

GW - 365

**GENERAL
CORRESPONDENCE**

YEAR(S): 2007 - 2010



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 19, 2008

Mr. David Bays
Williams Four Corners, LLC

188 Road 4900

Bloomfield, New Mexico 87413

Re: NOTICE OF DEFICIENCY
Williams Four Corners Compressor Stations
San Juan Basin facilities

Dear Mr. Bays:

The Oil Conservation Division has performed 26 inspections of Williams Four Corners compressor station located in the San Juan Basin. The following stations have been inspected:

- | | |
|-----------------------------------|-------------------------------------|
| 1. (GW-108) 30-5 #1 | 14. (GW-273) Moore (Idle) |
| 2. (GW-111) 32-8 #2 | 15. (GW-271) Kernaghan |
| 3. (GW-117) 32-7 #1 | 16. (GW-272) Kernaghan B-8 (Idle) |
| 4. (GW-287) Snow Shoe | 17. (GW-136) 29-7 CDP |
| 5. (GW-122) 29-6 #4 | 18. (GW-307) Laguna Seca |
| 6. (GW-229) Trunk G (Idle) | 19. (GW-364) Bancos CDP |
| 7. (GW-121) 29-6 #2 CDP | 20. (GW-365) Eul CDP |
| 8. (GW-118) 31-6 CDP | 21. (GW-133) 30 - 8 CDP (Idle) |
| 9. (GW-120) Pipkin | 22. (GW-116) 32 - 8 CDP |
| 10. (GW-129) Crouch Mesa | 23. (GW-292) Rosa #1 CDP |
| 11. (GW-208) Hart Mountain (Idle) | 24. (GW-306) Trunk N |
| 12. (GW-091) 32-9 CDP | 25. (GW-134) Decker Junction (Idle) |
| 13. (GW-087) Cedar Hills | 26. (GW-250) Coyote Springs |

The OCD has observed several areas of concern after inspecting these sites. They are as follows:

- Condition 6. Waste Disposal and Storage:** *"The owner/operator shall not store oil field waste on-site for more than 180 days unless approved by the OCD."* Williams Four Corners has renewed their permits for 5 of the 26 facilities that are "non-operational". These facilities have been non-operational for more than one year and a few still contain waste material on site, i.e. landfarm soil, solid waste and liquids. Williams Four Corners shall properly dispose of their remaining waste for these facilities:
- Condition 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. Must store empty drums on their sides with the bungs in place and lined up on a horizontal*



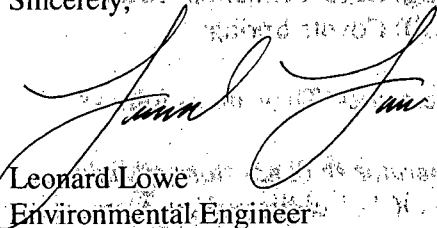
plane. Must store chemicals in other containers, such as tote tanks, sacks, or buckets on an impermeable pad with curbing." OCD has witness several stations with improper storage of barrels and fluids.

3. **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". Several containers were not labeled.
4. **Condition 11. A:** "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." Several secondary containers were holding a large amount of liquids assumed greater then 72 hours. Williams Four Corners must remove all fluids from secondary containers within 72 hours.
5. **Condition 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." Secondary containers are present at these facilities but best management practices are not followed. The OCD has witnessed the majority of the stations to have hydrocarbon staining within its facility grounds with the majority near the compressor engines. Williams Four Corners shall prevent any discharging of hydrocarbons directly on to the ground. If a discharge does occur it shall be addressed immediately and not allowed to accumulate. Placing clean gravel over the contamination is not an allowable practice.

The OCD would like to point out these deficiencies: **Please correct as soon as possible and provide the OCD a progress report within 90 days from the date of this letter.** These conditions are assumed by the OCD to be present at all of Williams Four Corners 70 + compressor stations that have a discharge permit. Please reflect these concerns to all of the permitted compressor stations and gas plants owned by Williams Four Corners, LLC. NMSA 1978, Section 70-2-31 (A) authorizes penalties of up to one thousand dollars (\$1000.00) per day per violation for any knowing and willful violation of any provision of the Oil and Gas Act or any rule adopted pursuant to the Act.

If there are any questions regarding this matter, please do not hesitate to contact me at (505) 476-3492 or leonard.lowe@state.nm.us.

Sincerely,



Leonard Lowe
Environmental Engineer

xc: Daniel Sanchez, Enforcement and Compliance Manager

Wayne Price, Environmental Bureau Chief

Brandon Powell, District III Environmental Specialist

AFFIDAVIT OF PUBLICATION


Ad No. 000511774

STATE OF NEW MEXICO County of San Juan:

BOB WALLER, being duly sworn says: That he is the CLASSIFIED MANAGER of THE DAILY TIMES, a daily newspaper of general circulation published in English at Farmington, said county and state, and that the hereto attached Legal Notice was published in a regular and entire issue of the said DAILY TIMES, a daily newspaper duly qualified for the purpose within the meaning of Chapter 167 of the 1937 Session Laws of the State of New Mexico for publication and appeared in the Internet at The Daily Times web site on the following day(s):

Sunday, October 28, 2007

And the cost of the publication is \$245.89



ON 11/5/07 BOB WALLER appeared before me, whom I know personally to be the person who signed the above document.



My Commission Expires November 17, 2008

COPY OF PUBLICATION

PUBLIC NOTICE

Williams Four Corners, LLC, 188 County Road 4900, Bloomfield, New Mexico 87413, has submitted an application to the New Mexico Energy, Minerals and Natural Resources Department, Oil Conservation Division for a discharge plan (GW-365) for their Eul Canyon Compressor Station located in the SE/4, SW/4 of Section 24, Township 32 North, Range 6 West in Rio Arriba County, New Mexico. The facility, located approximately 33 miles east-northeast of Aztec, provides natural gas compression and conditioning services.

The discharge plan addresses how spills, leaks, and other accidental discharges to the surface will be managed. Typical materials generated or used at the facility include natural gas condensate/produced water, new and used lube oil, oily waste water from equipment wash down, and glycol. The quantity of wastewater generated is 500 - 5000 gallons per year per engine. The facility does not discharge to surface or subsurface waters. All wastes generated will be temporarily stored in tanks or containers equipped with secondary containment. Waste shipped offsite will be disposed or recycled at a facility permitted by state, federal, or tribal agency to receive such waste. The estimated ground water depth at the site is expected to be in the range of 100-500 feet. The total dissolved solids concentration of area ground water is expected to be in the range of 200-2,000 parts per million.

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 Drive, 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.

AFFIDAVIT OF PUBLICATION

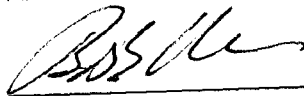
Ad No. 000511775

STATE OF NEW MEXICO County of San Juan:

BOB WALLER, being duly sworn says: That he is the CLASSIFIED MANAGER of THE DAILY TIMES, a daily newspaper of general circulation published in English at Farmington, said county and state, and that the hereto attached Legal Notice was published in a regular and entire issue of the said DAILY TIMES, a daily newspaper duly qualified for the purpose within the meaning of Chapter 167 of the 1937 Session Laws of the State of New Mexico for publication and appeared in the Internet at The Daily Times web site on the following day(s):

Sunday, October 28, 2007

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My Commission Expires November 17, 2008

COPY OF PUBLICATION

ATENCIÓN PÚBLICA

Williams Four Corners, LLC, County Road 4900, Bloomfield, NM 87413, ha presentado una aplicación a la New Mexico Energy, Minerals and Natural Resources Department, Oil Conservation Division para un plan de descarga para su Eul Canyon Compressor Station localizada en el SE/4, SW/4 de la Sección 24, Municipio 32 Norte, Variedad 6 Oeste en Río Arriba County, New Mexico. La instalación, el este-noreste de aproximadamente 33 millas localizado del Aztec, proporciona servicios de acondicionamiento y compresión de gas naturales.

El plan de descarga se dirige como las caídas, los agujeros, y otras descargas casuales a la superficie serán manejados. Los materiales típicos generados o usados en la instalación incluyen el echar agua condensado/producir de gas natural, el petróleo de lubricación nuevo y usado, echar agua de desecho aceitoso del equipo se lavan abajo, y glicol. La cantidad de wastewater generado es 500 – 5000 galones por año por motor. La instalación no descarga para revestir o subrevestir los echares agua. Toda la basura generada será temporalmente almacenada en tanques o contenedores equipados con la contención secundaria. La basura transportó offsite será dispuesto o reciclado en una instalación permitida por la agencia estatal, federal, o tribal recibir tal basura. Se espera que la profundidad de agua subterránea estimada en el sitio esté en la variedad de 100 a 500 pies. El total se disolvió se espera que la concentración de sólidos del agua subterránea de área esté en la variedad de 200-2,000 partes por millón.

Cualquier persona interesada o personas pueden obtener la información, presentar comentarios o solicitar para ser colocado en una lista de direcciones específica de instalación para futuros avisos por ponerse en contacto con Leonard Lowe en el Nuevo México OCD en 1220 Sur San. Francis Drive, Santa Fe, Nuevo México 87505, Teléfono (505) 476-3492. El OCD aceptará comentarios y declaraciones del interés en cuanto a la renovación y creará una lista de direcciones específica de instalación para personas que desean recibir futuros avisos.

THE
DAILY TIMES

FARMINGTON, NEW MEXICO

THE FOUR CORNERS INFORMATION LEADER

PO Box 450 Farmington, NM 87499

RECEIVED
2007 NOV 1 PM 12 01

Date: 10/24/07

NM ENERGY, MINERALS & NATURA

NM ENERGY, MINERALS & NA

1220 SOUTH ST. FRANCIS DR.

SANTA FE, NM 87505

(505) 476-3400

Ad#	Publication	Class	Start	Stop	Times	AS/400 Acct
1000829295	FARMINGTO	0152 - Legal Notices	10/18/2007	10/18/2007	1	780352
1000829295	FARMINGTO	0152 - Legal Notices	10/18/2007	10/18/2007	1	780352

Total Cost: \$266.80

Payment: \$0.00

Balance Due: \$266.80

TEXT:

NOTICE OF PUBLICATIONSTATE OF NEW MEXICOENERGY, MINERALS AND NAT

Please include Ad number on your payment.

AFFIDAVIT OF PUBLICATION

Ad No. 55820

STATE OF NEW MEXICO County of San Juan:

BOB WALLER, being duly sworn says: That he is the CLASSIFIED MANAGER of THE DAILY TIMES, a daily newspaper of general circulation published in English at Farmington, said county and state, and that the hereto attached Legal Notice was published in a regular and entire issue of the said DAILY TIMES, a daily newspaper duly qualified for the purpose within the meaning of Chapter 167 of the 1937 Session Laws of the State of New Mexico for publication and appeared in the Internet at The Daily Times web site on the following day(s):

THURSDAY October 18, 2007

And the cost of the publication is \$266.80

ON 10/26/07 BOB WALLER appeared before me, whom I know personally to be the person who signed the above document.

Wynell Corey
My Commission Expires November 17, 2008

COPY OF PUBLICATION

Legal Notices

152 Legal Notices

152 Legal Notices

152

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-364) Williams Four Corners., Mr. David Bays, Senior Environmental Specialist, 188 County Road 4900, Bloomfield, N.M. 87413, has submitted an application for a new discharge plan for their Bancos Compressor Station built in 2006. It is located in the NW/4 NE/4 of Section 36, Township 32 North, Range 6 West, NMPM, Rio Arriba County, New Mexico, approximately 34 miles east-northeast of Aztec, New Mexico. The station provides metering, compression, and dehydration services to various producers for the gathering of natural gas for treatment and delivery. Approximately 100 - 8000 bbl/year of condensate/produced water; 500 - 2000 gal/year/unit of wash down/waste water and 500 - 2000 gal/year/engine of used oil are generated and stored in OCD approved containers onsite within a bermed area prior to disposal at an NMOCD approved facility. Groundwater most likely to be affected by a spill, leak or accidental discharge is at a depth of approximately 100 - 500 feet, with a total dissolved solids concentration of approximately 200 - 2000 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.

(GW-365) Williams Four Corners., Mr. David Bays, Senior Environmental Specialist, 188 County Road 4900, Bloomfield, N.M. 87413, has submitted an application for a new discharge plan for their Eul Compressor Station built in 2005. It is located in the SE/4 SW/4 of Section 24, Township 32 North, Range 6 West, NMPM, Rio Arriba County, New Mexico, approximately 33 miles east-northeast of Aztec, New Mexico. The station provides metering, compression, and dehydration services to various producers for the gathering of natural gas for treatment and delivery. Approximately 100 - 6000 bbl/year of condensate/produced water; 500 - 5000 gal/year/engine of waste water and 500 - 2000 gal/year/engine of used oil are generated and stored in OCD approved containers onsite within a bermed area prior to disposal at an NMOCD approved facility. Groundwater most likely to be affected by a spill, leak or accidental discharge is at a depth of approximately 100 - 500 feet, with a total dissolved solids concentration of approximately 200 - 2000 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.

(GW-132) Black Hills Gas Resources Inc., Mr. Randy Fox, 350 Indiana Street, Suite 400, Golden Colorado, 80401, has submitted a renewal application for the previously approved discharge plan for their Gavilan Compressor Station, located in the SW/4 SE/4 of Section 11, Township 25 North, Range 2 West, NMPM, Rio Arriba County, New Mexico. The facility compresses natural gas from nearby gathering systems. Antifreeze, methanol gas, new and used lube oil are used at the facility. Approximately 210 bbls of condensate and waste water are stored onsite within a bermed area prior to disposal at an NMOCD approved facility. Groundwater most likely to be affected by a spill, leak or accidental discharge is at a depth of approximately 200 - 500 feet, with a total dissolved solids concentration of approximately 12,000 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.

(GW-363) Energen Resources, Inc., Ms. Kellie Skelton, 2198 Bloomfield Highway, Farmington, New Mexico 87401, has submitted

signed the above document.

Will Corey
Permit Expires November 17, 2008

Approximately 100 - 5000 bbl/year of condensate/produced water; 500 - 5000 gal/year/engine of waste water and 500 - 2000 gal/year/engine of used oil are generated and stored in OCD approved containers onsite within a bermed area prior to disposal at an NMOCD approved facility. Groundwater most likely to be affected by a spill, leak or accidental discharge is at a depth of approximately 100 - 500 feet, with a total dissolved solids concentration of approximately 200 - 2000 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.

(GW-132) Black Hills Gas Resources Inc., Mr. Randy Fox, 350 Indiana Street, Suite 400, Golden Colorado, 80401, has submitted a renewal application for the previously approved discharge plan for their Gavilan Compressor Station, located in the SW/4 SE/4 of Section 11, Township 25 North, Range 2 West, NMPM, Rio Arriba County, New Mexico. The facility compresses natural gas from nearby gathering systems. Antifreeze, methanol gas, new and used lube oil are used at the facility. Approximately 210 bbls of condensate and waste water are stored onsite within a bermed area prior to disposal at an NMOCD approved facility. Groundwater most likely to be affected by a spill, leak or accidental discharge is at a depth of approximately 200 - 500 feet, with a total dissolved solids concentration of approximately 12,000 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.

(GW-363) Energen Resources, Inc., Ms. Kellie Skelton, 2198 Bloomfield Highway, Farmington, New Mexico 87401, has submitted an application for a new discharge plan for their Carracas Mesa Compressor Station built in 2007. It is located in the SW/4 NW/4 of Section 28, Township 32 North, Range 4 West, NMPM, Rio Arriba County, New Mexico. The station provides metering, liquid removal and gas compression to local production lines. Approximately 400 bbl/month of waste water and hydrocarbon liquids, 205 bbl/year maximum waste water, and 605 gal/month of waste oil are generated and stored in OCD approved containers onsite within a bermed area prior to disposal at an NMOCD approved facility. Groundwater most likely to be affected by a spill, leak or accidental discharge is at a depth of approximately 800 feet, with a total dissolved solids concentration of approximately 600 - 800 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 Energia, Minerals 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 15 day of October, 2007.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION
SEAL Mark Fesmire, Director

Legal No. 55820 published in The Daily Times, Farmington, New Mexico on Thursday October 18, 2007

Lowe, Leonard, EMNRD

From: Lowe, Leonard, EMNRD
Sent: Thursday, October 04, 2007 1:00 PM
To: 'Bays, David'
Cc: 'Deklau, Ingrid'; Hansen, Edward J., EMNRD
Subject: Administratively Complete Notice for submitted NEW DISCHARGE PLANS
Attachments: GW-364 Admin.Comp.pdf; GW-364 DRAFT Permit.pdf; GW-365 Admin.Comp.pdf; GW-365 DRAFT Permit.pdf; GW-364 & 365 OCD PN.pdf

Mr. David Bays,

The submitted discharge plan applications for your two NEW compressor stations, Bancos (GW-364) and Eul (GW-365), have been deemed **Administratively Complete**.

I have attached the **Administratively Complete** letters, the **Draft Permits** and the **NMOCD Public Notice** for each facility to this e-mail.

I have already sent you the rules and regulations for public notice requirements for NEW discharge plan applications. Please review the regulations and submit to me all the notices required prior to Williams Four Corners submitting them to the public.

I will be contacting you on further inquires needed to complete the Technically Complete portion of the new discharge plan permit approval.

Thank you for your attention and have a nice day.

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: Deklau, Ingrid [Ingrid.Deklau@Williams.com]
Sent: Monday, November 05, 2007 10:03 AM
To: Lowe, Leonard, EMNRD
Cc: Harkins, Carol; Bays, David
Subject: GW-365 - photos of public notice postings
Attachments: Eul GW-365 - Other location - Both.JPG; Eul GW-365 - other location -English.JPG; Eul GW-365 - other location -spanish.JPG; Eul GW-365 - facility posting - both.JPG; Eul GW-365 - facility posting-English.JPG; Eul GW-365 - facility posting-Spanish.JPG

Leonard –

Attached are the photos of the public notice posting at the facility and one other location for Eul Canyon, GW-365.

The 'other location' in the photos was the Navajo City Gas Station/Restaurant, located between Bloomfield and Sims Mesa turn-off.

Williams has yet to receive the affidavits from the Farmington Daily Times – they ran on 10/28. We'll forward those when we get them.

Thanks,
Ingrid
801-583-3107

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