GW - 007

GENERAL CORRESPONDENCE

2011 - Present

Western Refining

WNR
NYSE

June 16, 2017

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Jim Griswold
New Mexico Energy, Minerals and Natural Resources Department
Oil Conservation Division, Environmental Bureau
1220 South St. Francis Drive
Santa Fe, NM 87505

Re: Courtesy Notification Regarding Corporate Transaction
Western Refining Company L.P.
Pit Permits, Nos. P1-06579, P1-06580, P1-06581

Dear Mr. Griswold:

I am writing in connection with Western Refining Company, L.P.'s Pit Permits, Nos. P1-06579, P1-06580 and P1-06581, for the Jal LPG Storage Facility located in Lea County, New Mexico.

On February 8, 2016, the Energy, Minerals and Natural Resources Department Oil Conservation Division issued three Pit Permits to Western Refining Company, L.P. ("Western") for the Jal LPG Storage Facility:

- P1-06579 for the Proposed Brine Pond;
- P1-06580 for the South Brine Pond; and
- P1-06581 for the North Brine Pond.

Western is an indirect subsidiary of Western Refining, Inc. Tesoro Corporation and Western Refining, Inc. entered into a merger agreement pursuant to which one of Tesoro Corporation's wholly-owned subsidiaries merged with and into Western Refining, Inc., with Western Refining, Inc. surviving the merger as a wholly owned subsidiary of Tesoro Corporation. The transaction occurred on June 1, 2017.

Please note that Western will remain the owner and operator of the Jal LPG Storage Facility. We are providing this notice as a courtesy.

Please do not hesitate to contact me with any questions.

Sincerely,

Ken Parker

Ken Parker
Jal Terminal Manager
Western Refining

cc: R. Schmaltz (WNR – Bloomfield)

OFFICIAL SEAL
LAURIE GREEN
Notary Public
State of New Mexico
My Comm. Expires 4-29-2018

Laurie Green

Chavez, Carl J, EMNRD

From: Weaver, Ron <Ron.Weaver@wnr.com>
Sent: Tuesday, July 24, 2012 10:59 AM
To: Chavez, Carl J, EMNRD
Cc: Schmaltz, Randy; Parker, Ken; Hains, Allen; VonGonten, Glenn, EMNRD; Gonzales, Elidio L, EMNRD
Subject: RE: Jal LPG Storage Facility (GW-007) MIT extension request (LPG Storage Wells 3 & 4)

Thank you sir for your quick response to our request.

From: Chavez, Carl J, EMNRD [mailto:CarlJ.Chavez@state.nm.us]
Sent: Tuesday, July 24, 2012 10:55 AM
To: Weaver, Ron
Cc: Schmaltz, Randy; Parker, Ken; Hains, Allen; VonGonten, Glenn, EMNRD; Gonzales, Elidio L, EMNRD
Subject: RE: Jal LPG Storage Facility (GW-007) MIT extension request (LPG Storage Wells 3 & 4)

Ron:

The New Mexico Oil Conservation Division approves the MIT completion date of November 30, 2012.

Thank you.

Carl J. Chavez, CHMM
New Mexico Energy, Minerals & Natural Resources Department
Oil Conservation Division, Environmental Bureau
1220 South St. Francis Drive, Santa Fe, New Mexico 87505
Office: (505) 476-3490
E-mail: CarlJ.Chavez@State.NM.US
Website: http://www.emnrd.state.nm.us/ocd/
"Why Not Prevent Pollution; Minimize Waste; Reduce the Cost of Operations; & Move Forward With the Rest of the Nation?" To see how, please go to: "Pollution Prevention & Waste Minimization" at
http://www.emnrd.state.nm.us/ocd/environmental.htm#environmental

---

From: Weaver, Ron [mailto:Ron.Weaver@wnr.com]
Sent: Monday, July 23, 2012 9:41 AM
To: Chavez, Carl J, EMNRD
Cc: Schmaltz, Randy; Parker, Ken; Hains, Allen
Subject: MIT extension request

Good morning Carl,

Attached is a request for extension of our Jal Facility MITs for wells #3 and #4. The hard copy of this request has been placed in the mail.

Thanks!

Ron Weaver

Western Refining Company, Inc
Regional Terminals Manager

From: blmrefscanner@wnr.com [mailto:blmrefscanner@wnr.com]
Sent: Sunday, July 22, 2012 10:27 PM
To: Weaver, Ron
Subject: Message from KMBT_C552

Western Refining

WNR LISTED NYSE

RECEIVED OCD

2012 AUG 10 P 12:43

August 8, 2012

Carl J. Chavez, CHMM
New Mexico Energy, Minerals & Natural Resources Department
Oil Conservation Division, Environmental Bureau
1220 South St. Francis Drive, Santa Fe, New Mexico 87505

Mr. Chavez:

This letter is to apprise NMED of the Plan of Action developed by Western Refining Company, L.P. for the Jal LPG underground storage facility south brine pond. The Plan of Action is as follows:

1. Empty the pond of all brine water
2. Cut open the primary liner around the suction piping
3. Make necessary repairs to suction piping
4. Fill and compact area around suction piping
5. Repair primary liner where cut to access piping

Sincerely,

Ron Weaver
Western Refining Company, L.P.
Regional Terminals Manager
50 County Road 4990
Bloomfield, NM 87413

Cc:
Randy Schmaltz (WNR)
Allen Hains (WNR)
Ken Parker (WNR

Chavez, Carl J, EMNRD

From: Chavez, Carl J, EMNRD
Sent: Tuesday, July 10, 2012 12:27 PM
To: 'Allen.Hains@wnr.com'; 'Ron.Weaver@wnr.com'
Cc: VonGonten, Glenn, EMNRD
Subject: Jal LPG Storage Facility (GW-007) EPA 5-Yr. MIT Extension Request for Wells 3 & 4

Allen and Ron:

Good afternoon. This message is to document our telephone call this morning where Western Refining Company L.P. (Western) is apparently requesting an extension to the 5-yr. anniversary date of the last MIT (~8/18/2012) on the above subject wells.

The New Mexico Oil Conservation Division (OCD) notices that the permit (GW-007) will expire on December 29, 2012.

The OCD requests the following:

1) Please explain the reason for the extension request.
2) Please propose a date for completion of the MIT within 2 weeks of receipt of this e-mail for the OCD to determine whether the reason for the request and proposed date of the MIT are approvable. This may require Western to contact contractors to ensure the proposed date will be met.

Thank you.

Carl J. Chavez, CHMM
New Mexico Energy, Minerals & Natural Resources Department
Oil Conservation Division, Environmental Bureau
1220 South St. Francis Drive, Santa Fe, New Mexico 87505
Office: (505) 476-3490
E-mail: CarlJ.Chavez@State.NM.US
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http://www.emnrd.state.nm.us/ocd/environmental.htm#environmental

File

Chavez, Carl J, EMNRD

From: Hains, Allen [Allen.Hains@wnr.com]
Sent: Wednesday, February 15, 2012 3:32 PM
To: Chavez, Carl J, EMNRD; Schmaltz, Randy; Parker, Ken; Weaver, Ron
Cc: VonGonten, Glenn, EMNRD
Subject: RE: OCD Discharge Permit (GW-007) Provision 20(C) Operator Clarification Inquiry

Carl,

Thank you for the quick response.

The permit conditions below were prior to Western ownership and were never implemented by the previous owners. The NGL treating and fractionating plant was not put into operation as proposed. Salt contaminated sand was not disposed in the classifier. Therefore, there was no requirement to satisfy the permit conditions. This information was known when we discussed the 2008 permit renewal with you and Wayne. At that time, we discussed closing the classifier by filling it with onsite concrete debris and soil.

The classifier was used to remove grit (solids) from the waste water prior to discharge into the injection well. It was probably cleaned out and placed out-of-service in the mid 1980s when the EPNG gas plant ceased operations. Since Ken Parker first arrived in 1991, the classifier has not been in use. Currently, the classifier is empty with the exception of minor amounts of wind-blown sand and water from precipitation.

How do we move forward?

Thanks again,

Allen

Allen S. Hains
Manager
Remediation Projects

Western Refining
123 W. Mills Ave.
El Paso, Texas 79901
915 534-1483
915 490-1594 (cell)

From: Chavez, Carl J, EMNRD [mailto:CarlJ.Chavez@state.nm.us]
Sent: Wednesday, February 15, 2012 11:33 AM
To: Hains, Allen; Schmaltz, Randy; Parker, Ken
Cc: VonGonten, Glenn, EMNRD
Subject: OCD Discharge Permit (GW-007) Provision 20(C) Operator Clarification Inquiry

Allen, et al.:

Please find the OCD's response (yellow highlighted text below) with supporting documentation from the OCD's Administrative Record based on your clarification question posed to the OCD yesterday. Please contact me if you have questions. Thank you.

****

Operator: Clarification on what Section 20(C) requires the operator to do?

Current OCD Discharge Permit Provision:

20. Additional Site Specific Conditions:

C. The closure of the Classifier and associated equipment shall be completed on or before the expiration date of this permit.

OCD Response:

On 3/31/2003 the OCD approved with conditions the "Classifier" to be used for disposal of salt contaminated sand. In the conditions, the operator was required to submit a completion report that included all of the conditions in the approval (see below).

The operator apparently never satisfied the conditions of the OCD approval. Therefore, the OCD included it in the most recent permit revision for resolution.

Please complete the conditions specified in the OCD 3/31/2003 approval with conditions to the OCD on or before the expiration date of the current permit.

****
OCD Historical Documentation on the "Classifier":

From: Price, Wayne
Sent: Monday, March 31, 2003 1 :45 PM
To: 'Ken Parker'
Subject: RE: Contaminated Sand Disposal Letter

OCD is in receipt of your letter dated 1-17-03 requesting using the out of service below grade classifier tank as secondary containment for disposal of salt contaminated sand. OCD hereby approves of the plan with the following conditions:

1. Sites maps will be updated to show the exact location for future reference. A gps reading shall be recorded.

3. Collect a representative sample of the waste material and analyze for general chemistry parameters including anions and cations.

2. Please provide photos before, during and after and send in a completion report for OCD approval.

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

-----Original Message-----
From: Ken Parker [mailto:Parker_Ken@msn.com]
Sent: Friday, March 28, 2003 2:58 PM
To: Wayne Price

Subject: Contaminated Sand Disposal Letter

Wayne:

Please check your records for a letter dated 1/17/03. I haven't received your response. If necessary, I will e-mail you another copy.

Sincerely :
Ken

****

3/31/2003

State of New Mexico
Energy Minerals and Natural Resources
Oil Conservation Division

1220 South St. Francis Dr.
Santa Fe, New Mexico 87505
Date: 1-17--03

RE: Contaminated Sand Disposal

Dear Mr. Price:

Texas LPG Storage Company is the early stages of repairing the primary liner. It appears that we will need to dispose of some sand that is contaminated with salt. I understand that we have some options for disposal. What I am proposing to do, encapsulate the sand using HOPE 60 Mil lining material. Insert the 60 Milliner into the classifier and cover to surface level with fresh dirt.

The classifier is located on site at the Jal facility and has not been in service since the late 1980's. It is a steel constructed open top tank that is about 50 feet in diameter and buried to a depth of 20 feet. The classifier will be utilized as secondary containment.

Preparing the classifier for contaminated material storage. The HOPE liner will be molded to fit, seams welded, then inserted within the classifier's structure. Fresh dirt will be utilized for a cushion between the classifier's steel bottom, sidewalls, and liner. The minimum thickness of the cushion is twelve inches. The liner will be filled with the contaminated sand within two feet of its top and capped. The cap will be welded. Then the capsule is covered with fresh dirt.

Ken Parker
Manager

CHRISTIE GAS CORPORATION JAL NATURAL GAS PROCESSING PLANT
DISCHARGE PLAN APPLICATION
April, 1997

Natural Gas Liquids Processing-
The natural gas liquids treating and fractionating plant is designed to separate propane, butane, natural gasoline and other impurities from each other. A process flow sheet illustrating the major components of this system are

included in Tab "3" in CGC's January 1992 Discharge Plan Application. With respect to the release of effluents from this process, all process equipment is connected to the facility's drain system which flows by gravity to a classifier which in turn separates insoluble hydrocarbon liquids from the wastewater. The insoluble hydrocarbon-bearing liquids are pumped to a storage tank and the wastewater is pumped to a nearby injection well for disposal. The disposal system will be discussed in greater detail in Part **III** of this application. **Because this facility is not currently in operation, it is not possible at this time to estimate the quantity of effluent that is expected to be generated by this operation; however, CGC will make this information available to the NMOCD as soon as it becomes available.**

B. Quality Characteristics

Because liquid wastes are not currently generated at the facility, it is not possible to provide data relative to the chemical characteristics of the waste streams that will be generated at the facility. Upon commencement of operations, CGC will collect samples and provide analytical data relative to the waste streams to the NMOCD. Unless otherwise required by the NMOCD, CGC proposes to collect samples from the classifier and waste oil tank to meet the requirements of waste stream characterization. In addition, samples from the brine storage ponds will be collected and analyzed should the ponds be put into use.

C. Transfer and Storage of Process Fluids and Effluents

The effluent stream from the processing and fractionating plant will be transported to a classifier via subsurface drain piping from the processing area. The classifier functions as a gravity separator where any hydrocarbon waste liquids are separated from the effluent. The lighter hydrocarbon waste liquids are conveyed from the classifier to a storage tank where the liquid is periodically removed from the tank and shipped to a waste oil reclamation facility. Because the plant is not currently operating, no contract has been executed with a waste oil reclamation facility; however, specific information relative to the reclamation operator will be provided to the NMOCD upon commencement of plant operations. The aqueous phase of the waste fluid in the classifier is conveyed first to an above ground surge tank and then pumped to a permitted disposal well which is located at the north end of the plant site. Any solids that collect in the classifier will be periodically removed and disposed of in an environmentally acceptable manner. Tab "4" in CGC's January 1992 Discharge Plan Application contains a diagram illustrating the wastewater collection system for the natural gas processing plant.

D. Spill Leak Prevention and Housekeeping Procedures

In the event of a spill at the facility, CGC personnel will immediately take measures to contain the spilled materials and clean-up activities will be implemented in an expeditious manner. In addition, CGC will comply with all necessary spill reporting requirements as outlined in Rule 116 of the NMOCD's rules and regulations. CGC will comply with all applicable federal, state, or local regulations relative to spills not specifically mentioned in NMOCD Rule 116.

If in the event of normal plant operations, liquid effluents are generated as a result of vessel cleaning, such effluents will be conveyed to the classifier via the plant drainage system.

Because the classifier installation is partially below grade, the classifier and any other below-grade open-top tanks will be visually inspected annually to assure that the integrity of the vessel is intact.

Should the need arise to shut-in the disposal well for a short period of time for repairs, CGC is confident that the 200-barrel classifier provides ample storage space for contingency storage of waste fluids. If, upon commencement of operations of the natural gas treating and fractionation plant, it is determined that the generation of waste liquids is more than expected, the need for additional contingency wastewater storage tanks will be evaluated. In the event of extended disposal well downtime, additional storage tanks will be rented or purchased to contain the wastewater; if such an activity is impractical or uneconomical, an overall plant shut-down will be implemented if necessary.

Drain Line Testing Procedures For The Jal Plant Introduction

The following procedures are arranged to allow testing of various sections of the drain system with the plant in operation. Some sections will require a plant shutdown to permit testing. If the total system is to be tested during a plant shutdown, the test sequence should be arranged so water from one section can be routed into the next section to be tested where possible. This should shorten filling time and provide more economical use of water. Water used in testing will be raw water from the plant water system. Use of fire hydrants and hoses will be required in some locations to provide sufficient volume and pressure for filling and testing. In most cases, test pressures will be below normal line pressure in plant water mains making use of hydrostatic test pump unnecessary. The higher pressures will require a pump.

The test pressures and duration used in this procedure exceed those specified for drainage and vent systems as set forth in the 1979 ICBO Code, Sections 1004 (A) 1 and 1005. The international Conference of Building Officials (ICBO) Plumbing Code of the Uniform Plumbing Code describes the procedures to be utilized in this testing procedure. The pressures and duration required in the ICBO Code are 4.3 psi and 15 minutes, respectively.

• General Instructions

14. The classifier tank will be filled with water and gauged to verify the maintenance of a constant level for a 4 hour period.

Carl J. Chavez, CHMM
New Mexico Energy, Minerals & Natural Resources Dept.
Oil Conservation Division, Environmental Bureau
1220 South St. Francis Dr., Santa Fe, New Mexico 87505
Office: (505) 476-3490
Fax: (505) 476-3462
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Sent: Thursday, February 16, 2012 11:31 AM
To: Chavez, Carl J, EMNRD; Schmaltz, Randy; Parker, Ken; Weaver, Ron
Cc: VonGonten, Glenn, EMNRD
Subject: RE: OCD Discharge Permit (GW-007) Provision 20(C) Operator Clarification Inquiry
Attachments: DSC00056.jpg

Carl,

Maybe, we should meet to discuss? Randy and I will be in the Santa Fe area next week. We should also discuss the Discharge Plan Renewal which is due in July.

The 2007 picture below should help you recall the classifier. It is empty except for windblown sand and precipitation. Not much has changed since 2007. It is our understanding that EPNG removed and disposed of the sludge. EPNG has also assessed and is mitigating hydrocarbon and brine impacts to the shallow groundwater from its operations.

Allen

Allen S. Hains
Manager
Remediation Projects

Western Refining
123 W. Mills Ave.
El Paso, Texas 79901
915 534-1483
915 490-1594 (cell)

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Is the classifier below grade?

Carl J. Chavez, CHMM
New Mexico Energy, Minerals & Natural Resources Dept.
Oil Conservation Division, Environmental Bureau
1220 South St. Francis Dr., Santa Fe, New Mexico 87505
Office: (505) 476-3490
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Subject: Contaminated Sand Disposal Letter

Wayne:

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Sincerely :
Ken

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3/31/2003

State of New Mexico
Energy Minerals and Natural Resources
Oil Conservation Division

1220 South St. Francis Dr.
Santa Fe, New Mexico 87505
Date: 1-17--03

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Ken Parker
Manager

CHRISTIE GAS CORPORATION JAL NATURAL GAS PROCESSING PLANT
DISCHARGE PLAN APPLICATION
April, 1997

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with all necessary spill reporting requirements as outlined in Rule 116 of the NMOCD's rules and regulations. CGC will comply with all applicable federal, state, or local regulations relative to spills not specifically mentioned in NMOCD Rule 116.

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Should the need arise to shut-in the disposal well for a short period of time for repairs, CGC is confident that the 200-barrel classifier provides ample storage space for contingency storage of waste fluids. If, upon commencement of operations of the natural gas treating and fractionation plant, it is determined that the generation of waste liquids is more than expected, the need for additional contingency wastewater storage tanks will be evaluated. In the event of extended disposal well downtime, additional storage tanks will be rented or purchased to contain the wastewater; if such an activity is impractical or uneconomical, an overall plant shut-down will be implemented if necessary.

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The test pressures and duration used in this procedure exceed those specified for drainage and vent systems as set forth in the 1979 ICBO Code, Sections 1004 (A) 1 and 1005. The international Conference of Building Officials (lCBO) Plumbing Code of the Uniform Plumbing Code describes the procedures to be utilized in this testing procedure. The pressures and duration required in the ICBO Code are 4.3 psi and 15 minutes, respectively.

• General Instructions

14. The classifier tank will be filled with water and gauged to verify the maintenance of a constant level for a 4 hour period.

Carl J. Chavez, CHMM
New Mexico Energy, Minerals & Natural Resources Dept.
Oil Conservation Division, Environmental Bureau
1220 South St. Francis Dr., Santa Fe, New Mexico 87505
Office: (505) 476-3490
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Sent: Wednesday, February 15, 2012 11:33 AM
To: 'Hains, Allen'; Schmaltz, Randy; 'Parker, Ken'
Cc: VonGonten, Glenn, EMNRD
Subject: OCD Discharge Permit (GW-007) Provision 20(C) Operator Clarification Inquiry

Allen, et al.:

Please find the OCD's response (yellow highlighted text below) with supporting documentation from the OCD's Administrative Record based on your clarification question posed to the OCD yesterday. Please contact me if you have questions. Thank you.

****

Operator: Clarification on what Section 20(C) requires the operator to do?

Current OCD Discharge Permit Provision:

20. Additional Site Specific Conditions:

C. The closure of the Classifier and associated equipment shall be completed on or before the expiration date of this permit.

OCD Response:

On 3/31/2003 the OCD approved with conditions the "Classifier" to be used for disposal of salt contaminated sand. In the conditions, the operator was required to submit a completion report that included all of the conditions in the approval (see below).

The operator apparently never satisfied the conditions of the OCD approval. Therefore, the OCD included it in the most recent permit revision for resolution.

Please complete the conditions specified in the OCD 3/31/2003 approval with conditions to the OCD on or before the expiration date of the current permit.

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OCD Historical Documentation on the "Classifier":

From: Price, Wayne
Sent: Monday, March 31, 2003 1 :45 PM
To: 'Ken Parker'
Subject: RE: Contaminated Sand Disposal Letter

OCD is in receipt of your letter dated 1-17-03 requesting using the out of service below grade classifier tank as secondary containment for disposal of salt contaminated sand. OCD hereby approves of the plan with the following conditions:

1. Sites maps will be updated to show the exact location for future reference. A gps reading shall be recorded.

3. Collect a representative sample of the waste material and analyze for general chemistry parameters including anions and cations.

2. Please provide photos before, during and after and send in a completion report for OCD approval.

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

-----Original Message-----
From: Ken Parker [mailto:Parker_Ken@msn.com]
Sent: Friday, March 28, 2003 2:58 PM
To: Wayne Price
Subject: Contaminated Sand Disposal Letter

Wayne:

Please check your records for a letter dated 1/17/03. I haven't received your response. If necessary, I will e-mail you another copy.

Sincerely :
Ken

****

3/31/2003

State of New Mexico
Energy Minerals and Natural Resources
Oil Conservation Division

1220 South St. Francis Dr.
Santa Fe, New Mexico 87505
Date: 1-17--03

RE: Contaminated Sand Disposal

Dear Mr. Price:

Texas LPG Storage Company is the early stages of repairing the primary liner. It appears that we will need to dispose of some sand that is contaminated with salt. I understand that we have some options for disposal. What I am proposing to do, encapsulate the sand using HOPE 60 Mil lining material. Insert the 60 Milliner into the classifier and cover to surface level with fresh dirt.

The classifier is located on site at the Jal facility and has not been in service since the late 1980's. It is a steel constructed open top tank that is about 50 feet in diameter and buried to a depth of 20 feet. The classifier will be utilized as secondary containment.

Preparing the classifier for contaminated material storage. The HOPE liner will be molded to fit, seams welded, then inserted within the classifier's structure. Fresh dirt will be utilized for a cushion between the classifier's

steel bottom, sidewalls, and liner. The minimum thickness of the cushion is twelve inches. The liner will be filled with the contaminated sand within two feet of its top and capped. The cap will be welded. Then the capsule is covered with fresh dirt.

Ken Parker
Manager

CHRISTIE GAS CORPORATION JAL NATURAL GAS PROCESSING PLANT
DISCHARGE PLAN APPLICATION
April, 1997

Natural Gas Liquids Processing-
The natural gas liquids treating and fractionating plant is designed to separate propane, butane, natural gasoline and other impurities from each other. A process flow sheet illustrating the major components of this system are included in Tab "3" in CGC's January 1992 Discharge Plan Application. With respect to the release of effluents from this process, all process equipment is connected to the facility's drain system which flows by gravity to a classifier which in turn separates insoluble hydrocarbon liquids from the wastewater. The insoluble hydrocarbon-bearing liquids are pumped to a storage tank and the wastewater is pumped to a nearby injection well for disposal. The disposal system will be discussed in greater detail in Part **III** of this application. **Because this facility is not currently in operation, it is not possible at this time to estimate the quantity of effluent that is expected to be generated by this operation; however, CGC will make this information available to the NMOCD as soon as it becomes available.**

B. Quality Characteristics
Because liquid wastes are not currently generated at the facility, it is not possible to provide data relative to the chemical characteristics of the waste streams that will be generated at the facility. Upon commencement of operations, CGC will collect samples and provide analytical data relative to the waste streams to the NMOCD. Unless otherwise required by the NMOCD, CGC proposes to collect samples from the classifier and waste oil tank to meet the requirements of waste stream characterization. In addition, samples from the brine storage ponds will be collected and analyzed should the ponds be put into use.

C. Transfer and Storage of Process Fluids and Effluents

The effluent stream from the processing and fractionating plant will be transported to a classifier via subsurface drain piping from the processing area. The classifier functions as a gravity separator where any hydrocarbon waste liquids are separated from the effluent. The lighter hydrocarbon waste liquids are conveyed from the classifier to a storage tank where the liquid is periodically removed from the tank and shipped to a waste oil reclamation facility. Because the plant is not currently operating, no contract has been executed with a waste oil reclamation facility; however, specific information relative to the reclamation operator will be provided to the NMOCD upon commencement of plant operations. The aqueous phase of the waste fluid in the classifier is conveyed first to an above ground surge tank and then pumped to a permitted disposal well which is located at the north end of the plant site. Any solids that collect in the classifier will be periodically removed and disposed of in an environmentally acceptable manner. Tab "4" in CGC's January 1992 Discharge Plan Application contains a diagram illustrating the wastewater collection system for the natural gas processing plant.

D. Spill Leak Prevention and Housekeeping Procedures
In the event of a spill at the facility, CGC personnel will immediately take measures to contain the spilled materials and clean-up activities will be implemented in an expeditious manner. In addition, CGC will comply with all necessary spill reporting requirements as outlined in Rule 116 of the NMOCD's rules and regulations. CGC will comply with all applicable federal, state, or local regulations relative to spills not specifically mentioned in NMOCD Rule 116.

If in the event of normal plant operations, liquid effluents are generated as a result of vessel cleaning, such effluents will be conveyed to the classifier via the plant drainage system.

Because the classifier installation is partially below grade, the classifier and any other below-grade open-top tanks will be visually inspected annually to assure that the integrity of the vessel is intact.

Should the need arise to shut-in the disposal well for a short period of time for repairs, CGC is confident that the 200-barrel classifier provides ample storage space for contingency storage of waste fluids. If, upon commencement of operations of the natural gas treating and fractionation plant, it is determined that the generation of waste liquids is more than expected, the need for additional contingency wastewater storage tanks will be evaluated. In the event of extended disposal well downtime, additional storage tanks will be rented or purchased to contain the wastewater; if such an activity is impractical or uneconomical, an overall plant shut-down will be implemented if necessary.

Drain Line Testing Procedures For The Jal Plant Introduction

The following procedures are arranged to allow testing of various sections of the drain system with the plant in operation. Some sections will require a plant shutdown to permit testing. If the total system is to be tested during a plant shutdown, the test sequence should be arranged so water from one section can be routed into the next section to be tested where possible. This should shorten filling time and provide more economical use of water. Water used in testing will be raw water from the plant water system. Use of fire hydrants and hoses will be required in some locations to provide sufficient volume and pressure for filling and testing. In most cases, test pressures will be below normal line pressure in plant water mains making use of hydrostatic test pump unnecessary. The higher pressures will require a pump.

The test pressures and duration used in this procedure exceed those specified for drainage and vent systems as set forth in the 1979 ICBO Code, Sections 1004 (A) 1 and 1005. The international Conference of Building Officials (ICBO) Plumbing Code of the Uniform Plumbing Code describes the procedures to be utilized in this testing procedure. The pressures and duration required in the ICBO Code are 4.3 psi and 15 minutes, respectively.

• General Instructions

14. The classifier tank will be filled with water and gauged to verify the maintenance of a constant level for a 4 hour period.

Carl J. Chavez, CHMM
New Mexico Energy, Minerals & Natural Resources Dept.
Oil Conservation Division, Environmental Bureau
1220 South St. Francis Dr., Santa Fe, New Mexico 87505
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Fax: (505) 476-3462
E-mail: CarlJ.Chavez@state.nm.us
Website: http://www.emnrd.state.nm.us/ocd/
"Why not Prevent Pollution; Minimize Waste; Reduce the Cost of Operations; & Move Forward with the Rest of the Nation?" To see how, go to "Pollution Prevention & Waste Minimization" at:
http://www.emnrd.state.nm.us/ocd/environmental.htm#environmental)