/Operator Commitments:** The owner/operator shall abide by all commitments submitted in its September 2007 discharge plan application, including attachments and subsequent amendments and these conditions for approval. Permit applications that reference previously approved plans on file with the division shall be incorporated in this permit and the owner/operator shall abide by all previous commitments of such plans and these conditions for approval.
- 5. Modifications:** WQCC Regulation 20.6.2.3107.C, and 20.6.2.3109 NMAC addresses possible future modifications of a permit. The owner/operator (discharger) shall notify the OCD of any facility expansion, production increase or process modification that would result in any significant modification in the discharge of water contaminants. The Division Director may require a permit modification if any water quality standard specified at 20.6.2.3103 NMAC is being or will be exceeded, or if a toxic pollutant as defined in WQCC Regulation 20.6.2.7 NMAC is present in ground water at any place of withdrawal for present or reasonably foreseeable future use, or that the Water Quality Standards for Interstate and Intrastate streams as specified in 20.6.4 NMAC are being or may be violated in surface water in New Mexico.
- 6. Waste Disposal and Storage:** The owner/operator shall dispose of all wastes at an OCD-approved facility. Only oil field RCRA-exempt wastes may be disposed of by injection in a Class II well. RCRA non-hazardous, non-exempt oil field wastes may be disposed of at an OCD-

approved facility upon proper waste determination pursuant to 40 CFR Part 261. Any waste stream that is not listed in the discharge permit application must be approved by the OCD on a case-by-case basis.

A. OCD Rule 712 Waste: Pursuant to OCD Rule 712 (19.15.9.712 NMAC) disposal of certain non-domestic waste without notification to the OCD is allowed at NMED permitted solid waste facilities if the waste stream has been identified in the discharge permit and existing process knowledge of the waste stream does not change.

B. Waste Storage: The owner/operator shall store all waste in an impermeable bermed area, except waste generated during emergency response operations for up to 72 hours. All waste storage areas shall be identified in the discharge permit application. Any waste storage area not identified in the permit shall be approved on a case-by-case basis only. The owner/operator shall not store oil field waste on-site for more than 180 days unless approved by the OCD.

7. Drum Storage: The owner/operator must store all drums, including empty drums, containing materials other than fresh water on an impermeable pad with curbing. The owner/operator must store empty drums on their sides with the bungs in place and lined up on a horizontal plane. The owner/operator must store chemicals in other containers, such as tote tanks, sacks, or buckets on an impermeable pad with curbing.

8. Process, Maintenance and Yard Areas: The owner/operator shall either pave and curb or have some type of spill collection device incorporated into the design at all process, maintenance, and yard areas which show evidence that water contaminants from releases, leaks and spills have reached the ground surface.

9. Above Ground Tanks: The owner/operator shall ensure that all aboveground tanks have impermeable secondary containment (e.g., liners and berms), which will contain a volume of at least one-third greater than the total volume of the largest tank or all interconnected tanks. The owner/operator shall retrofit all existing tanks before discharge permit renewal. Tanks that contain fresh water or fluids that are gases at atmospheric temperature and pressure are exempt from this condition.

10. Labeling: The owner/operator shall clearly label all tanks, drums, and containers to identify their contents and other emergency notification information. The owner/operator may use a tank code numbering system, which is incorporated into their emergency response plans.

11. Below-Grade Tanks/Sumps and Pits/Ponds.

A. All below-grade tanks and sumps must be approved by the OCD prior to installation and must incorporate secondary containment with leak detection into the design. The owner/operator shall retrofit all existing systems without secondary containment and leak detection before discharge permit renewal. All existing below-grade tanks and sumps without secondary containment and leak detection must be tested annually or as specified herein. Systems that have secondary containment with leak detection shall have a monthly inspection of

the leak detection system to determine if the primary containment is leaking. Small sumps or depressions in secondary containment systems used to facilitate fluid removal are exempt from these requirements if fluids are removed within 72 hours.

B. All pits and ponds, including modifications and retrofits, shall be designed by a certified registered professional engineer and approved by the OCD prior to installation. In general, all pits or ponds shall have approved hydrologic and geologic reports, location, foundation, liners, and secondary containment with leak detection, monitoring and closure plans. All pits or ponds shall be designed, constructed and operated so as to contain liquids and solids in a manner that will protect fresh water, public health, safety and the environment for the foreseeable future. The owner/operator shall retrofit all existing systems without secondary containment and leak detection before discharge permit renewal.

C. The owner/operator shall ensure that all exposed pits, including lined pits and open top tanks (8 feet in diameter or larger) shall be fenced, screened, netted, or otherwise rendered non-hazardous to wildlife, including migratory birds.

D. The owner/operator shall maintain the results of tests and inspections at the facility covered by this discharge permit and available for OCD inspection. The owner/operator shall report the discovery of any system which is found to be leaking or has lost integrity to the OCD within 15 days. The owner/operator may propose various methods for testing such as pressure testing to 3 pounds per square inch greater than normal operating pressure and/or visual inspection of cleaned tanks and/or sumps, or other OCD-approved methods. The owner/operator shall notify the OCD at least 72 hours prior to all testing.

12. Underground Process/Wastewater Lines:

A. The owner/operator shall test all underground process/wastewater pipelines at least once every five (5) years to demonstrate their mechanical integrity, except lines containing fresh water or fluids that are gases at atmospheric temperature and pressure. Pressure rated pipe shall be tested by pressuring up to one and one-half times the normal operating pressure, if possible, or for atmospheric drain systems, to 3 pounds per square inch greater than normal operating pressure, and pressure held for a minimum of 30 minutes with no more than a 1% loss/gain in pressure. The owner/operator may use other methods for testing if approved by the OCD.

B. The owner/operator shall maintain underground process and wastewater pipeline schematic diagrams or plans showing all drains, vents, risers, valves, underground piping, pipe type, rating, size, and approximate location. All new underground piping must be approved by the OCD prior to installation. The owner/operator shall report any leaks or loss of integrity to the OCD within 15 days of discovery. The owner/operator shall maintain the results of all tests at the facility covered by this discharge permit and they shall be available for OCD inspection. The owner/operator shall notify the OCD at least 72 hours prior to all testing.

13. Class V Wells: The owner/operator shall close all Class V wells (e.g., septic systems, leach fields, dry wells, etc.) that inject non-hazardous industrial wastes or a mixture of industrial

wastes and domestic wastes unless it can be demonstrated that ground water will not be impacted in the reasonably foreseeable future. Leach fields and other wastewater disposal systems at OCD-regulated facilities that inject non-hazardous fluid into or above an underground source of drinking water are considered Class V injection wells under the EPA UIC program. Class V wells, that inject domestic waste only, must be permitted by the New Mexico Environment Department (NMED).

14. Housekeeping: The owner/operator shall inspect all systems designed for spill collection/prevention and leak detection at least monthly to ensure proper operation and to prevent over topping or system failure. All spill collection and/or secondary containment devices shall be emptied of fluids within 72 hours of discovery. The owner/operator shall maintain all records at the facility and available for OCD inspection.

15. Spill Reporting: The owner/operator shall report all unauthorized discharges, spills, leaks and releases and conduct corrective action pursuant to WQCC Regulation 20.5.12.1203 NMAC and OCD Rule 116 (19.15.3.116 NMAC). The owner/operator shall notify both the OCD District Office and the Santa Fe Office within 24 hours and file a written report within 15 days.

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

17. Storm Water: The owner/operator shall implement and maintain run-on and runoff plans and controls. The owner/operator shall not discharge any water contaminant that exceeds the WQCC standards specified in 20.6.2.3101 NMAC or 20.6.4 NMAC (Water Quality Standards for Interstate and Intrastate Streams) including any oil sheen in any storm water run-off. The owner/operator shall notify the OCD within 24 hours of discovery of any releases and shall take immediate corrective action(s) to stop the discharge.

18. Unauthorized Discharges: The owner/operator shall not allow or cause water pollution, discharge or release of any water contaminant that exceeds the WQCC standards listed in 20.6.2.3101 NMAC or 20.6.4 NMAC (Water Quality Standards for Interstate and Intrastate Streams) unless specifically listed in the permit application and approved herein. **An unauthorized discharge is a violation of this permit.**

19. Vadose Zone and Water Pollution: The owner/operator shall address any contamination through the discharge permit process or pursuant to WQCC 20.6.2.4000-.4116 NMAC (Prevention and Abatement of Water Pollution). The OCD may require the owner/operator to modify its permit for investigation, remediation, abatement, and monitoring requirements for any vadose zone or water pollution. Failure to perform any required investigation, remediation, abatement and submit subsequent reports will be a violation of the permit.

20. Additional Site Specific Conditions: N/A

21. Transfer of Discharge Permit (WQCC 20.6.2.3111) Prior to any transfer of ownership, control, or possession (whether by lease, conveyance or otherwise) of a facility with a discharge

permit, the transferor shall notify the transferee in writing of the existence of the discharge permit, and shall deliver or send by certified mail to the department a copy of such written notification, together with a certification or other proof that such notification has in fact been received by the transferee.

Upon receipt of such notification, the transferee shall have the duty to inquire into all of the provisions and requirements contained in such discharge permit, and the transferee shall be charged with notice of all such provisions and requirements as they appear of record in the department's file or files concerning such discharge permit. The transferee (new owner/operator) shall sign and return an original copy of these permit conditions and provide a written commitment to comply with the terms and conditions of the previously approved discharge permit.

22. Closure Plan and Financial Assurance: Pursuant to 20.6.2.3107 NMAC an owner/operator shall notify the OCD when any operations of the facility are to be discontinued for a period in excess of six months. Prior to closure, or as a condition of this permit, or request from the OCD, the operator will submit an approved closure plan, modified plan, and/or provide adequate financial assurance.

23. Certification: (Owner/Operator), by the officer whose signature appears below, accepts this permit and agrees to comply with all submitted commitments, including these terms and conditions contained here. **Owner/Operator** further acknowledges that the OCD may, for good cause shown, as necessary to protect fresh water, public health, safety, and the environment, change the conditions and requirements of this permit administratively.

Conditions accepted by: "I certify under penalty of law that I have personally examined and am familiar with the information submitted in this document and all attachments and that, based on my inquiry of those individuals immediately responsible for obtaining the information, I believe that the information is true, accurate, and complete. I am aware that there are significant penalties for submitting false information including the possibility of fine and imprisonment."

Company Name-print name above

Company Representative- print name

Company Representative- Signature

Title _____

Date: _____

NOTICE OF PUBLICATION

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

Notice is hereby given that pursuant to New Mexico Water Quality Control Commission Regulations (20.6.2.3106 NMAC), the following discharge permit application(s) has been submitted to the Director of the New Mexico Oil Conservation Division ("NMOCD"), 1220 S. Saint Francis Drive, Santa Fe, New Mexico 87505, Telephone (505) 476-3440:

(GW-319) Robert Strasner of R&R Service Company Inc., P.O. Box 1409, Hobbs, N.M. 88241-1409, has submitted a renewal application for the previously approved discharge plan for their Oil and Gas Service company, located in the NE/4 SW/4 of Section 33, Township 18 South, Range 38 East, NMPM, Lea County, New Mexico, 1500 Broadway Place, Hobbs N.M. The facility provides sandblasting and painting of oilfield equipment. Approximately fifty 100 lb sacks of sandblasting sand and small quantities of paint are stored onsite. Groundwater most likely to be affected by a spill, leak or accidental discharge is at a depth of approximately 60 feet, with a total dissolved solids concentration of approximately 500 mg/l. The discharge plan addresses how oilfield products and waste will be properly handled, stored, and disposed of, including how spills, leaks, and other accidental discharges to the surface will be managed in order to protect fresh water.

The NMOCD has determined that the application is administratively complete and has prepared a draft permit. The NMOCD will accept comments and statements of interest regarding this application and will create a facility-specific mailing list for persons who wish to receive future notices. Persons interested in obtaining further information, submitting comments or requesting to be on a facility-specific mailing list for future notices may contact the Environmental Bureau Chief of the Oil Conservation Division at the address given above. The administrative completeness determination and draft permit may be viewed at the above address between 8:00 a.m. and 4:00 p.m., Monday through Friday, or may also be viewed at the NMOCD web site <http://www.emnrd.state.nm.us/ocd/>. Persons interested in obtaining a copy of the application and draft permit may contact the NMOCD at the address given above. Prior to ruling on any proposed discharge permit or major modification, the Director shall allow a period of at least thirty (30) days after the date of publication of this notice, during which interested persons may submit comments or request that NMOCD hold a public hearing. Requests for a public hearing shall set forth the reasons why a hearing should be held. A hearing will be held if the Director determines that there is significant public interest.

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

Para obtener más información sobre esta solicitud en español, sírvase comunicarse por favor: New Mexico Energy, Minerals and Natural Resources Department (Depto. Del Energía, Minerales y Recursos Naturales de Nuevo México), Oil Conservation Division (Depto. Conservación Del Petróleo), 1220 South St. Francis Drive, Santa Fe, New México (Contacto: Dorothy Phillips, 505-476-3461)

GIVEN under the Seal of New Mexico Oil Conservation Commission at Santa Fe, New Mexico, on this 30th day of January, 2008.

January 10, 2008.

RECEIVED

2008 JAN 15 AM 11 44

Mr. Leonard Lowe
New Mexico Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

**RE: Discharge Plan Permit Renewal
R&R Service Co., GW-319
Lea County, New Mexico**

Dear Mr. Lowe:

The following replies are in an effort to complete R&R's GW-319 as per the 12/3/07 NMOCD request:

R&R's primary activity at 1500 Broadway Pl. is sandblasting and painting of oilfield equipment.

In an average month, there is a discharge of less than fifty 100lb. sacks of sandblasting sand. Safety and Environmental Solutions, Inc. has had the sand analyzed and no hazardous contaminants were found in the waste sand. There is no accumulated paint or clean-up thinner.

In May, 2005, R&R purchased a portion of 1500 Broadway Place from Ms. Bobbie Skelton: approximately 200'x430'. The purchase excluded the small area at the back of the property containing the old tanks and sludge pit. (I've included two related attachments.)

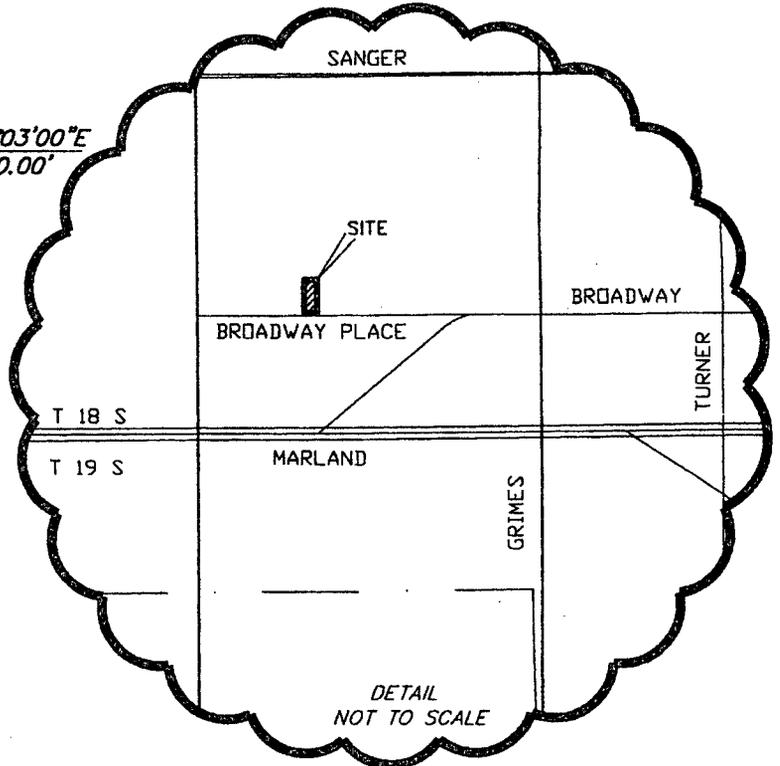
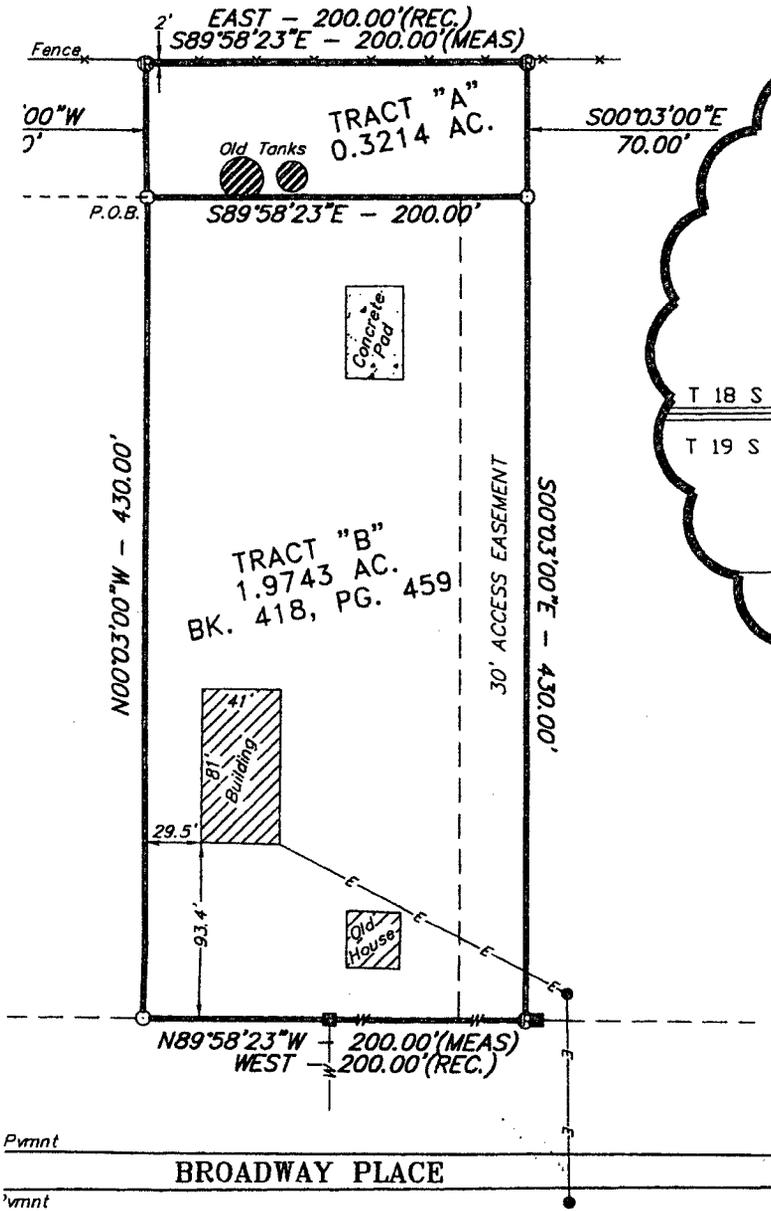
There are no gas wells on the property. However, there is an old, abandoned water well located, I believe, between the old house and the 81' paint building which has not been functional since R&R first began renting the property from Skelton Oil in 1991.

R&R intends to publish the Public Notice in the Hobbs News Sun.

Bob Strasner
R&R Service Co., Inc.
P. O. Box 1409
Hobbs, NM 88241-1409
(505) 393-5661

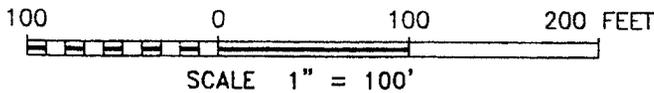
**OF EXEMPTION -
BIE SKELTON**

SHIP 18 SOUTH, RANGE 38 EAST,
SEA COUNTY, NEW MEXICO



LEGEND

- ⊙ = SET 1/2" REBAR
- ⊕ = FND 1/2" REBAR
- = UTILITY POLE
- = Conc. Water Meter
- E— = O-H POWER LINE
- W— = WATER LINE



BASIN SURVEYS

P.O. BOX 1786 - HOBBS, NEW MEXICO

W.O. Number:	Date: 03-02-05	Drawn By: K. GOAD
Survey Date: VARIES	Disk: KJG #7 - SKELTON.DWG	

May 17, 2002

New Mexico Energy, Minerals and
Natural Resources Department
Oil Conservation Division
Attn: Roger C. Anderson
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Re: 1500 Broadway Place
Lea County, New Mexico

Dear Mr. Anderson:

I spoke with Mr. Bob Strasner, owner of R&R Service Company, Inc. on Wednesday, May 15 and was told of the NMOCD contamination claims at my 1500 Broadway Place property and the resulting litigation.

Skelton Oil Company purchased this property from General Petroleum Corp. in 1961. The two tanks at the back of the yard were on site and full of BS&W at that time and have remained unchanged. Other than the 2" - 3" dried coating discarded in the west tank by R&R (since removed), nothing has been placed in or removed from the tanks.

With regard to the open sludge pit, I assume complete responsibility for the contents. While trying to fill the pit with discarded debris, there may have been a slight chance of chemical or paint leakage. My attempt to fill the pit was prior to R&R renting 1500 Broadway Place.

Sincerely,



Bobbie Skelton
Skelton Oil Company
P.O. Box 176
Hobbs, New Mexico 88241-0176

Cc: Montgomery & Andrews, P.A.
Safety & Environmental Solutions, Inc.
R&R Service Company, Inc.



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

December 03, 2007

Mr. Bobby Strasner
P.O. Box 1409
Hobbs, New Mexico, 88241-1409

**RE: Discharge Plan Permit Renewal
R&R Service Company, GW-319
Lea County, New Mexico**

Dear Mr. Strasner:

The New Mexico Oil Conservation Division (NMOCD) has received R&R Service Company's request dated September 4, 2007, to renew the discharge plan permit GW-319 for its Oil and Gas Service Company located at 1500 West Broadway Place, Hobbs in the NE/4 SW/4 of Section 33, Township 18 South, Range 38 East, NMPM, Lea County, New Mexico. R&R Service Company has requested that the previously submitted discharge plan application be used as part of the 2007 renewal process. The NMOCD's initial review of the submitted application and has determined the application to be "administratively incomplete".

Therefore, the OCD requests additional information to deem the application administratively complete. Below are the required information needed to determine this. Please remit to the NMOCD responses to these inquires.

- A brief description of the activities that produce the discharge described in the application, i.e. what does the facility do?
- A brief description of the expected quality and volume of the discharge. The application had an attached site plan. The NMOCD views a discharge as any fluid, including sand, contained within the facility that has a potential to discharge in to the environment, i.e. condensate, used oil, etc. Please submit to the NMOCD the quantity and quality of "potential" discharge this facility maintains. If several fluids are present at the facility the applicant may state only the largest quantity located at site.
- Is Bobbie O. Skelton own the property? If so, note that a notice must be sent to this party for the discharge plan renewal. A certified notice to this party must be demonstrated to the OCD.

- Do you have any wells (water, gas, etc.) located on your property? Describe each, if more than one.

- What newspaper do you intend on publishing your Public Notice in?

Please submit the required information within 30 days of receipt of this letter. If there are any questions regarding this matter, please do not hesitate to contact me at (505) 476-3492 or e-mail: leonard.lowe@state.nm.us.

Sincerely,

A handwritten signature in cursive script, appearing to read "Leonard Lowe".

Leonard Lowe
Environmental Engineer

LRL/lrl

cc: OCD District I Office, Hobbs

ACKNOWLEDGEMENT OF RECEIPT
OF CHECK/CASH

I hereby acknowledge receipt of check No. dated 9/4/07

or cash received on _____ in the amount of \$ 1800⁰⁰

from R + R Service Company

for GW-319

Submitted by: Lawrence Romero Date: 9/14/07

Submitted to ASD by: Lawrence Romero Date: 9/14/07

Received in ASD by: _____ Date: _____

Filing Fee _____ New Facility _____ Renewal _____

Modification _____ Other _____

Organization Code 521.07 Applicable FY 2004

To be deposited in the Water Quality Management Fund.

Full Payment or Annual Increment _____

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

State of New Mexico
Energy Minerals and Natural Resources
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Revised June

Submit
Plus
to:
1 Copy to App
Distric

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

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

New Renewal * Modification GW# 319 *unchanged

1. Type:

Oilfield Service Company

2. Operator:

R&R Service Co., Inc.

Address:

P. O. Box 1409

Hobbs, NM 88241-1409

Contact Person: Bob Strasner

Phone: (505) 393-5661.

3. Location: NE /4 SW /4 Section 33 Township
18S Range 38E 1500 W. Braodway Pl. Hobbs, Lea County NM

Submit large scale topographic map showing exact location.

4. Attach the name, telephone number and address of the landowner of the facility site.
5. Attach the description of the facility with a diagram indicating location of fences, pits, dikes and tanks on the facility.
6. Attach a description of all materials stored or used at the facility.
7. Attach a description of present sources of effluent and waste solids. Average quality and daily volume of waste water must be included.
8. Attach a description of current liquid and solid waste collection/treatment/disposal procedures.
9. Attach a description of proposed modifications to existing collection/treatment/disposal systems.
10. Attach a routine inspection and maintenance plan to ensure permit compliance.
11. Attach a contingency plan for reporting and clean-up of spills or releases.

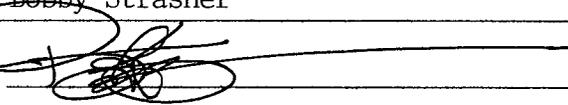
2007 SEP 7 PM 12:08
RECEIVED

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

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

Name: Bobby Strasner

Title: President

Signature: 

Date: Sept. 4, 2007.

E-mail Address: BLS54@aol.com

cc: District I
1625 N. French Dr.
Hobbs, NM 88240

Low, Leonard, EMNRD

From: BLS54@aol.com
Sent: Saturday, October 20, 2007 8:21 AM
To: Low, Leonard, EMNRD
Subject: Re: GW-319

Leonard,
Yes, that's correct.

Thanks,
Bob

See what's new at AOL.com and [Make AOL Your Homepage](#).

This inbound email has been scanned by the MessageLabs Email Security System.

Lowe, Leonard, EMNRD

From: Lowe, Leonard, EMNRD
Sent: Friday, October 19, 2007 4:21 PM
To: 'BLS54@aol.com'
Subject: RE: GW-319

Bob,

Do you want the NMOCD to use your previously submitted application as the renewal for 2007?

llowe

Leonard Lowe
Environmental Engineer
Oil Conservation Division, EMNRD
1220 S. St. Francis Drive
Santa Fe, New Mexico 87505
Phone: (505) 476-3492
Fax: (505) 476-3462
E-mail: leonard.lowe@state.nm.us

From: BLS54@aol.com [mailto:BLS54@aol.com]
Sent: Friday, October 19, 2007 1:51 PM
To: Lowe, Leonard, EMNRD
Subject: Re: GW-319

Mr. Lowe,

I apologize - The '07 renewal is based on the previously submitted application.

Thanks,
Bob Strasner
R&R Service Co., Inc.

See what's new at AOL.com and [Make AOL Your Homepage](#).

This inbound email has been scanned by the MessageLabs Email Security System.

Lowe, Leonard, EMNRD

From: Lowe, Leonard, EMNRD
Sent: Friday, October 19, 2007 9:26 AM
To: 'BLS54@aol.com'
Subject: GW-319

Mr. Bob Strasner,

I am reviewing your submitted discharge plan application form for the R&R Service Company.

The NMOCD has just received the signed application form for R&R Service Company with out any additional documentation. Are you going to submit another portion to the form you sent in? Or do you want the NMOCD to review your previous submitted application for this 07 renewal process?

Please get back to me on this issue as soon as you can so that I can initiate the application process.

If you have any questions please

llowe

Leonard Lowe
Environmental Engineer
Oil Conservation Division, EMNRD
1220 S. St. Francis Drive
Santa Fe, New Mexico 87505
Phone: (505) 476-3492
Fax: (505) 476-3462
E-mail: leonard.lowe@state.nm.us

Lowe, Leonard, EMNRD

From: Price, Wayne, EMNRD
Sent: Tuesday, August 14, 2007 3:40 PM
To: BLS54@aol.com
Cc: Lowe, Leonard, EMNRD; Johnson, Larry, EMNRD
Subject: RE: Permit expired letter attached

Dear Bob:

Please find attached a discharge permit renewal form. Please complete the form and attached a check made out to the Water Quality Management Fund for an amount of \$1800 which is \$100 filing fee + Flat Fee of \$ 1700.00 for the permit. Since your permit has expired we are requesting the fee up front since you have been operating without a permit. If your discharge plan has not changed then you can reference your existing permit and all of the conditions and commitments in that permit will stay in effect. If you have made changes in your discharge and waste streams then you should so indicate. Also, please note Mr. Leonard Lowe (505-476-3492) will inspect your facility on or about August 21. Please make arrangements with him for the inspection. Also, please indicate to us which newspaper you plan on using for your public notice. Mr. Lowe will explain the process to you. Please do not be late on the application or fees.

From: BLS54@aol.com [mailto:BLS54@aol.com]
Sent: Monday, August 13, 2007 12:11 PM
To: Price, Wayne, EMNRD
Subject: Re: Permit expired letter attached

Dear Wayne,

I've printed out the 8/9/07 notice. In it, it states that R&R needs to submit a discharge permit renewal application; is this a form I need to complete? If so, can you forward one to me either through the mail or by means of e-mail? Also, I understand the \$100. filing fee, but what is the purpose of the \$1700. flat fee?

Sorry I've allowed this to expire, and my filing system isn't the greatest, but were there prior OCD notices of this renewal prior to the 10/24/05 expiration? I'll try to stay on top of this a little better.

I appreciate your assistance with this matter and will get it cleared up promptly.

Bob Strasner,
R&R Service Co, Inc.

Get a sneak peek of the all-new AOL.com.

This inbound email has been scanned by the MessageLabs Email Security System.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

SEAL

Mark Fesmire, Director

**ATTACHMENT TO THE DISCHARGE PLAN GW-319 APPROVAL
R&R Service Co., Hobbs Service Yard
DISCHARGE PLAN APPROVAL CONDITIONS
October 24, 2000**

1. Payment of Discharge Plan Fees: . The OCD has received the \$50.00 filing and \$1380.00 flat fee.
2. Commitments: R&R Service Co. will abide by all commitments submitted in the discharge plan renewal application dated April 27, 2000 including attachments, and these conditions for approval.
3. Drum Storage: All drums containing materials other than fresh water must be stored on an impermeable pad with curbing. All empty drums should be stored on their sides with the bungs in place and lined up on a horizontal plane. Chemicals in other containers such as sacks or buckets must also be stored on an impermeable pad with curbing.
4. Process Areas: All process and maintenance areas which show evidence that leaks and spills are reaching the ground surface must be either paved and curbed or have some type of spill collection device incorporated into the design.
5. Above Ground Tanks: All above ground tanks which contain fluids other than fresh water must be bermed to contain a volume of one-third more than the total volume of the largest tank or of all interconnected tanks. All new facilities or modifications to existing facilities must place the tank on an impermeable type pad within the berm.
6. Above Ground Saddle Tanks: Above ground saddle tanks must have impermeable pad and curb type containment unless they contain fresh water or fluids that are gases at atmospheric temperature and pressure.
7. Labeling: All tanks, drums, and other containers should be clearly labeled to identify their contents and other emergency information necessary if the tank were to rupture, spill, or ignite.
8. Below Grade Tanks/Sumps: All below grade tanks, sumps, and pits must be approved by the OCD prior to installation or upon modification and must incorporate secondary containment and leak-detection into the design. All pre-existing sumps and below-grade tanks must be tested to demonstrate their mechanical integrity no later than December 15, 2000 and every year from tested date, thereafter. Permittees may propose various methods for testing such as pressure testing to 3 pounds per square inch above normal operating pressure and/or visual inspection of cleaned out tanks and/or sumps, or other OCD approved methods. The OCD will be notified at least 72 hours prior to all testing. The test results will be submitted to OCD by December 31, 2000.

9. Underground Process/Wastewater Lines: All underground process/wastewater pipelines must be tested to demonstrate their mechanical integrity no later than December 15, 2000 and every 5 years, from tested date, thereafter. Permittees may propose various methods for testing such as pressure testing to 3 pounds per square inch above normal operating pressure or other means acceptable to the OCD. The OCD will be notified at least 72 hours prior to all testing. The test results will be submitted to OCD by December 31, 2000.
10. Class V Wells: No Class V wells that inject non-hazardous industrial wastes or a mixture of industrial wastes and domestic wastes will be approved for construction and/or operation unless it can be demonstrated that groundwater will not be impacted in the reasonably foreseeable future. Leach fields and other wastewater disposal systems at OCD regulated facilities which inject non-hazardous fluid into or above an underground source of drinking water are considered Class V injection wells under the EPA UIC program. Class V wells that inject domestic waste only must be permitted by the New Mexico Environment Department.
11. Housekeeping: All systems designed for spill collection/prevention, and leak detection will be inspected daily to ensure proper operation and to prevent over topping or system failure. All spill collection and/or secondary containment devices will be emptied of fluids within 48 hours of discovery.
12. Spill Reporting: All spills/releases shall be reported pursuant to OCD Rule 116. and WQCC 1203. to the OCD Hobbs District Office.
13. Waste Disposal: All wastes will be disposed of at an OCD approved facility. Only oilfield exempt wastes shall be disposed of down Class II injection wells. Non-exempt oilfield wastes that are non-hazardous may be disposed of at an OCD approved facility upon proper waste determination per 40 CFR Part 261. Any waste stream that is not listed in the discharge plan will be approved by OCD on a case-by-case basis.
14. OCD Inspections: Additional requirements may be placed on the facility based upon results from OCD inspections. As a result of an inspection conducted by OCD on 6/18/99 R&R Service Company will submit a site clean-up plan for OCD approval by December 15, 2000.
15. Storm Water Plan: R&R Service Company will submit a storm water run-off plan for OCD approval by December 15, 2000.
16. Transfer of Discharge Plan: The OCD will be notified prior to any transfer of ownership, control, or possession of a facility with an approved discharge plan. A written commitment to comply with the terms and conditions of the previously approved discharge plan must be submitted by the purchaser and approved by the OCD prior to transfer.

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

Conditions accepted by: **R&R Service Co.**

Bob Strasner

Company Representative- print name



Date 11/1/00.

Company Representative- Sign

Title President

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,
Submit Original
Plus 1 Copy
to Santa
Fe
1 Copy to appropriate
District Office

**DISCHARGE PLAN APPLICATION FOR SERVICE COMPANIES,
GAS PLANTS, REFINERIES, COMPRESSOR, AND CRUDE OIL PUMP STATIONS**
(Refer to the OCD Guidelines for assistance in completing the application)

New Renewal Modification

1. Type: paint oil field related equipment
2. Operator: R&R Service Co., Inc.
Address: P. O. Box 1409
Contact Person: Bob Strasner Phone: (505) 393-5661.
3. Location: NE /4 SW /4 Section 33 Township 18S Range 38E
Submit large scale topographic map showing exact location.
4. Attach the name, telephone number and address of the landowner of the facility site.
5. Attach the description of the facility with a diagram indicating location of fences, pits, dikes and tanks on the facility.
6. Attach a description of all materials stored or used at the facility.
7. Attach a description of present sources of effluent and waste solids. Average quality and daily volume of waste water must be included.
8. Attach a description of current liquid and solid waste collection/treatment/disposal procedures.
9. Attach a description of proposed modifications to existing collection/treatment/disposal systems.
10. Attach a routine inspection and maintenance plan to ensure permit compliance.
11. Attach a contingency plan for reporting and clean-up of spills or releases.
12. Attach geological/hydrological information for the facility. Depth to and quality of ground water must be included.
13. Attach a facility closure plan, and other information as is necessary to demonstrate compliance with any other OCD rules, regulations and/or orders.
14. CERTIFICATION

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

NAME: Bob Strasner Title: President
Signature: [Signature] Date: 4/27/00.

*1 OF 3.

RECEIVED

MAY 05 2000
Environmental Bureau
Oil Conservation Division

4. **LANDOWNERS**

Bobbie O. Skelton
P. O. Box 176
Hobbs, NM 88241-0176
(505) 392-8284

5. **FACILITY DESCRIPTION**

See attachment

6. **MATERIALS STORED OR USED AT THE FACILITY**

All materials are used on an "as needed" basis with no long-term storage. At a given time, a maximum of 4/6 1-gallon paint containers may be at the facility for immediate use, as well as a small quantity of #5 thinner for equipment cleanup. General composition of the primary materials are as follows:

INDUSTRIAL ENAMEL:

Analysis:

Pure White (B54W101)
Calcium Carbonate 7%
Titanium Dioxide 24%
Alkyd Resin 31%
Aliphatic Solvents 36%
Additives 2%

Physical Properties:

Abrasion Resistance 180 mg.
Dry Heat Resistance 200 F
Elcometer Resistance 290 psi

#5 THINNER:

Analysis:

Toluene
Acetone

Physical Data:

Appearance: liquid, water-white
Odor: Ketone
Boiling Range: 56 85 11 C, 133 185 232 F.
Gravity @ 60 F:
API: 38.8
Specific Gravity (water=1) .831
Pounds/Gallon: 6.922

7. **SOURCES AND QUANTITIES OF EFFLUENT AND WASTE SOLIDS GENERATED AT THE FACILITY**

Estimated quantities of painting wastes are minimal: less than one gallon/month. The very small amounts remaining in the 1-gallon containers dry within a few days, are crushed and properly

7. disposed in a commercial container in accordance with company policy.

WASTE SILICA: CHEMICAL AND PHYSICAL PROPERTIES:

Physical Data:

1. Molecular weight: 60.1
2. Boiling Point (760mm Hg): 2230C (4046F)
3. Specific gravity (water=1): 2.2-3.0
4. Vapor density: none
5. Melting point: 1600C (2912F)
6. Vapor pressure at 20C (68F): essentially zero
7. Solubility in water, g/100 g water at 20C (68F): insoluble
8. Evaporation rate: not applicable

Reactivity:

1. Conditions contributing to instability: none
2. Incompatibilities: Contact with powerful oxidizing agents such as fluoride, chlorine, etc. may cause fires
3. Hazardous decomposition products: none

Flammability:

1. Not combustable

8. **DESCRIPTION OF CURRENT LIQUID AND SOLID WASTE COLLECTION/
STORAGE/DISPOSAL PROCEDURES**

There is not a large volume accumulation/storage of liquid or solid waste materials. The disposal of paint products was described above. Thinner, used for cleanup, is recycled and used again and eventually evaporates - no disposable amounts are produced. Spent crystalline silica sand is periodically disposed as recommended in a secured sanitary landfill.

9. **PROPOSED MODIFICATIONS**

None

10. **INSPECTION, MAINTENANCE AND REPORTING**

The condition of containers and equipment is closely monitored and inspected daily.

11. SPILL/LEAK PREVENTION AND REPORTING PROCEDURES (CONTIGENCY PLANS)

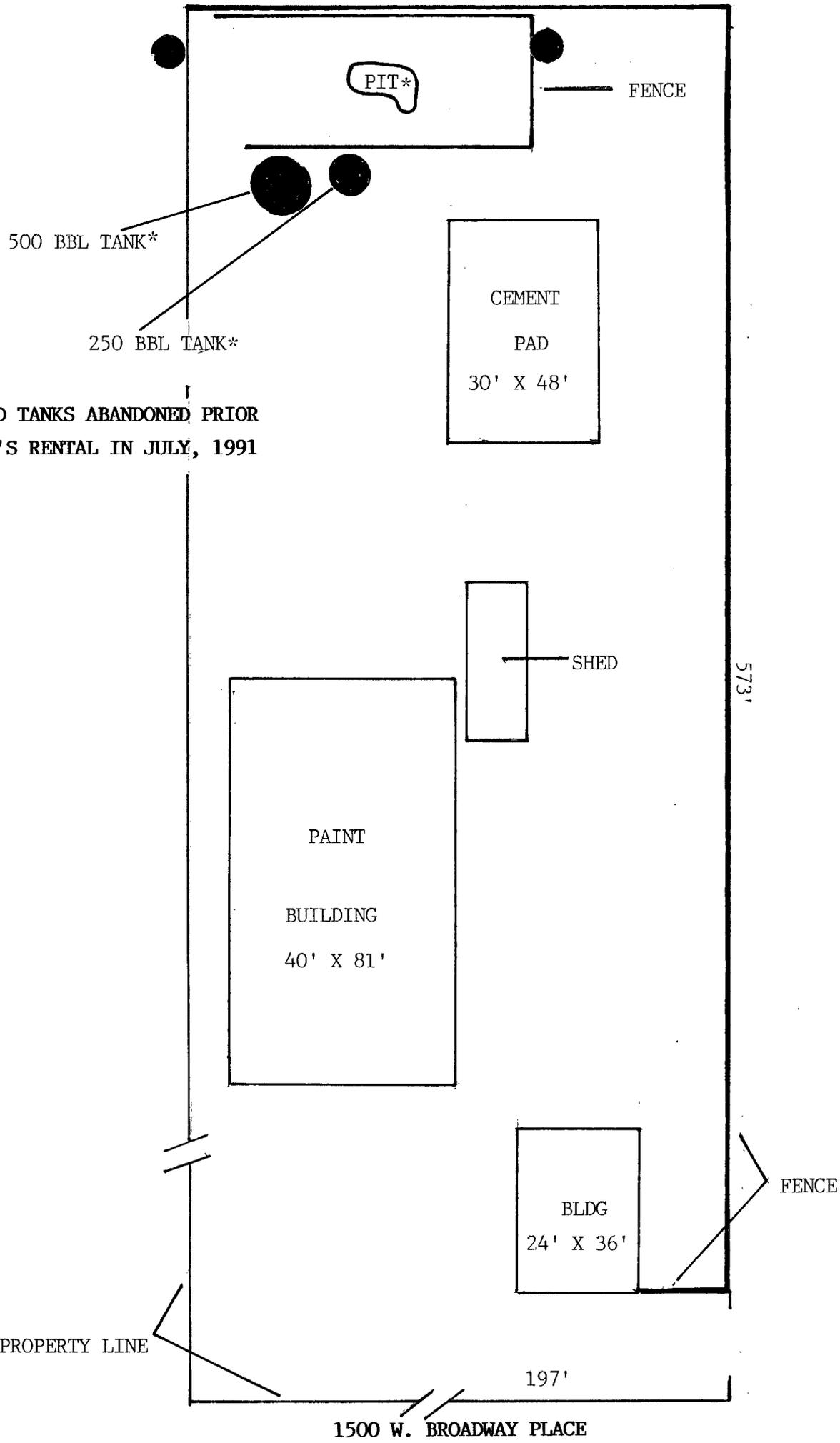
Anticipating a "worse-case" spill or leak situation would involve a maximum of five gallons of materials (5-gal. paint pot capacity). However, painting is executed on concrete surfaces and leaching of solids and fluids from the work area into the environment is not a factor. To contain a spill or accidental material release, the source of the spill/leak would be stopped. A dike or containment barrier would be established and the spill covered with inert absorbant material; to be shoveled or swept into a disposable container. The waste would then be incinerated (as local laws permit), dried and disposed within commercial waste facility specifications or contact a registered hazardous waste materials transporter.

12. SITE CHARACTERISTICS

- a. Soil type: caliche
- b. Name of aquifer: Ogallala
- c. Composition of aquifer material: red sandstone with patches of grey sandstone
- d. Depth to rock at base of alluvium: water table is 60', with the water flowing NW to SE. TDS: 500mg/l*
*Source of information: Discharge Plan #371, from the New Mexico Enviromental Department

13. OTHER COMPLIANCE INFORMATION

It is the sincere intention of R&R Service Co., Inc. as discharger to fully abide to NMOC Rule 116 and WQCC Section 1203 spill reporting. The OCD District Office will be notified within twenty-four hours regarding any reportable quantity spill or release.



***PIT AND TANKS ABANDONED PRIOR TO R&R'S RENTAL IN JULY, 1991**



SKELTON, ROBBIE O

PO BOX 176
HOBBS, NM

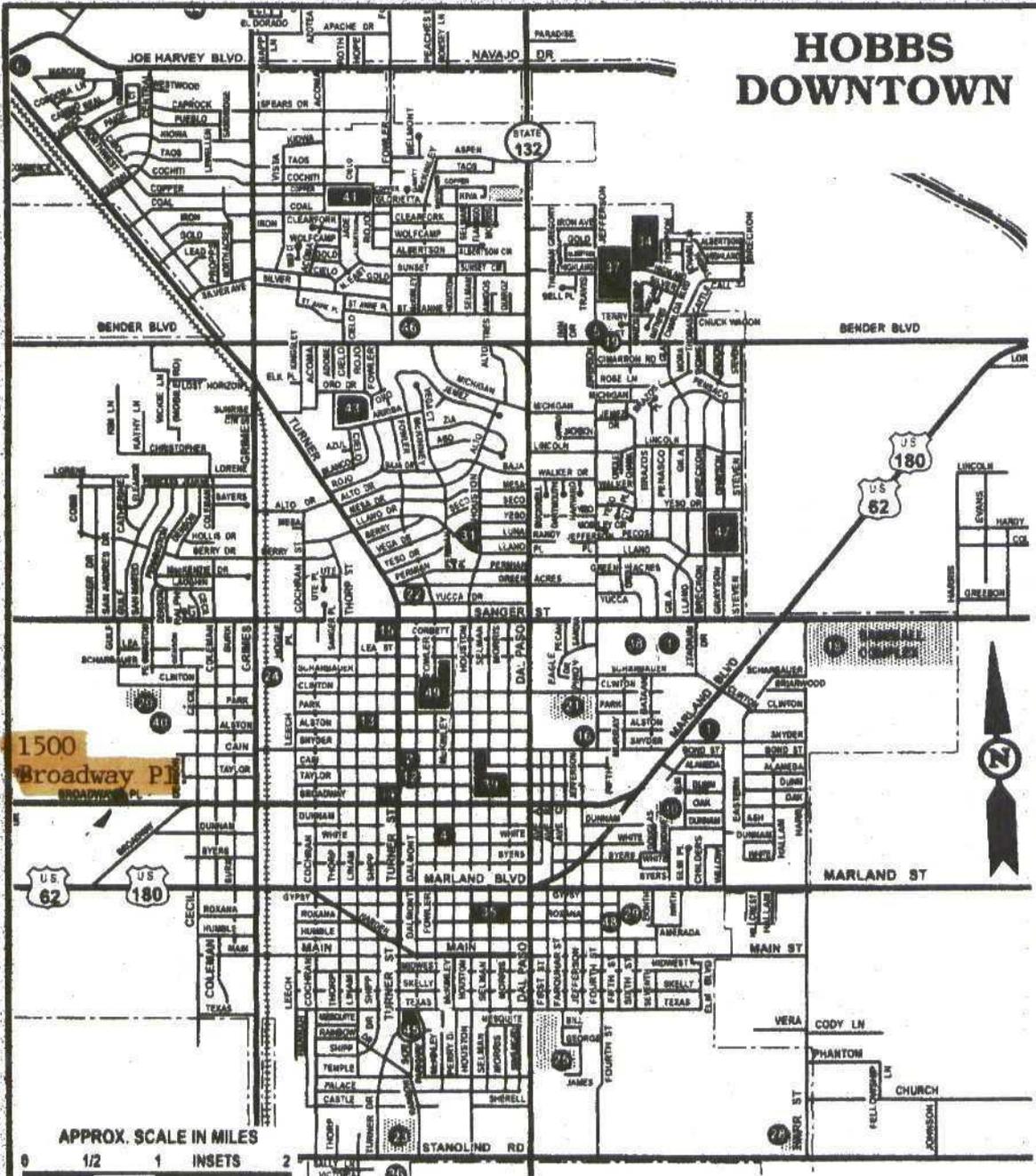
(505) 392-8284

88241 (1500 West Broadway)

BRIEF PROPERTY DESCRIPTION

4 000 033 870 001 District-161
SECTION-33, TOWNSHIP-18S, RANGE-38E
2.30 AC LOC NE4SW4
TR. REG. N0D3'W 1557.4' A
E 1730' FROM SW COR OF SEC 33,
TH N0D3'W 500', E 100', S0D3'E

THIS RECEIPT IS VALID ONLY FOR THE AMOUNT CERTIFIED HEREON



COMMUNITY PAGES

LOCATION: NE4SW4 SECTION-33, TOWNSHIP-18S, RANGE-38E
 2.30 AC TR BEG NOD3'W 1557.4' &
 E 1730' FROM SW COR OF SEC 33,
 TH NOD3'W 500', E 100', SOD3'E
 1500 W. BROADWAY PLACE