GW – 376

PERMITS, RENEWALS, & MODS Application

ACKNOWLEDGEMENT OF RECEIPT OF CHECK/CASH

I hereby acknowledge receipt of check No. _____ dated 6/17/08

or cash received on _____ in the amount of $ 1700 00

from Champion Technologies

for GW-376

Submitted by: Lawrence Romero Date: 6/26/08

Submitted to ASD by: Lawrence Romero Date: 6/26/08

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 _____

Lowe, Leonard, EMNRD

From: Johnson,Clint [Clint.Johnson@CHAMP-TECH.com]
Sent: Friday, June 20, 2008 9:10 AM
To: Lowe, Leonard, EMNRD
Subject: RE: GW-376, Discharge Plan

Mr. Leonard,

The check request and PO has been submitted. The check is supposed to go out either today or Monday with requests to be sent overnight to the New Mexico OCD. If they do not receive it, please let me know.

I know they tried to pay over the phone via credit card, but for some reason the transaction could not be completed; so they did a check request to our Accounts Payable department so the check could be cut.

Thanks Leonard,
Clint

From: Lowe, Leonard, EMNRD [mailto:Leonard.Lowe@state.nm.us]
Sent: Thursday, June 19, 2008 5:58 PM
To: Johnson,Clint
Subject: GW-376, Discharge Plan
Importance: High

Mr. Clint Johnson,

The OCD office received your signed DP permit on June 12, 2008. I was not here to receive it, the permit was on my desk. Did you send the $1700 facility fee along with the permit?

Let me know.

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/

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2008 JUN 12 PM 2 28

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 9, 2008

Clint Johnson
3200 SW Freeway, Suite 2700
Houston, TX 77027

Re: New Discharge Plan Permit
Aztec Oil and Gas Service facility (GW-376)
NW/4 NE/4 Section 2, Township 29 North, Range 12 West, NMPM,
San Juan County, New Mexico

Dear Mr. Jacobson:

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 **Champion Technologies** (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@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 and gas service company is $1700.00. Please submit this amount to the OCD. 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 May 9, 2013** 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 February, 2008 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.

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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 performed an onsite inspection of the facility on December 12, 2007. Reference all photos to attachment.

1. Photo One: Stack of empty barrels need to be placed on sufficient secondary containment.
2. Photo Two: Sump shall be properly managed refer to Condition 11 of permit conditions.
3. Photo Three: Large tanks appear empty will need to have proper secondary containment.

Champion Technologies shall address items 1 and 3 within **90 days**. Champion Technologies shall submit to the OCD a report with photographic records concerning these two items.

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."

Champion Technologies
Company Name-print name above

Clint Johnson
Company Representative- print name

R. Clint Johnson
Company Representative- Signature

Title Safety Team Leader

Date: 5/27/08

OCD Inspection Champion Technologies Aztec GW - 376

Inspectors: Brandon Powell and Leonard Lowe

Company Rep: Mr. Vaughn Campbell

Date: 12.20.07 Time: Morning

Photo 1: Empty barrels located at Southeast location on property. No secondary containment.

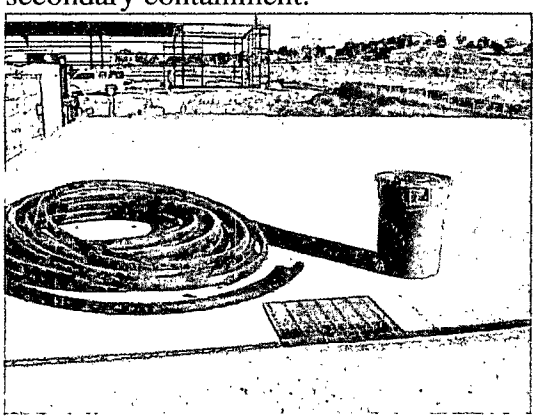

Photo 2: New secondary containment with sump drain.

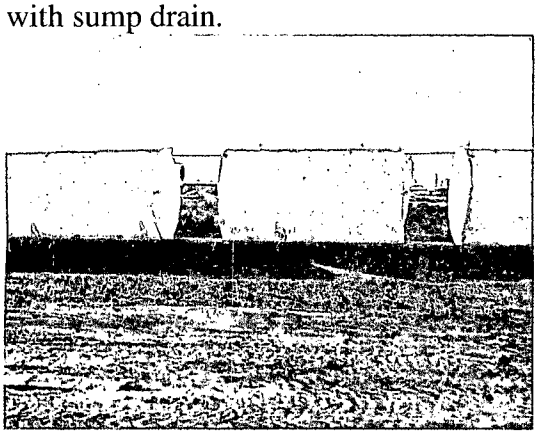

Photo 3: Large barrels without secondary containment.

Bill Richardson
Governor
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May 9, 2008

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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 Champion Technologies Aztec GW - 376

Inspectors: Brandon Powell and Leonard Lowe

Company Rep: Mr. Vaughn Campbell

Date: 12.20.07 Time: Morning

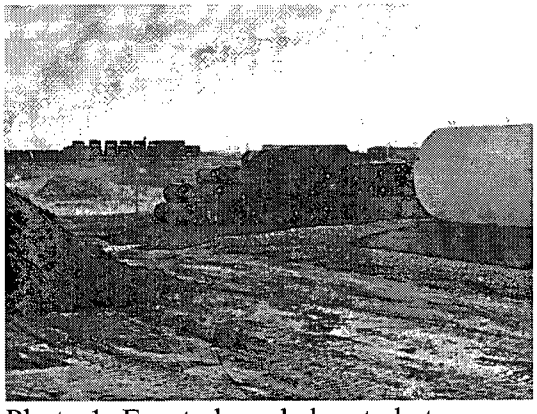


Photo 1: Empty barrels located at Southeast location on property. No secondary containment.

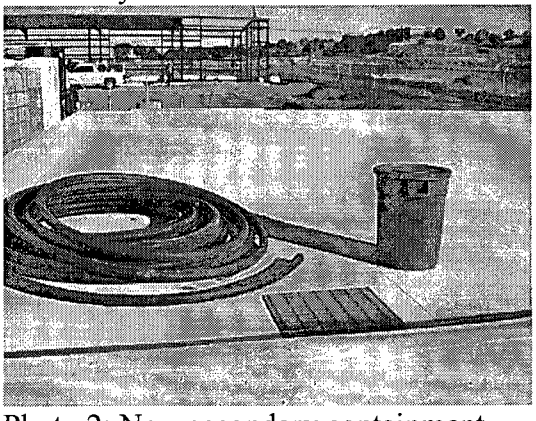


Photo 2: New secondary containment with sump drain.

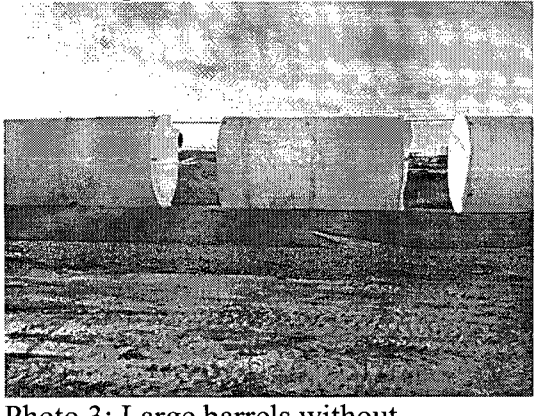


Photo 3: Large barrels without secondary containment.

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor
Joanna Prukop
Cabinet Secretary

Mark E. Fesmire, P.E.
Director
Oil Conservation Division

March 5th, 2008

Mr. Vaughn Campbell
40 County Road 3145
Aztec, New Mexico 87410

Re: New Discharge Plan Permit, GW-376
Champion Technologies
Aztec Oil and Gas Service Facility
San Juan County, New Mexico

Dear Mr. Campbell:

The New Mexico Oil Conservation Division (NMOCD) has received Champion Technologies request and initial fee, dated February 14th, 2008 for a new discharge plan for their Aztec Oil and Gas Service Facility located in the NW/4 NE/4 of Section 2, Township 29 North, Range 12 West, NMPM, San Juan County, New Mexico. The New Mexico Oil Conservation Division has designated this facility to be identified as GW – 376 for their discharge plan permit. The initial submittal and subsequent inquires have provided the required information in order to deem the application "administratively" complete.

Therefore, the New Mexico Water Quality Control Commission regulations (WQCC) notice requirements of 20.6.2.3108 NMAC for a new discharge plan must be satisfied and demonstrated to the NMOCD. Each public notice must be approved by the OCD prior to the applicant posting them to the public. 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.

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. On behalf of the staff of the NMOCD, I wish to thank you and your staff for your cooperation during this discharge permit review.

Sincerely,

Leonard R. Lowe
Environmental Engineer

LRL/lrl

xc: OCD District III Office, Aztec

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor
Joanna Prukop
Cabinet Secretary

Mark E. Fesmire, P.E.
Director
Oil Conservation Division

March 5th, 2008

Mr. Vaughn Campbell
40 County Road 3145
Aztec, New Mexico 87410

Re: New Discharge Plan Permit
Aztec Oil and Gas Service facility (GW-376) **DRAFT**
NW/4 NE/4 Section 2, Township 29 North, Range 12 West, NMPM,
San Juan County, New Mexico

Dear Mr. Campbell,

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 **Champion Technologies** (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 a compressor station with a horsepower rating zero to 1000 horsepower is $400.00. 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 Month, XX, 2013** 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 February, 2008 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 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:_____

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-376) Champion Technologies, # 40 County Road 3145, Aztec, New Mexico 87410, has submitted a request for a new discharge plan permit for their Aztec oil and gas field service facility, located in the NW/4 NE/4 of Section 2, Township 29 North, Range 12 West, NMPM, San Juan County, New Mexico, approximately half mile east of county road 3500, 2 miles southeast of the Animas River and 5.2 miles north of the San Juan river. Approximately 20,000 gallons of oil and 67,000 gallons of down-hole treatment chemicals will be stored onsite in tote drums and above ground storage tanks. These holding tanks shall be located on cemented bermed containment areas. Groundwater most likely to be affected by a spill, leak or accidental discharge is at a depth of approximately 150 feet, with a total dissolved solids concentration of approximately 1,000 – 4,000 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.

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, sirvase 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. Conservacio´n 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 5th day of March, 2008.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

S E A L

Mark Fesmire, Director

Lowe, Leonard, EMNRD

From: Campbell,Vaughn [Vaughn.Campbell@CHAMP-TECH.com]
Sent: Wednesday, February 20, 2008 3:54 PM
To: Schweigert,Stacee; Johnson,Clint; Lowe, Leonard, EMNRD
Subject: RE: GW-376, Champion Technologies Aztec

There are no wells within 1/4 mile of the Aztec facility. I checked extensively on the NM SEO site and the closest well is approximately one mile away at a lower elevation. No further information is provided by the SEO. My understanding of the rules was that the well had to be 1/4 mile or closer. Please correct me if I'm misinformed.

Thanks,

Vaughn Campbell
Sales Representative
Champion Technologies
505-860-5930

From: Schweigert,Stacee
Sent: Wed 2/20/2008 3:31 PM
To: Johnson,Clint; 'Lowe, Leonard, EMNRD'
Cc: Campbell,Vaughn
Subject: RE: GW-376, Champion Technologies Aztec

Leonard,

As discussed, I will provide you the depth to and total dissolved solids of the ground water most likely to be affected by Friday. If iWaters is not available by Friday, I will obtain an alternate resource for this information. Below is a response to your other questions:

1. Facility Description (minor modification from the SPCC plan to reflect onsite water based chemical storage) - The Aztec facility is a bulk distribution center (stores and distributes) for Champion Technologies water-based and oil-based chemicals used for down-hole treatment of oil and gas wells in New Mexico and surrounding area.

3. We anticipate using the Farmington Daily Times. I have confirmed that they have the capability to run the ad in English and Spanish, 48 hour lead time to run the ad, and are able to provide us an affidavit following the article running.

Please call me with any questions. Thanks!

Stacee Schweigert
Environmental Specialist
Champion Technologies
3200 Southwest Freeway, Suite 2700
Houston, Texas 77027
Office: 713-423-7905
Mobile: 713-705-6502
Fax: 713-423-7981

From: Johnson,Clint
Sent: Wednesday, February 20, 2008 3:08 PM
To: Lowe, Leonard, EMNRD
Cc: Campbell,Vaughn; Schweigert,Stacee
Subject: RE: GW-376, Champion Technologies Aztec

Mr. Leonard,

I have forwarded the information to our Environmental Specialist (Stacee Schweigert) to help and to ensure our facility descriptions match our other facilities and our SPCC program information. She has a couple of questions and will be contacting you shortly.

Thanks,
Clint

From: Lowe, Leonard, EMNRD [mailto:Leonard.Lowe@state.nm.us]
Sent: Wednesday, February 20, 2008 2:41 PM
To: Johnson,Clint
Cc: Campbell,Vaughn
Subject: RE: GW-376, Champion Technologies Aztec

Mr. Johnson,

Have you had a chance to review my questions below?

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/
"*If there is no such thing as a stupid question, what kind of questions do stupid people ask?*"

From: Lowe, Leonard, EMNRD
Sent: Friday, February 15, 2008 5:10 PM
To: 'Johnson,Clint'
Cc: 'Campbell,Vaughn'
Subject: GW-376, Champion Technologies Aztec

Mr. Clint Johnson,

A few questions on your submitted Discharge Plan application for the Aztec Champion Technologies facility located at # 40 County Road 3145, Aztec New Mexico.

1. What does this facility do? "*A brief description of the activities that produce the discharge described in the application*"
2. "*The depth to and the total dissolved solids concentrations of the ground water most likely to be affected by discharge*". Contact the State Engineers office for local well information in proximity of this facility.
3. What newspaper do you intend to publish your public notice in? See the attached document for public notice requirements.

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/

New Mexico Office of the State Engineer
POD Reports and Downloads

Township: 29N Range: 12W Sections: 2

NAD27 X: Y: Zone: Search Radius:

County: Basin: Number: Suffix:

Owner Name: (First) (Last) ○Non-Domestic ○Domestic
◉All

POD / Surface Data Report | Avg Depth to Water Report
Water Column Report

Clear Form | iWATERS Menu | Help

AVERAGE DEPTH OF WATER REPORT 02/21/2008

								(Depth Water in Feet)		
Bsn	Tws	Rng	Sec	Zone	X	Y	Wells	Min	Max	Avg
RG	29N	12W	02				2	40	40	40

Record Count: 2

Lowe, Leonard, EMNRD

From: Schweigert,Stacee [Stacee.Schweigert@CHAMP-TECH.com]
Sent: Thursday, February 21, 2008 4:37 PM
To: Lowe, Leonard, EMNRD
Cc: Johnson,Clint; Campbell,Vaughn
Subject: FW: GW-376, Champion Technologies Aztec
Attachments: WellAndSurfaceDispa.pdf

Leonard,

In my opinion the depth to Class I Groundwater (drinking water) would likely be encountered at between **150 and 200 feet bgs**. Below is a discussion on my rational:

> According to iWaters, there are two domestic water wells with an average depth to water of 40 ft bgs located within the same township and range as the Aztec facility. The New Mexico Groundwater Quality lists the depth to groundwater to be less than 200 feet (source: http://www.nmenv.state.nm.us/gwb/GWQ_Atlas/dtwmap.jpg).
>
> Aztec, New Mexico is located in in the San Juan Basin in the Uinta-Arimas aquifer which is one of four primary aquifers that make up the Colorado Plateaus Aquifers. The two wells identified in iWaters (see attached) would likely be considered perched aquifers and meet the criteria from the USGS description of the Uinta-Animas Aquifer:
> "Water-yielding units excluded from the principal aquifers can form aquifers of local importance, but these units either are not extensive enough or not productive enough to be considered as principal aquifers for the purposes of this Atlas. In general, these rocks are considered to be confining units containing minor water-yielding units." [source: (http://capp.water.usgs.gov/gwa/ch_c/C-text8.html]
>
> In addition, the San Juan basin in southwestern Colorado lists water wells used to supply water to rural communities (10 to 25 gallons per minute) has an average well depth of 178 ft bgs (http://geosurvey.state.co.us/wateratlas/chapter6_6page3.asp).
>
> When you look at all of these factors, I feel that a depth to groundwater of 150 feet is reasonable.

Total dissolved solids for the San Juan basin is not reported in iWaters. Other Discharge Plans in San Juan County ranged in the 1,000 to 4,000 mg/L range.

- TDS - 10,000 - 16,0000 mg/L (source: http://www.epa.gov/safewater/uic/pdfs/cbmstudy_attach_uic_attach01_sanjuan.pdf)
- TDS - 1,000 - 4,000 mg/L (source: http://capp.water.usgs.gov/gwa/ch_c/C-text8.html)
- While I did not find a New Mexico reference, generally Class I groundwater is considered to contain less than 3,000 mg/L TDS.

Please call me with any questions.

Stacee Schweigert
Environmental Specialist
Champion Technologies
3200 Southwest Freeway, Suite 2700
Houston, Texas 77027
Office: 713-423-7905
Mobile: 713-705-6502
Fax: 713-423-7981

From: Schweigert,Stacee
Sent: Wednesday, February 20, 2008 3:31 PM
To: Johnson,Clint; 'Lowe, Leonard, EMNRD'
Cc: Campbell,Vaughn
Subject: RE: GW-376, Champion Technologies Aztec

Leonard,

As discussed, I will provide you the depth to and total dissolved solids of the ground water most likely to be affected by Friday. If iWaters is not available by Friday, I will obtain an alternate resource for this information. Below is a response to your other questions:

1. Facility Description (minor modification from the SPCC plan to reflect onsite water based chemical storage) - The Aztec facility is a bulk distribution center (stores and distributes) for Champion Technologies water-based and oil-based chemicals used for down-hole treatment of oil and gas wells in New Mexico and surrounding area.

3. We anticipate using the Farmington Daily Times. I have confirmed that they have the capability to run the ad in English and Spanish, 48 hour lead time to run the ad, and are able to provide us an affidavit following the article running.

Please call me with any questions. Thanks!

Stacee Schweigert
Environmental Specialist
Champion Technologies
3200 Southwest Freeway, Suite 2700
Houston, Texas 77027
Office: 713-423-7905
Mobile: 713-705-6502
Fax: 713-423-7981

From: Johnson,Clint
Sent: Wednesday, February 20, 2008 3:08 PM
To: Lowe, Leonard, EMNRD
Cc: Campbell,Vaughn; Schweigert,Stacee
Subject: RE: GW-376, Champion Technologies Aztec

Mr. Leonard,

I have forwarded the information to our Environmental Specialist (Stacee Schweigert) to help and to ensure our facility descriptions match our other facilities and our SPCC program information. She has a couple of questions and will be contacting you shortly.

Thanks,
Clint

From: Lowe, Leonard, EMNRD [mailto:Leonard.Lowe@state.nm.us]
Sent: Wednesday, February 20, 2008 2:41 PM
To: Johnson,Clint
Cc: Campbell,Vaughn
Subject: RE: GW-376, Champion Technologies Aztec

Mr. Johnson,

Have you had a chance to review my questions below?

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/
"If there is no such thing as a stupid question, what kind of questions do stupid people ask?"

From: Lowe, Leonard, EMNRD
Sent: Friday, February 15, 2008 5:10 PM
To: 'Johnson,Clint'
Cc: 'Campbell,Vaughn'
Subject: GW-376, Champion Technologies Aztec

Mr. Clint Johnson,

A few questions on your submitted Discharge Plan application for the Aztec Champion Technologies facility located at # 40 County Road 3145, Aztec New Mexico.

1. What does this facility do? "*A brief description of the activities that produce the discharge described in the application*"
2. "*The depth to and the total dissolved solids concentrations of the ground water most likely to be affected by discharge*". Contact the State Engineers office for local well information in proximity of this facility.
3. What newspaper do you intend to publish your public notice in? See the attached document for public notice requirements.

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/

ACKNOWLEDGEMENT OF RECEIPT OF CHECK/CASH

I hereby acknowledge receipt of check No. _____ dated 2/14/08

or cash received on _____ in the amount of $ 100 00

from Champion Technologies Inc

for GW-376

Submitted by: Lawrence Romero Date: 2/18/08

Submitted to ASD by: Lawrence Romero Date: 2/18/08

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 _____

Letter of Transmittal

Champion Technologies

Date: February 14, 2008

To: 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

From: Stacee Schweigert
Environmental Specialist
Champion Technologies
3200 Southwest Freeway, Suite 2700
Houston, Texas 77027

Dear Leonard Lowe,

Enclosed please find an original and one copy of the Oil Discharge Plan for Champion Technologies Aztec facility. Also enclosed is a check for $100 for the filing fee. If you have any questions, please contact me at 713-423-7905.

Thanks!

Stacee Schweigert

District I
1625 N. French Dr., Aztec, 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
State of New Mexico
Energy Minerals and Natural Resources

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Revised June 10, 2003

Submit Original
Plus 1 Copy
to Santa Fe
1 Copy to Appropriate
District Office

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

☒ **New** ☐ Renewal ☐ Modification

1. Type: Oilfield Chemical Distribution Site

2. Operator: Champion Technologies

   Address: #40 County Road 3145 Aztec, New Mexico 87410

   Contact Person: Vaughn Campbell Phone: (505) 334-8530 office or (505) 860-5930 cell

3. Location: NW/4 NE/4 Section 2 Township 29N Range 12W
   Submit large-scale topographic map showing exact location.

4. Attach the name, telephone number and address of the landowner of the facility site. (See write-up).

5. Attach the description of the facility with a diagram indicating location of fences, pits, dikes and tanks on the facility. (See write-up).

6. Attach a description of all materials stored or used at the facility. (See write-up).

7. Attach a description of present sources of effluent and waste solids. Average quality and daily volume of wastewater must be included. (See write-up).

8. Attach a description of current liquid and solid waste collection/treatment/disposal procedures. (See write-up).

9. Attach a description of proposed modifications to existing collection/treatment/disposal systems. (Does not apply to this facility).

10. Attach a routine inspection and maintenance plan to ensure permit compliance. (See write-up).

11. Attach a contingency plan for reporting and clean up of spills or releases. (See write-up).

12. Attach geological/hydrological information for the facility. Depth to and quality of ground water must be included. (Does not apply to this facility).

13. Attach a facility closure plan, and other information as are necessary to demonstrate compliance with any other OCD rules, regulations and/or orders. (See write-up).

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: Clint Johnson Title: Safety Supervisor
Signature: R. Clint Johnson Date: 2/14/08

C:\Documents and Settings\stacees.CTI\My Documents\Y Drive Feb 1\ABU - NOT SPCC\Mid - Clint\Aztec\AztecDischargePlan.doc

E-mail Address: clint.Johnson@champ-tech.com

LANDOWNER ADDRESS
(SECTION 4)

Champion Technologies, Owns 2.44 acres at #40 County Road 3145 Aztec, NM 87410

Local:
Address: Champion Technologies
#40 County Road 3145
Aztec, New Mexico 87410
Telephone 505-334-8530

Corporate:
Address: Champion Technologies
3200 S.W. Freeway, Suite 2700
Houston, Texas, 77027
Telephone 713-627-3303

SITE PLAN
(SECTION 5)

CHAMPION TECHNOLOGIES, INC.
AZTEC, N.M.

The Champion Technologies, Facility, is located at #40 County Road 3145 Aztec, New Mexico 87410. Champion owns 2.44 acres at this location. Champion Technologies stores chemicals on approximately 7600 square feet of the 2.44 acres.

A chain link fence surrounds the Champion Technologies facility. All chemicals are stored in steel or poly drums and bulk storage tanks. All containers are stored within one of two concrete secondary containment structures: drum storage pad or bulk storage tank area.

There is also some secondary containment which is steel trays. There are also empty bulk tanks in the storage area, which only contain chemical when set up out on an oil lease.

PRODUCTION CHEMICALS STORED AT THE FACILITY (SECTION 6)

Champion produces twelve general product lines and uses fives raw materials (xylenes, HAN, methanol, IPA, and KCL water). While the quantity of each product line and/or stored at the Aztec facility varies depending on client need, onsite containers of drums, totes, or tanks will contain either one of Champion's product lines or raw material. A list of these product lines and their general composition is provided below:

Surfatrons	Surfatrons are specialty surfactants consisting of various products chosen to enhance wetting, or emulsify, or disperse oil, water, or solids. They have a wide array of capabilities including cleaning paraffin, preventing swelling of water-sensitive clays, surfactant flooding, cleaning, preventing emulsions, etc.
Cortrons:	Corrosion inhibitors for the oilfield that normally consist of Imadazolines, amines, fatty acids, and various organic solvents. Sometimes the solvent is water. The organic solvents are usually mixed alcohols or heavy aromatic naphthas.
Scortrons:	Combination scale and corrosion inhibitors that normally consist of the same things found in corrosion with the addition of phosphonates, amides, and bisulfites.
Gyptrons:	Scale treating compounds for the oilfield that are used either to prevent scale from forming or removing it. This line normally consists of products based on water soluble phosphonates either in the neutralized or unneutralized form.
Emulsotrons:	Chemicals for treating oilfield oil and water emulsions will normally consist of surfactants in an organic solvent such as heavy aromatic naphtha.
Flexoils:	Paraffin treating compounds for the oilfield. Normally consists of high molecular weight polymers in an organic solvent such as xylene, toluene, or heavy aromatic naphtha.
Flotrons:	Paraffin treating compounds for the oilfield that generally consist of surfactants in either aqueous or organic solvent. Solvents for organic blends are heavy aromatic naphtha or xylene, etc. Aqueous blends consist of water, methanol, or isopropanol as the solvent system.
Gas Treat:	Amine based chemicals for treating sour gas.
Foamatrons:	Blends much like Surfatrons chemistry.
Defoamers:	Organic solvent based chemicals for preventing or removing foam problems in the oilfield.
Bactrons:	Bactericides for treating oilfield corrosion problems. These normally consist of Alde Hyde or quaternary amine chemistry.
Cleartrons:	Used for water clarification in the oilfield to remove residual amounts of oil from water. These chemicals normally consist of polymers in an aqueous solvent system.
Xylene & Han:	Oil base hydrocarbons used as solvents in oilfield chemical treatment mixtures.
Methanol & IPA:	Alcohol used as solvents in oilfield treatment mixtures.
KCL Water:	Type of Brine Water.

Bulk Tank Storage

At the time this plan was submitted, January 2008, the facility is under construction. It is anticipated that the facility will store water based products from the Champion Product in eight 6,250 gallon poly aboveground storage tanks. When the tanks are installed, they will reside within a concrete secondary containment structure which exceeds the New Mexico required secondary containment capacity of 133% of the largest tank (see attached calculation).

Portable Container Storage

Champion will also store both Champion Products and raw materials within portable containers including 55-gallon drums and tote tanks (330 gallon and 550 gallon). All portable containers will be stored within the drum storage area. The drum storage area has a concrete floor and 4 inch concrete curbing which is more than sufficient to contain a catastrophic release from a 550 gallon tote tank. No portable containers will be stored within 3 feet of the curb to allow for splash in the event of a catastrophic failure. Below is a summary of containers stored onsite in January 2008. Products listed below that have zero gallons in inventory in January are anticipated products that will be stored and distributed from the Aztec facility.

Drum / Tote Storage January 2008		
PRODUCT	**Gallons in drums**	**Gallons in portable totes**
Ambitrol FI 50	50	--
Ambitrol NTF 50	440	210
Ammonium Bisulfide	85	--
Bactron K-103	440	--
Bactron K-31 W	7095	--
Bactron K-87	1595	2795
Cortron R-2264	605	--
Cortron R-2389	1790	--
Cortron R-2498	55	--
Cortron RN-193	--	--
Cortron RN-219	880	--
Cortron RN-234	4288	--
Cortron RPA-804	880	--
Cortron RU-206	55	--
Diesel	--	300
Emulsotron X-798B5	--	--
Emulsotron X-839	460	--
Emulsotron X-965	1045	--
Flexoil FM-116	1365	--
Flotron M-136	2255	--
Flotron M-154	385	--
Flotron M-25	555	--
Flotron M-45	1457	--
Foamatron V-41	1890	--
Foamatron V-89	2645	--
Gas Treat 157	--	2395
Gyptron T-106	4785	--
Gyptron T-114	405	--
Gyptron T-164	1855	--

Drum / Tote Storage January 2008		
PRODUCT	**Gallons in drums**	**Gallons in portable totes**
Gyptron T-357	605	--
Gyptron TSD	715	--
Isopropyl Alcohol	330	--
Methanol	128	750
Scortron GR-103	5795	--
Scortron GR-150	780	--
Surfatron 613	770	--
Surfatron DN-100	6345	--
Surfatron DN-92	7060	--
Xylene	165	--

EFFLUENT AND WASTE SOLIDS (Section 7)

Effluent

Municipal solid waste (office trash) is handled via Waste Management. At the time this plan was submitted the septic system has not been installed. When installed, the necessary permits will be filled and submitted to New Mexico. The installed septic system will meet 20.7.3 New Mexico Administrative Code Table 20.1 design flow rate requirements for a commercial facility with an office

The facility does not have nor is anticipated to have an onsite wastewater treatment system. Vehicles are washed offsite at a local vendor's location and not at the facility. Vehicle maintenance is also performed by an offsite vendor at their location.

Waste Solids

The Aztec facility is currently under construction. It is anticipated that the site would be a conditionally exempt small quantity generator (CESQG). All media that may come in contact with chemicals is evaluated to determine if it is hazardous or non-hazardous. Below is a listing of anticipated waste streams:

A. Accumulated Storm Water/Snow Melt Within Secondary Containment (bulk storage area or drum storage area)

Aztec, New Mexico is located in an arid climate with an average annual precipitation of 8.0inches according to the National Weather Service (http://www.wrcc.dri.edu/cgi-bin/cliMAIN.pl?nm3134). Aztec, New Mexico is located in the Northwest Plateau region with an estimated 25 year, 24 hours storm event of 1.92 inches for the region (http://hdsc.nws.noaa.gov/hdsc/pfds/sa/nm_pfds.html).

Due to the arid climate, storm events generally have a limited amount of accumulation and accumulated storm water and/or snowmelt quickly evaporates. None of the secondary containment areas are equipped with drains. Each of the secondary containment structures would require that accumulated storm water and/or snowmelt be pumped out manually. If accumulated precipitation would need to be pumped out, the facility would follow the procedure specified in the attached SPCC.

B. Absorbents
Storage Location – Drum/Tote Storage Area (concrete pad with curbing)
Storage Container – Drum
If a spills or a leak occurs, it may be cleaned up with the use of absorbents. Several absorbents are stored onsite in the Spill Kit as a contingency measure. Once the absorbents are used, they are stored

on-site in a closed, labeled container (designated 55-gallon drum). Once the container is full, the absorbents are characterized and transported by Univar to an approved TSDF location. The quantity of absorbents averages less than one drum per year. Spills are managed in accordance to procedures described in the Spill Prevention, Control and Countermeasure (SPCC) Plan. A copy of the SPCC Plan is included as Appendix A.

C. Empty Drums
Storage Location – South of both of the Bulk Storage Tank areas
During facility operations, drums are used to transport products to several clients in the surrounding area. When drums are empty, they are returned to the facility. If necessary, the facility may suck out remaining product into another drum (see waste stream F) to achieve the empty container requirement of less than one inch remaining in a drum, per Resource Conservation and Recover Act (RCRA). These drums are then picked up by West Texas Drums for recycling.

NOTE: empty drums are considered to be RCRA empty and therefore are not considered to be hazardous material

D. Residual Products
Storage Location – Drum/Tote Storage Area (concrete pad with curbing)
Storage Container – Drum or Tote

Residual products may be generated when empty drums return from the field and do not meet the requirements set forth by RCRA for an empty drum (see waste stream E – empty drums). These drums are pumped out manually and the residual products are placed within a labeled 55-gallon drum. Generally the quantity removed is less than ½ gallon. Based upon product knowledge, the residuals from Champion Products are compatible and are combined.

The Aztec facility generates less than 2 drums on average per year of this material. When the facility has accumulated one drum, Champion personnel contact Univar, a hazardous waste broker, to assist with the characterization and disposal of this waste. The residual product drum is labeled as hazardous waste and is stored within secondary containment.

E. Off Specification and Obsolete Products
Storage Location – Drum/Tote Storage Area (concrete pad with curbing)
Storage Container – Drum or Tote

Occasionally some products may be off-specification or become obsolete. These products are evaluated to determine if they can be reused at another facility or as part of another finished product. The Aztec facility generates less than 2 drums on average per year of this material. When the facility has accumulated one drum, Champion personnel contact Univar, a hazardous waste broker, to assist with the characterization and disposal of this waste. The residual product drum is labeled as hazardous waste and is stored within secondary containment.

CURRENT LIQUID AND SOLID WASTE COLLECTION/TREATMENT/DISPOSAL PROCEDURES (Section 8)

A – Summary Information: See response from Section #7 and facility maps provided in SPCC

B – Collection and Storage Systems

The Aztec facility was designed to store eight 6,250 gallon poly aboveground storage tanks (ASTs), one drum/tote storage area, warehouse, and office. The bulk storage tank area has sufficient secondary containment to exceed the New Mexico Discharge Plan requirement of 133% containment of the largest tank (see attached calculation).

The Bulk Tank Storage Area is designed to contain 8 ASTs with secondary containment consisting of a 40 ft x 100 ft concrete pad with 1.5 foot concrete dike wall. Drums and totes are stored within the Drum/Tote Storage Area. Drum/Tote Storage Area has a 40 ft x 40 ft concrete floor and with 4 in surround curbing. Drums with low viscosity may be stored within the warehouse during winter months to ensure that when delivered the product is pumpable. There are no shop floor drains located within the warehouse.

All tanks and lines are aboveground.

C – Existing Effluent and Solids Disposal

Aztec, New Mexico facility does not dispose of any waste on-site. Aztec does not have an onsite wastewater treatment facility, oil skimmer pits, emergency pits, shop floor drains, sumps, etc. A full discussion on domestic sewage and the septic system at Aztec is provided in Section 7. Champion Technologies has contracted Univar, a waste broker, to assist with characterization, transport, and disposal of all non-hazardous and hazardous material. Based upon the materials characterization, Univar will arrange for disposal at an approved disposal location.

A 34 ft x 34 ft x 3ft retention pond is located on site as discussed in Section 9.

The contact information for Univar is provided below.
Univar USA
311 S Lark Avenue
Odessa, Texas 79762
(432) 366-3243

EXISTING COLLECTION/TREATMENT/DISPOSAL SYSTEMS (Section 9)

The bulk storage tank area and the drum/tote storage area is equipped with sufficient secondary containment to exceed the New Mexico Discharge Plan requirement of 133% containment of the largest container (included in attached SPCC Plan). The facility does have an onsite 34 ft x 34 ft x 3ft unlined retention pond to capture surface runoff.

A full discussion on domestic sewage and the septic system at Aztec is provided in Section 7.

ROUTINE INSPECTION AND MAINTENANCE PLAN (Section 10)

Bulk Tank Area: The bulk tank area is inspected on a daily basis with a detailed written inspection performed weekly. Tanks are stored within sufficient secondary containment to contain more than 133% of the largest tank volume so that in event of a leak or catastrophic failure, the containment area will hold the spill until it can be pumped into another vessel in the containment area.

Drum and Tote Storage Area: The drum and tote area is visually inspected on a daily basis with a detailed written inspection performed weekly. All drums and totes are stored in a secondary containment, structure. Should a leak be detected in a drum or a tote, the chemical will be transferred into another drum or tote. All leaks will be reported immediately to the Emergency Coordinator. Drums and totes will also be checked daily for weak spots (rusted areas) or for the possibility of leaking.

Important Note: Empty drums are set on their sides with bungs tightly in place so that all bungs are parallel to the ground and not perpendicular. This is done to prevent any possible leakage from an "empty" container. Drum recyclers pick up empty drums on a routine basis.

SPILL/LEAK PREVENTION AND REPORTING PROCEDURES
CONTINGENCY PLAN
(Section 11)

See Attached SPCC Plan for details.

Aztec, NEW MEXICO **#40 County Road 3145, District 21** **(505) 334-8530**	
EMERGENCY NUMBER Request for Fire, Sheriff, and Paramedics	**911**
LEPC San Juan County P.O. Box 227 Waterflow, NM 87421	**(505) 599-1430**
FIRE DEPARTMENT	**911**
HOSPITAL San Juan Regional Medical Center 801 West Maple Farmington, NM 87401	**(505) 325-5011**
NATIONAL RESPONSE CENTER	**(800) 424-8802**
CHEMTREC	**(800) 424-9300**
CHEMICAL REFERRAL CENTER	**(800) 262-8200**
PLANT/DISTRICT CONTACTS Vaughn Campbell # 18 Road 3179 Aztec, NM 87410	**Office: (505) 334-8530** **Cell: (505) 860-5930**
SUGGESTED LOCAL NUMBERS Vacuum Truck: Sunco Trucking 708 S. Tucker Farmington, Nm 87401 Wrecker: Mr. G. Inc. 1320 W. Murray Drive Farmington, NM 87401	**(505) 327-0416** **(505) 325-0669**

MISCELLANEOUS SITE INFORMATION
(Section 12 & 13)

Domestic water at the present site is supplied through a New Mexico Rural Water Association. Well water is not used as the water source. There are no major water bodies in the area. Storm water is directed via facility grading to the onsite retention pond The facility area is not known for flooding.

Geological/hydrological data for the facility would have to be provided by the State.

There are no water wells within ¼ mile of the Champion Technologies site. No further information is provided on the SEO'S website for Section 12.

CHAMPION TECHNOLOGIES™

SPILL PREVENTION, CONTROL AND COUNTERMEASURE (SPCC) PLAN

MID-CONTINENT REGION
VERNAL DISTRICT
AZTEC, NEW MEXICO DISTRIBUTION FACILITY

Prepared by:

HSE Department
Champion Technologies, Inc.
Suite 2700
3200 Southwest Freeway
Houston, Texas 77027

February 14, 2008

Executive Summary

- This facility is a bulk distribution center for oil-based chemicals and oils used for down-hole treatment of oil and gas wells in New Mexico (see Figures 1 & 2). Total oil storage on the site is anticipated to be less than 20,000 gallons at any given time; (see Table 3 and Appendix K). A schematic diagram of the site layout is given in Figure 3 and 4.

- The oil-based chemicals and oils stored at this facility are generally hazardous in nature. Consult Champion's MSDS sheets (maintained in the facility office) and safe product handling procedures (referenced in Appendix B of this document) for critical information necessary for the protection of worker health and safety.

- Key operational components of this SPCC Plan include the following:
    - **Employees are to be trained in the proper and safe handling of the oils and oil-based chemicals handled and stored at this facility.** This training is to occur prior to facility entry for new employees and on an annual basis for existing employees. Records of this training are to be kept onsite.
    - **Employees are to receive training with respect to this SPCC plan.** This training is to occur prior to facility entry for new employees and on an annual basis for existing employees. Records of this training are to be kept onsite.
    - Site security is facilitated through access control (fencing and gates) and lighting. These measures are to be inspected on an on-going basis as part of routine work procedures.
    - Facilities and tanks are to be visually inspected on a weekly basis with a more detailed inspection performed annually. Records of these inspections are kept on file at the Aztec facility's filing area for a minimum of three years.
    - Polytanks of 500 gallon capacity or greater will be tested via hydro testing, dye-penetration, or hammer test by a qualified professional on at least a 10 year frequency. A general procedure for hydro testing is provided in Appendix J.
    - Uncontaminated rainwater which has accumulated within secondary containment structures (berms) may be drained from the facilities. Records of these drainage events must be recorded on the form provided in this SPCC plan. The records will be maintained onsite for a minimum of three years.
    - **Spills and contaminated rainwater are to be treated with the utmost regard for human health and safety**, following the spill response procedures given in Appendix F.

SPCC Plan Outline

Figures

Tables

1.0 Purpose and Scope of SPCC Plan

The purpose of an SPCC plan is to protect "navigable waters of the United States" from oil spills per U.S. Environmental Protection Agency rules (40 CFR 112) under the "Clean Water Act". These rules establish requirements for contingency planning, implementation of operating procedures, and best management practices to prevent and control the discharge of oil to these surface waters. It is generally understood that SPCC regulations apply to "surface" water contamination, where the movement of spilled oil to the receiving body of water is typically rapid. A central feature of SPCC plans is thus to provide sufficient "secondary containment" to contain and to prevent spills from reaching navigable waters before effective response actions can be taken.

In contrast, the spillage of oil and the resulting potential contamination of groundwater is typically a slow process. The protection of groundwater resources is generally covered under a separate authority such as the Resource Conservation and Recovery Act (RCRA) or The Comprehensive Environmental Response and Liability Act (CERCLA) and is not addressed in this plan.

The scope of an SPCC plan must therefore address the potential for spilled oil to reach navigable (surface) waters of the United States. Measures intended to protect soils and groundwater are not the subject of SPCC regulations (excepting, perhaps, where the pathway of travel from the surface, through the groundwater to the navigable water is short and the rate of oil movement is rapid). Thus, some flexibility is afforded as to the means of secondary containment specified in an SPCC plan.

2.0 Facility Description and Operations Summary

This facility is a bulk distribution center for oils and oil-based chemicals (subsequently referred to as "oil" or "oils") used for down-hole treatment of oil and gas wells in New Mexico. The Aztec Facility is located at #40 County Road 3145, Aztec, New Mexico 87410; (see Figures 1 & 2, below). This facility receives, stores, and distributes blended oil-based chemicals for servicing oil and gas wells. The Aztec facility opened in 2008.

Champion Technologies' headquarters is located at 3200 Southwest Freeway, Suite 2700, Houston, Texas 77027.

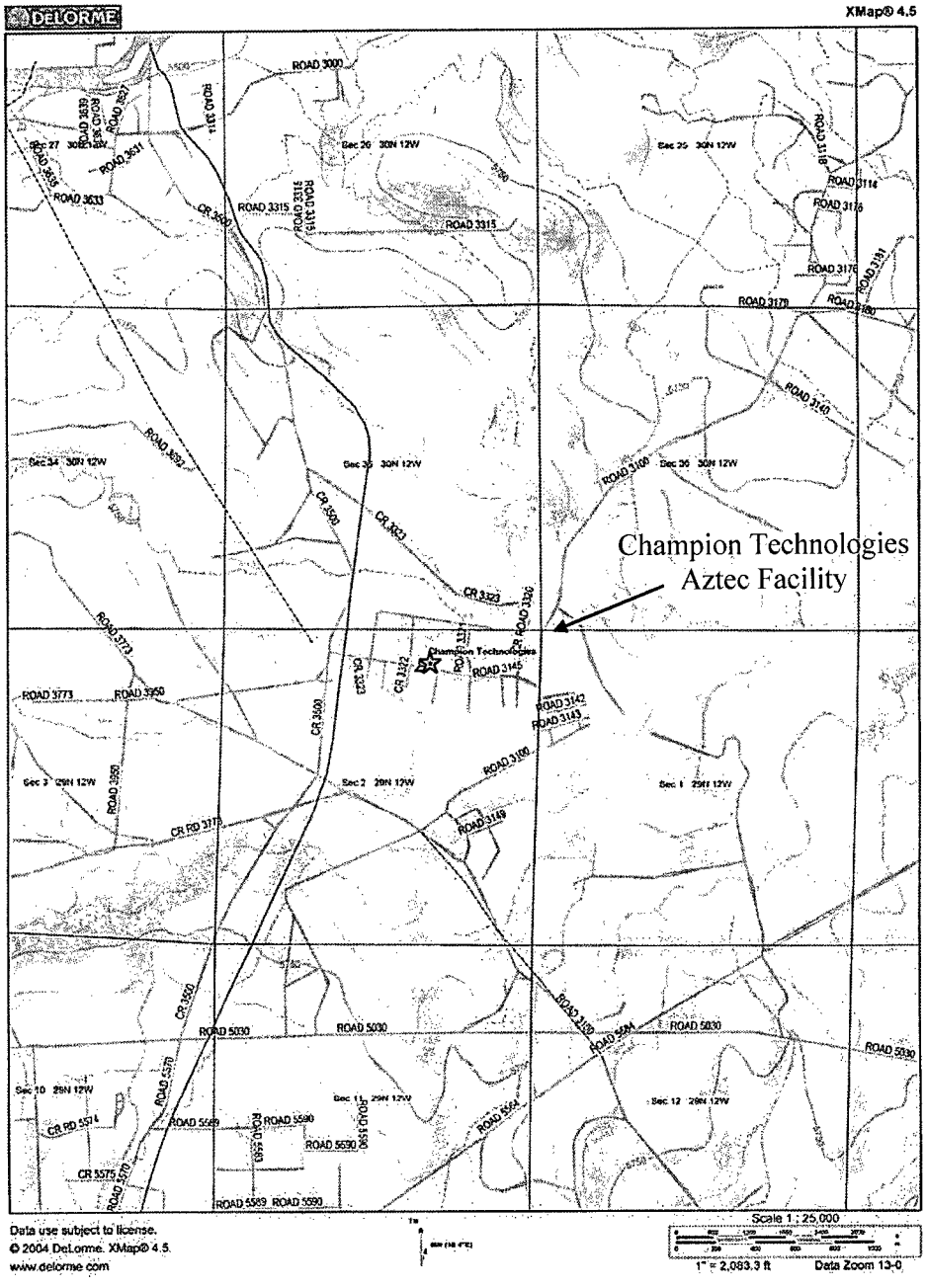


Figure 1: Site Vicinity Map

3.0 SPCC Applicability Determination

Quoting from the regulation,

"Before a facility is subject to the SPCC rule, it must meet three criteria:

1. it must be non-transportation related;
2. it must have an aggregate aboveground oil storage capacity greater than 1,320 gallons or a completely buried oil storage capacity greater than 42,000 gallons; and
3. there must be a reasonable expectation of a discharge into or upon navigable waters of the United States or adjoining shorelines".

Champion's Aztec distribution center meets the first two criteria. A retention pond is located onsite and was built to capture the additional rainfall for a 100 year 24 hour storm event that would be expected from developing the property (ie. impervious areas including concrete secondary containment structures and warehouse/office). It is expected that this retention pond would capture the majority of any release onsite. However, under a worse case scenario, the retention pond would be full and the spill would likely follow storm water flow at the facility and the surrounding topographic gradient. A release would travel north along Country Road 3322 before intersecting with Country Road 350 where it would be captured by a second retention pond designed to contain a release from the industrial park.

Closest Surface Water: Onsite Retention Pond and 0.75 mile offsite retention pond

Direction: Northwest

Distance: 0.75 miles

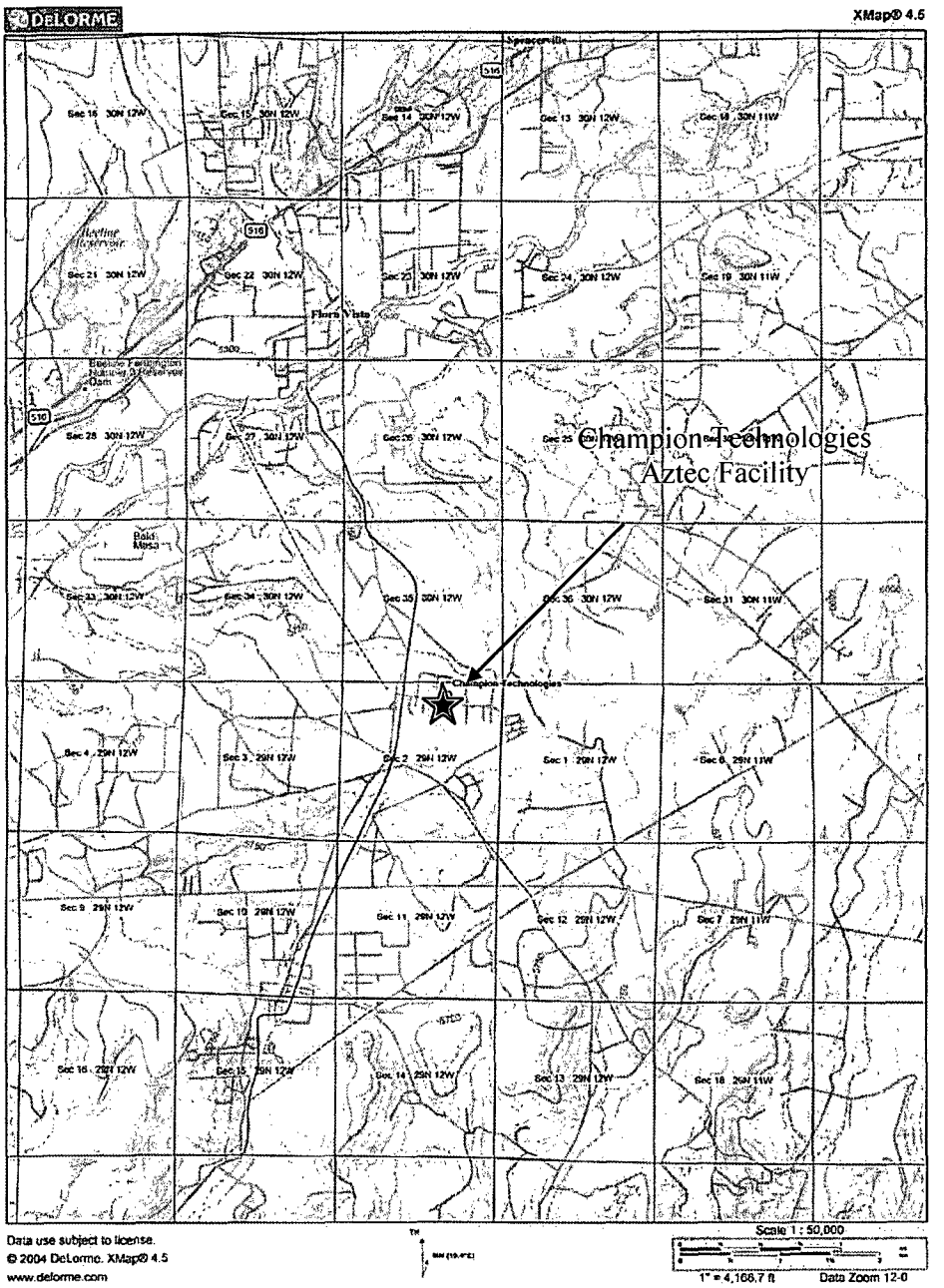


Figure 2: Off-Site Water Drainage

4.0 Oil Storage Facilities

The SPCC Rule applies to facilities with the potential to discharge "oil" in quantities that may be harmful to navigable waters and/or adjoining shorelines. Oil is defined by the SPCC Rule, 40 CFR §112.2 as:

> Oil means oil of any kind or in any form, including, but not limited to: fats, oils, or greases of animal, fish, or marine mammal origin; vegetable oils, including oils from seeds, nuts, fruits, or kernels; and, other oils and greases, including petroleum, fuel oil, sludge, synthetic oils, mineral oils, oil refuse, or oil mixed with wastes other than dredged spoil.

A list of substances which are considered to meet the definition of oil according to the U.S. Coast Guard is available at http://www.uscg.mil/vrp/faq/oil.shtml. Per EPA guidance, Champion Technologies has chosen to classify products that are oil soluble as an oil in addition to those oils listed specifically in 40 CFR §112.2 and on the Coast Guard's list.

The SPCC Rule applies to a facility that has more than 1,320 gallons of aggregate aboveground oil storage capacity or more than 42,000 gallons of completely buried oil storage capacity. When determining oil storage capacity, all containers of oil with a capacity of 55 gallons or greater must be included in the calculation. A list of all tanks with their contents, storage capacity, and applicability to the SPCC Rule is provided in Table 2. A general description of the type of products stored onsite is provided in Table 1. Since the Aztec facility is new, the January 2008 inventory of material stored in drums/totes is provided in Appendix K.

A site map of the facility and a tank storage map are provided in Figures 3 and 4. Photographs of the operational areas of the facility are presented in Figures 5 through 7. A list of tanks and their contents is provided in Table 2. All chemicals stored in containers are stored within secondary containment. Portable containers (less than 550 gallons) are predominately stored on the drum storage area however during cold months drums with low viscosity may be stored within the warehouse.

Figure 3: CHAMPION TECHNOLOGIES
Aztec, New Mexico Distribution Facility

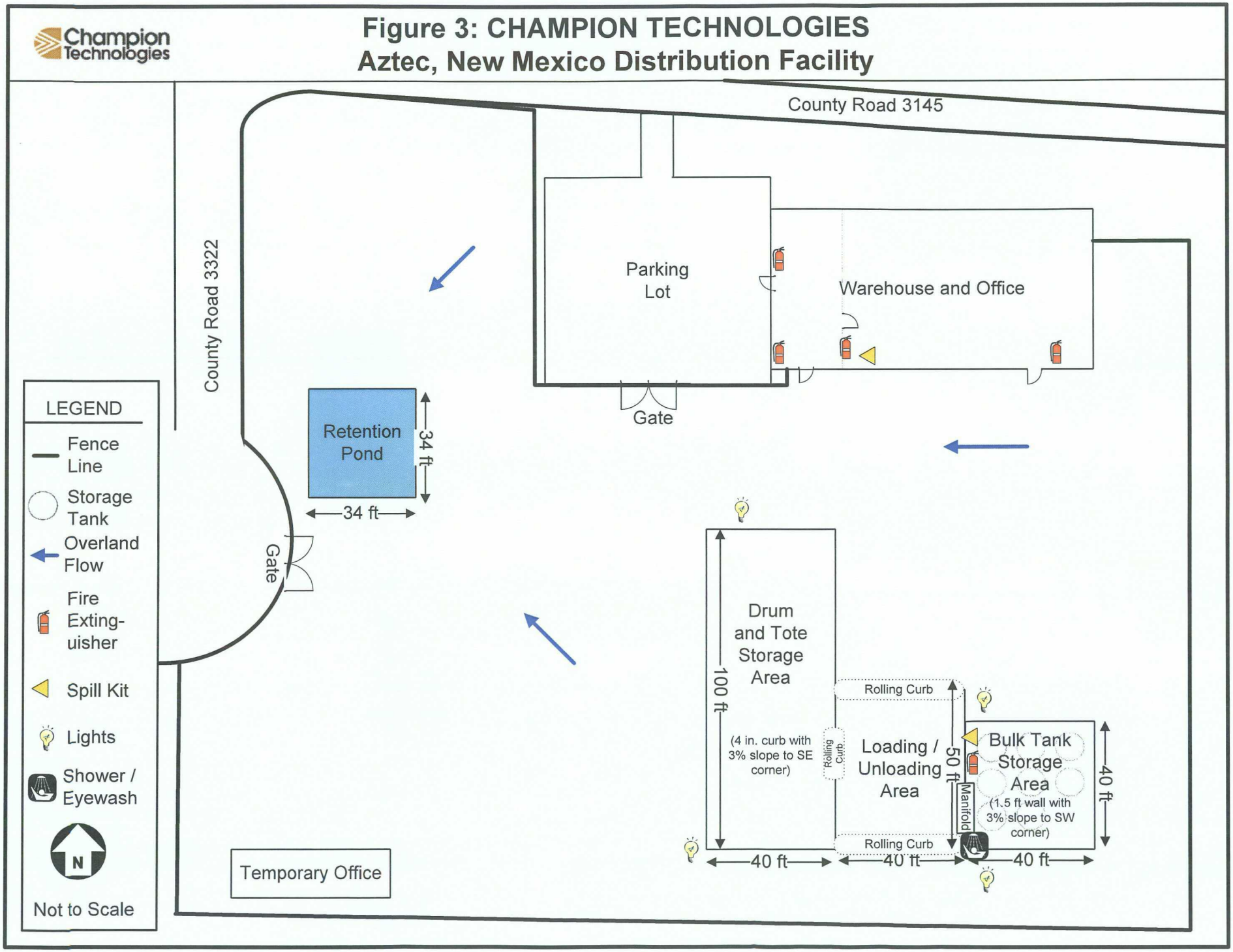


Figure 4: CHAMPION TECHNOLOGIES
Aztec, New Mexico Distribution Facility
Tank Storage Map

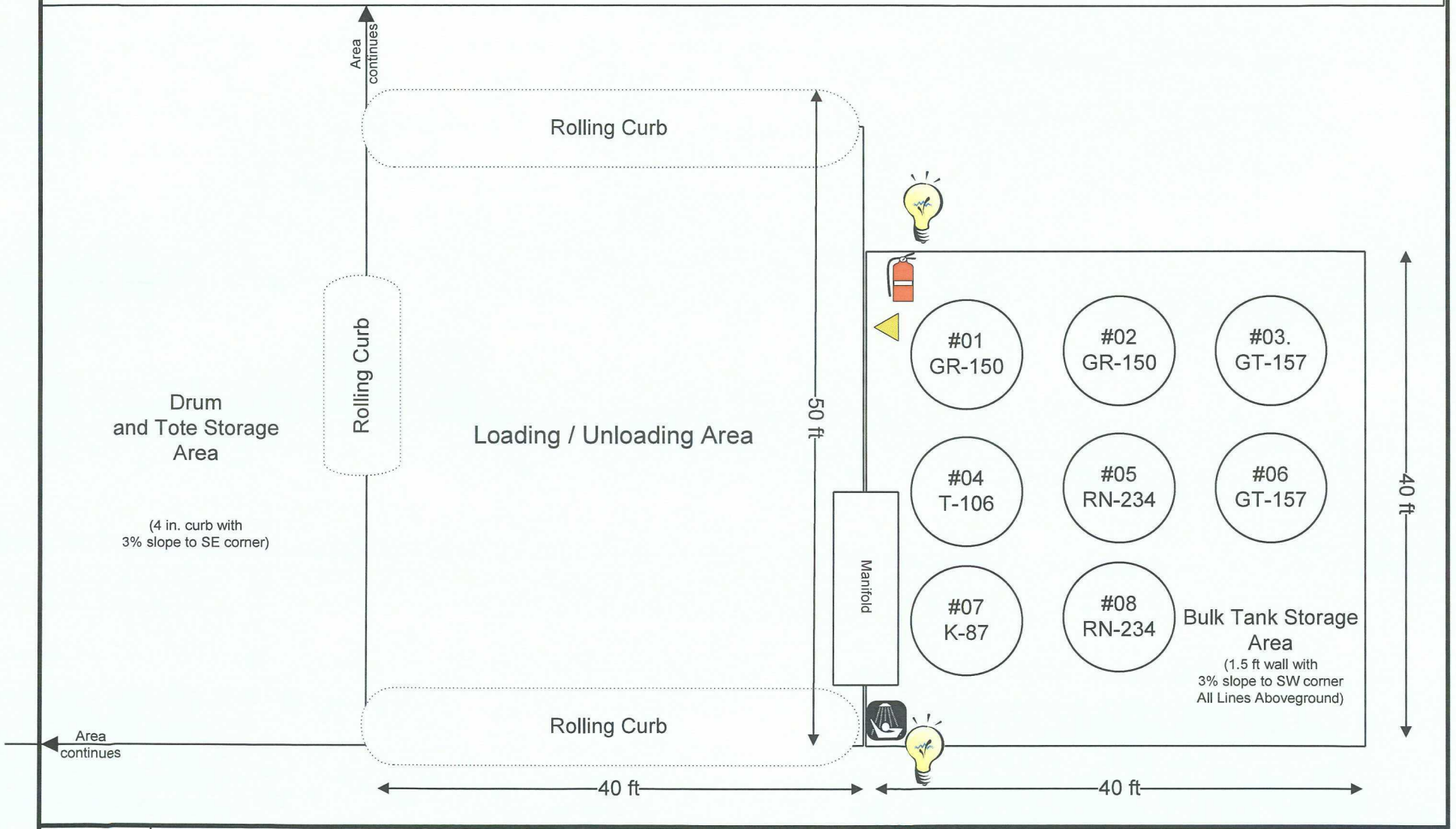


Figure 5: Photo: Aztec Warehouse and Drum Storage

5.0 Potential for Spillage and Secondary Containment

The Aztec facility encompasses an area of approximately 2.4 acres. The Aztec facility consists of one warehouse/office area, one drum storage area, and concrete secondary containment structure for bulk tank storage tanks and associated loading area. Below is a discussion on each of these areas with respect to secondary containment. Procedures utilized to transfer oils are provided in Appendix B.

The Aztec facility stores chemical in both drums and in bulk storage tanks. No oil based chemicals are stored within bulk storage tanks. Based upon the January 2008 inventory report, the Aztec facility stores the following:

	Drum / Tote (gal)		**AST[1] (gal)**		**Total (gal)**	
	Total Chemical	Oil Storage	Total Chemical	Oil Storage	Total Chemical	**Oil Storage**
Jan.2008 Storage[2]	66,293	17,675	50,000	0	116,293	**17,675**

[1] AST – Aboveground Storage Tanks; Assumption is tanks are filled to capacity for maximum storage.

[2] Facility designed to exceed SPCC regulations

5.1 Warehouse and Portable Container Storage Area

Portable containers including drums and tote tanks (up to 550 gallons) are predominately stored within the concrete, 4 inch curbed 40 ft x 100 ft drum storage area. The containment area is not equipped with a drain. The drum storage area has more than sufficient secondary containment to contain a release from a 550 gallon tote in the event of a catastrophic failure. No portable containers will be stored within 3 feet of the curbed containment to allow for splash in the event of a catastrophic failure. All drums and totes stored at the facility meet Department of Transportation (DOT) specifications for integrity (testing provided by outside vendor).

During the winter months, Champion products with low viscosity may be stored within the warehouse. The warehouse is not equipped with drains or sumps. A spill kit is located within the warehouse in the event of a release. The warehouse is included in the weekly inspection.

In the warehouse area, since the area is not exposed to the elements the most probable cause of a catastrophic release from a container would occur if the container was punctured when moved by a forklift. In this case, at lease one person would be on hand at the facility and could utilize materials in the spill kit to cleanup the release prior to it leaving the facility property.

Table 1 Product Type and Description

Product Type	Oil	Product Description
Cortrons	Approx. 1/3 are Oil-Based	Corrosion inhibitors for the oilfield that normally consist of imadazolines, amines, fatty acids, and various organic solvents. Sometimes the solvent is water. The organic solvents are usually mixed alcohols or heavy aromatic naphthas.
Scortrons	Predominately Water-Based	Combination scale and corrosion inhibitors that normally consist of the same things found in corrosion with the addition of phosphonates, amides, and bisulfites.
Gyptrons	Predominately Water-Based	Scale treating compounds for the oilfield that are used either to prevent scale from forming or removing scale. This line normally consists of products based on water-soluble phosphonates either in the neutralized or un-neutralized form.
Elulsotrons	Predominately Oil-Based	Chemicals for treating oilfield oil and water emulsions. This product line normally consists of surfactants in an organic solvent such as heavy aromatic naphtha.
Flexoils	Predominately Oil-Based	Paraffin treating for the oilfield. Normally consists of high molecular weight polymers in an organic solvent such as xylenes, toluene or heavy aromatic naphtha.
Flotrons	Predominately Water-Based	Paraffin treating compounds for the oilfield that generally consist of surfactants in either aqueous or organic solvents. Solvents for organic blends are heavy aromatic naphtha, xylenes, etc. Aqueous blends consist of water, methanol, and isopropanol as the solvent.
Gas Treat	Predominately Water-Based	Amine based chemicals for treating sour gas.
Surfatron	50/50 Water/Oil-Based	A blend of two or more surfactants that enhance wetting and emulsify or disperse oil, water and solids.
Foamatrons	Predominately Water-Based	Blends are similar to the Surfatron chemicals.
Defoamers	Approx. ¼ are Oil-Based	Organic solvent-based chemicals for preventing or removing foam problems in the oilfield.
Bactrons	Predominately Water-Based	Bactericides for treating oilfield corrosion problems. These normally consist of aldehyde or quaternary amines.
Cleartrons	Predominately Water-Based	Used for water clarification in the oilfield to remove residual amounts of oil from water. These chemicals normally consist of polymers in aqueous solvents.
Xylenes and Han	Predominately Oil-Based	Oil-based hydrocarbons used as solvents in the oilfield chemical treatment mixtures.
Methanol and IPA	Predominately Water-Based	Alcohol used as solvents in oilfield treatment mixtures.

Figure 6: Photo: Bulk Tank Storage Area

5.2 Aboveground Storage Tanks

The Aztec Facility has the capacity to store 50,000 gallons of chemical in Aboveground Storage Tanks (ASTs). **All products stored within the ASTs are water based and therefore not subject to the SPCC Rule.** A list of the products stored in the ASTS and their hazardous constituents is provided in Table 2.

The eight poly tanks are shop-built and were constructed to ASTM D 1998-06 Standard Specification for Polyethylene Upright Storage Tanks. Their design and construction are compatible with the water based products they contain and the temperature and pressure conditions of storage. By their nature, polytanks allow facility personnel to visually gauge the capacity. All tanks and their gauges are visible from the loading/unloading area. None of the tanks are equipped with automatic shutoff or high level alarms. Tanks are only loaded when facility personnel are present and facility personnel would be able to shut off the valve at the loading truck.

All tanks are stored within the 40 ft x 40 ft secondary containment structure that has a concrete floor and 1.5 foot concrete diked walls. The floor and walls of the containment dike are constructed of poured concrete reinforced with steel. The concrete dike was built under the supervision of a structural engineer and in conformance with his specifications to be impervious to oil for a period of 72 hours.

All tanks are located within the concrete bulk tank storage area which has sufficient **secondary containment to contain 133% of the largest tank (New Mexico Environmental Department) and exceeds the EPA recommendation for secondary containment.** According to the National Oceanic and Atmospheric Association (NOAA), the 24 hour, 25 year storm event would be approximately 1.92 inches. The secondary containment calculation for the bulk storage area is provided in Table 3.

All tank connecting pipelines and manifolds are aboveground and are located within the concrete secondary containment dike on a concrete floor. All tank valves are aboveground and of manual open and close design.

Precipitation that does not exhibit any sign of contamination may be pumped out and discharged. Accumulated storm water that does not meet the criteria identified in Section 6.4 Drainage of Uncontaminated Rainwater is pumped out by an outside vendor for disposal at a permitted water disposal pit following characterization. Prior to pumping out accumulated precipitation, the dike drainage form is filled out and the original is filed (both for contaminated and uncontaminated accumulated precipitation).

Table 2: Aboveground Storage Tank Summary for Aztec

Tank ID	Product	Type	Oil	Hazardous Constituent	Hazard Rating H	Hazard Rating F	Hazard Rating R	Reportable Quantity Driver	Reportable Quantity Gal	Size (gal)	Tank Properties Material	Tank Properties Orient	Tank Properties Cradle	Tank Properties Radius (ft)
Bulk Storage Area														
01	K-87	Bactron	No	Glutaraldehyde - 10-30% Alkyl dimethyl ethylbenzyl ammonium chloride (68% C12, 32%C14) - 5-10% Quaternary ammonium compounds, benzyl-C12-18-alkyldimethyl, chlorides - 5-10% Ethanol - 0.1-1%	2	2	0	No Listed Haz. Constit - 40 CFR 302.5		6250	Poly	Vertical	N	4.25
02	T-106	Gyptron	No	Methanol - 10-30% Amine Phosphonate 1 - 10-30% Ammonium Chloride - 1-5%	2	3	0	Methanol	3,445	6250	Poly	Vertical	N	4.25
03	GR-150	Scortron	No	Methanol - 1-10% Ethylene Glycol - 1-10%	2	2	0	Methanol	5,848	6250	Poly	Vertical	N	4.25
04	RN-234	Cortron	No	Methanol - 30-60% Fatty Amino Compound - 10-30% Alkyl Amine Surfactant - 5-10% Acetic Acid - 5-10% Phosphoric Acid - 1-5% 2-Butoxyethanol - 1-5% Thioglycolic Acid - 1-5%	2	3	0	Methanol	1,797	6250	Poly	Vertical	N	4.25
05	RN-234	Cortron	No	Methanol - 30-60% Fatty Amino Compound - 10-30% Alkyl Amine Surfactant - 5-10% Acetic Acid - 5-10% Phosphoric Acid - 1-5% 2-Butoxyethanol - 1-5% Thioglycolic Acid - 1-5%	2	3	0	Methanol	1,797	6250	Poly	Vertical	N	4.25
06	GR-150	Scortron	No	Methanol - 1-10% Ethylene Glycol - 1-10%	2	2	0	Methanol	5,848	6250	Poly	Vertical	N	4.25
07	GT-157	Gas Treat	No	Substituted Alkylamine - 30-60% Methanol - 5-10%	2	2	0	Methanol	8,119	6250	Poly	Vertical	N	4.25
08	GT-157	Gas Treat	No	Substituted Alkylamine - 30-60% Methanol - 5-10%	2	2	0	Methanol	8,119	6250	Poly	Vertical	N	4.25

Table 3: Secondary Containment Calculation Aztec

Bulk Storage Area

	Width (ft)	X	*Length (ft)*	=	*Area (ft2)*
Containment Area Dimensions:	40		40		1600

Dike Height (ft): 1.5 **Tank Footprint/Displacement (ft2):** 454

Largest Tank within Containment: 6250 **gal or** 835.56 **ft3**

Net Volume: Dike Height X (Containment Area ft2 - Tank Displacement ft2)

= 1.5 ft X (1600 ft2 - 454 ft2)

= 1719 ft3 or 12861 gal

Ratio to Largest Tank: Net Volume / Largest Tank (oil containing)

= 12861.1 gal / 6250 gal

= 205.8 %

Freeboard Calculation:

EPA Method: 25 Year 24 Hour Storm Event

Approxoximate Precipitation from 25 Year 24 Hour Stom Event (in): 1.92

Precipitation Source: NOAA: http://hdsc.nws.noaa.gov/hdsc/pfds/sa/nm_pfds.html

Min. Berm Height for 100% Largest Oil Tank:

= 100% Tank Volume (ft3) / (Area ft2 - Tank Displacement ft2)

= 835.6 ft3 / (1600 ft2 - 454 ft2)

= 0.73

EPA Method: Min. Berm Height for 100 % Largest Tank (ft)+ Precip (ft)

= 0.73 ft + 0.16

= 0.89 ft

New Mexico Standard: 133% Capacity of Largest Tank

Min. Berm Height for 133% Largest Oil Tank:

= 133% Tank Volume (ft3) / (Area ft2 - Tank Displacement ft2)

= 1111.3 ft3 / (1600 ft2 - 454 ft2)

= 0.97 ft

EXCEEDS both New Mexico Standard and EPA Recommended Secondary Containment

Conversion Factor: 1 ft3 = 7.48 gal/ft3

5.3 Bulk Chemical Transfer Area

The Aztec facility receives 5,000 gallon tanker trucks to fill the eight ASTs. All products stored within the eight ASTS are water based chemicals and thus **this area is not subject to SPCC Regulations.** As a Best Management Practice the bulk chemical transfer area was designed to meet the SPCC Rule.

Products are transferred between the tanker truck and the facility via single hoses. The Aztec facility has a 40 ft x 50 ft bulk chemical transfer area bound to the east with a four inch curb, to the west by the dike wall of the storage tank area, and to the north and south by a four inch rolling speed bump. **It has a 4,982 gallon capacity (see calculation below):**

Pad Area (area of base): 40 ft X 50 ft = 2,000 ft2
Net Volume: = Volume of a Rectangle
= Area of Base X Height.
= Height is curbing (lowest elevation) of 4inches or 0.33 ft
= 2,000 ft2 x 0.33 ft
= **666 ft3 or 4,982 gallons**

During the loading/unloading process an attendant is present at the transfer area throughout the operation as described in Appendix B. Below is a summary of the loading/unloading operation:

- The bulk chemical truck loads or unloads at a rate of 150 gallons per minute
- The bulk chemical truck is a bottom loader.
- The most likely discharge scenario would be a ruptured hose connection at either the pump (manifold) or at the truck/hose connection.
- All chemical trucks are equipped with a shutoff valve that is accessible to the attendant.
- The assumption is that the discharge will not impede the attendant's access to the shutoff valve (located on the side of the truck) and that the attendant can successfully close the valve within 30 seconds of the hose connection. Based upon training, it is likely that the valve could be turned off within 15 seconds. The 30 seconds is based upon a conservative estimate of the response time.

The maximum reasonably expected discharge would be 75 gallons
[(150 gallons per minute) x (1 min/60 sec) x (30 sec)]

Based upon the calculation above, 75 gallons could easily be contained within the pad area. A spill kit is located adjacent to the transfer area in the event of a release.

The Bulk Chemical Transfer Area is equipped with a header system which is equipped with a trough system to capture minor drips and leaks. All tank connecting pipelines are aboveground and are located within the concrete secondary containment dike on a concrete floor.

40 CFR §112.7(h) does not define the term loading rack. The EPA published the SPCC Guidance for Regional Inspectors which describes the type of equipment generally associated with a loading rack as:

- The equipment is a permanent structure for loading or unloading a tank truck or tank car that is located at a regulated facility
- The equipment may be comprised of piping assemblages, valves, loading arms, pumps or a similar combination of devices.
- The system is necessary to load or unload tank trucks or tank cars.
- The system may also include shut-off devices and overfill sensors.
- Loading/unloading areas utilizing a single hose and connection or standpipe are not considered racks.

While the header system at the Aztec facility meets some of the guidelines for a rack, it does not have loading arms and can be loaded by a single hose system if necessary. **Both manifold/header systems are for the purposes of the SPCC considered to be regulated as a loading/unloading area.** Lines that are not in service or on standby for an extended period of time are capped or blank flanged and marked as to their origin.

5.4 Treater Trucks

Champion Aztec facility operates 4 treater trucks which are filled on-site in the early morning and then leave in the early morning for delivery. Chemical stored in the compartments (maximum compartment size is 55 gallons) is generally pumped out during the day's delivery. The compartments on the treater trucks are generally empty overnight. Oils are loaded in the morning. As a result, treater trucks are not covered by the SPCC Rule.

Prior to leaving and upon return from the field, per DOT regulations the operator of the treater truck performs a visual inspection to verify that all valves are closed and that the vehicle is in good working order. This inspection minimizes the potential for a spill.

5.5 Security

Site Access Control

The perimeter of the Aztec facility is completely fenced, and access is controlled by two manual locked gates that provide access to County Road 3145 or County Road 3322. The manual locked gates are only open when Champion personnel are present at the facility.

Facility Lighting

Aztec operates from 6 a.m. to 6 p.m. Monday through Friday and therefore the facility must be equipped with adequate outdoor lighting to allow for the discovery of discharges occurring during hours of darkness, both by operating personnel and by non-operating personnel (general public).

The facility is equipped with lights in both the yard and tank farms as shown on Figure 3. This lighting is sufficient for all areas where oil is stored, loaded, or unloaded and is

adequate to detect spills at night. Flashlights are available for response actions and inspections in dimly lit storage areas to supplement the outdoor lighting.

Responsible Product Transfer and Handling Procedures

Proper oil handling and transfer procedures are described in Appendix B.

6.0 Facility and Tank Inspection

It is Champion's intention to train all oil handling personnel such that they will be conscious of the conditions that could cause spills. This awareness will allow personnel to identify and rectify those conditions during the course of their day-to-day operations. Any visual leaks identified should be repaired promptly and/or reported to the area supervisor and any oil accumulation removed.

Inspection of all storage tanks and material storage areas, piping, valves and appurtenances, and related equipment will be conducted by Facility personnel to detect any leaks, cracks or deterioration of equipment that could cause a spill. The following inspection procedures shall be instituted at the specified frequency.

6.1 Weekly – Tanks and Secondary Containment Structures

The facility conducts weekly inspections to confirm the SPCC Plan is being properly implemented and maintained. These inspections cover all applicable oil product tanks and associated piping connections for evidence of leakage and deterioration. The inspection procedures include:

(1) an inspection of all secondary containment structures for the presence of water or oil;
(2) a visual inspection of tank exteriors for leaking, damage and/or corrosion; and
(3) an inspection of the tank supports/foundations for signs of deterioration.

In addition, the weekly inspections verify that spill control equipment is available at the facility. The weekly SPCC plan inspection checklist is provided in Appendix C. The weekly inspection records will be maintained on site for a minimum of three (3) years.

6.2 Annually – Inspection of Valves, Piping, and Appurtenances

Regular visual inspections of tanks, tank containment areas, valves, piping, and appurtenances will be performed by the Facility on an annual basis (once every 12 months). Records of these inspections must be kept with the Plan for a minimum of three years. This inspection includes a review and assessment of the general condition of items, such as flange joints, expansion joints, valve glands and bodies, catch pans, pipeline supports, locking valves, and metal surfaces.

The facility does not contain underground piping carrying oil or liquids subject to the SPCC rules and therefore integrity and leak testing of buried piping is not applicable to this Facility.

6.3 Periodic Tank Integrity Inspection

Poly Polytanks were purchased and installed in January 2008. The Polytanks were built to ASTM D 1998-06 Standard. At the time this SPCC Plan was developed, an API standard specifying the frequency for testing polytanks has not been established. The closest industry standard that references polytanks is API 653 which provides a range of testing based upon the tank's service history of five to twenty years. Due to the age of the tanks and the weekly inspections of the tanks, a hydrostatic test will be performed no more than 10 years after tank installation. A procedure for hydro-testing is provided in Appendix J.

6.4 Drainage of Uncontaminated Rainwater

Secondary containment structures at the facility are designed to prevent the uncontrolled release of oil into the environment in the event of a container failure, system component failure or human error. Uncontaminated accumulated rainwater may be drained from the containment structures. In order to minimize the risk of discharging pollutants, these structures must be drained according to the following procedures:

- The decision to discharge uncontaminated rainwater from secondary containment areas must be made by a qualified company professional, who will visually inspect the water for sheen, film or other sign that pollutants are present. When the inspection indicates that the accumulated water has not been visually impacted, rainwater will be allowed to be discharged.

- If a sheen or another indicator (olfactory) of contamination is observed during the initial inspection, the rainwater will be collected and properly disposed of.

- All discharges from diked areas and secondary containment structures will be documented using the form given in Appendix F. Copies of these records must be kept for a minimum period of three years.

Any visually evident leaks or discharges from facilities which result in a minor (drips and drabs, not gallons) loss of oil will be promptly repaired and corrected. Any incidental accumulations of spilled or contaminated water will be collected and disposed of properly.

If the qualified company professional identifies a sheen, film, or other sign that pollutants are present, the rainwater must not be discharged. Contact the local HSE representative within 24 hours of visual inspection when potentially contaminated rainwater is identified. The HSE representative will provide assistance with waste characterization of the rainwater (hazardous or non-hazardous waste) and disposal options. At no time will impacted rainwater be discharged. See Waste Disposal.

6.5 Spill Response

It is to be emphasized that the first priority in any spill response effort must be on personnel safety. The response, reporting and clean-up procedures to be followed following the discovery of an oil spill are given in Appendix F. A critical element of every spill response is to follow a Job Safety Analysis (JSA), developed in consultation with Champion's HSE Department.

This is a new facility and as such, no spills have occurred at the facility.

6.6 Waste Disposal

The disposal of all recovered material, contaminated soil, used absorbent materials, and other spill materials will be coordinated by qualified Champion personnel (designated as the "Spill Coordinator") according to New Mexico regulations. If Facility personnel contained the spill, immediate contact with the area supervisor must be made so that proper and timely disposal can occur. After spill response is complete, all spill equipment that cannot be reused and which has been contaminated will be managed for proper disposal.

Clean-up materials will be removed from temporary staging areas within a timely manner following clean-up completion, to be managed with the Facility's normal waste disposal activities. The Facility will use a licensed waste transporter and disposal facility for all generated wastes. The Spill Coordinator must ensure that the waste is labeled, transported, and disposed of properly. All waste generated during the clean up of any spill will be removed from the Facility and disposed of as soon as possible. All waste should be disposed off-site at a facility approved by the appropriate federal or state agency to accept the waste.

7.0 Training and Recordkeeping

7.1 Personnel Training

Champion Technologies' SPCC Training will consist of a classroom presentation and "on the job" training will be used to train all Champion Technologies facility representatives (upon initial hire) who handle oil products at the facility. This training will cover the following topics as required under 40 CFR 112.7(f):

- Overview of general facility operations
- Safe procedures for handling oil products
- Operation and maintenance of equipment used to prevent oil discharges
- Procedures and requirements for reporting an oil discharge
- Overview of applicable pollution control laws, rules, and regulations
- Review of the content of the SPCC Plan for the facility

In addition, Champion Technologies representatives who handle oil products at the facility will receive oil discharge prevention briefings annually (or more frequently if a spill or discharge occurs) that describe any oil discharges, and any equipment failures or

malfunctions that led or could have led to an oil spill or discharge. These oil discharge prevention briefings will also include an overview of any recent prevention or control measures that have been implemented.

7.2 Recordkeeping

Records described in the SPCC must be retained on-site and available for review by New Mexico Department of Environmental Quality and/or EPA for 5 years beyond the date of the record or sample, measurement, report, application, or certification.

8.0 Management Approval

This Spill Prevention, Control and Countermeasure (SPCC) Plan has the full approval of management with the authority to commit the necessary resources. The programs and procedures outlined in this Plan will be implemented and periodically reviewed and updated in accordance with 40 CFR Part 112, as amended, and with applicable state and local requirements. The management approval also designates the person who is accountable for overall discharge prevention at the facility.

Vaughn E. Campbell
Name of Management Representative:

SAFETY COORDINATOR
Title:

Vaughn E. Campbell
Signature:

February 14, 2008
Date:

9.0 SPCC Plan Review and Amendment

A complete review and evaluation of the SPCC Plan will be conducted at least every five (5) years in accordance with 40 CFR 112.5.

If the review indicates changes are necessary, then the plan will be amended as appropriately. Non-technical amendments require only the approval of the facility manager. All technical amendments to the SPCC Plan must be reviewed and certified by a professional engineer (PE). The management signatory, above, agrees not to implement any technical amendments to this Plan without the review and certification of a professional engineer, as may be noted in a technical amendment to the Plan. Technical amendments may include, but are not limited to the following:

- commissioning of containers;
- reconstruction, replacement, or installation of piping systems;
- construction or demolition that might alter secondary containment structures; or
- changes of product or service, revisions to standard operation, modification of testing/inspection procedures, and use of new or modified industry standards or maintenance procedures.

Any amendments to the SPCC Plan will be implemented as soon as possible, but no later than six (6) months after preparation of the - amendment.

Scheduled five-year reviews and Plan amendments are recorded in the table below. This table must be completed even if no amendment is made to the Plan. Unless a technical or administrative change prompts an earlier review, the next scheduled review of this Plan must occur by February 14, 2012.

Date	Authorized Individual/Title	Review Type	PE Certification Required?	Summary of Changes

10.0 Professional Engineer Certification

In accordance with 40 CFR 112.3(d), I hereby certify that:

I am familiar with the provisions of 40 CFR Part 112 – Oil Pollution Prevention;
I, or my agent (Champion Technologies personnel), have visited and examined the facility described herein;

This SPCC Plan has been prepared in accordance with good engineering practices, including consideration of applicable industry standards, and with the applicable requirements of 40 CFR Part 112;

Procedures for required inspections and testing have been established; and

This SPCC Plan is adequate for the facility:

Champion Technologies at #40 County Road 3145, Aztec, New Mexico 87410

Name/Title: S. Shawn Flannigan / Principal
Company: Alliant Environmental, LLC
Signature:

Certification Date: 2/14/08

PE Registration Number: 18014
PE Registration State: New Mexico
PE Engineering Seal:

Appendix A: Certification of the Applicability of the Substantial Harm Criteria

Facility Name: **Champion Technologies**

Facility Address: #40 County Road 3145, Aztec, New Mexico 87410

1) Does the facility transfer oil over water to or from vessels and does the facility have a total oil storage capacity greater than or equal to 42,000 gallon?

No

2) Does the facility have a total oil storage capacity greater than or equal to 1 million (1,000,000) gallons and does the facility lack secondary containment that is sufficiently large enough to contain the capacity of the largest aboveground oil storage tank plus sufficient freeboard to allow for precipitation within any aboveground oil storage tank area?

No

3) Does the facility have a total oil storage capacity greater than or equal to 1 million (1,000,000) gallons and is the facility located at a distance such that a discharge from the facility could cause injury to fish and wildlife and sensitive environments?

No

4) Does the facility have a total oil storage capacity greater than or equal to 1 million (1,000,000) gallons and is the facility located at a distance such that a discharge from the facility would shut down a public drinking water intake?

No

5) Does the facility have a total oil storage capacity greater than or equal to 1 million (1,000,000) gallons and has the facility experienced a reportable oil discharge in an amount greater than or equal to 10,000 gallons within the last 5 years?

No

Certification

I certify under penalty of law that I have personally examined and am familiar with the information submitted in this document, and that based on my inquiry of those individuals responsible for obtaining this information I believe that the submitted information is true, accurate, and complete.

Signature Title:

Name: Date:

Appendix B: Transfer and Product Handling Procedures

Champion Technologies *Committed to Improvement*	Tier 3 – Aztec, New Mexico SITE SPECIFIC GLOBAL QHSE PROCEDURE
TITLE: LOADING / UNLOADING TANKER TRUCKS	
Global Document Effective Date: 01-Mar-2005	**Tier 3 Document Effective Date: 14-Feb-08**
Global Author: C. LeBlanc	**Tier 3 Author: C. Johnson, & F. Jones**

1.0 PURPOSE

1.1 To provide a standard procedure for filling fixed bulk storage tanks from tanker trucks.

1.2 To provide the PPE required when filling fixed bulk tanks from tanker trucks.

1.3 To provide the job hazards and the recommended actions to eliminate or minimize the hazards when filling fixed bulk storage tanks.

2.0 SCOPE

2.1 Product loading and unloading of tanker trucks at a Champion Technologies facility.

3.0 RESPONSIBILITY

Location managers are responsible for procedure implementation.

All location managers are responsible for ensuring that their employees follow this procedure as applicable.

4.0 PROCEDURE

4.1 Tanker truck arrives with chemical.

4.2 Facility employee reviews and receives the driver's bill of lading. Verify product storage availability to ensure an overfilling condition does not exist.

4.3 Review MSDS of each chemical before the filling process commences.

4.4 Visually check the tank's visual tank gauge to ensure that the tank has the capability to receive the volume from the tanker truck. Do not continue unless there is sufficient capacity. If sufficient capacity is not available, contents may be loaded into a tote tank.

4.5 Ground tanker before transfer commences. Follow the Champion Bonding and Grounding Procedure.

4.6 Ensure all hoses and pumps are in good working condition. Hook up hose from the truck to the pump and then from pump to the appropriate bulk storage header valve. Ensure the tanker vent valve is open.

4.7 Open the header and bulk tank valve.

4.8 Open the tanker truck valve and turn on the pump. Look for any leaks on connections or hoses. Stay within arm's length of the pump and shut down if leaks exist.

4.9 Monitor volume availability of the storage tank while pumping to ensure overfilling does not occur.

4.10 Upon completion, close tanker truck valve and break the hose connection at the tanker.

4.11 Allow pump to run to remove residual product from the hoses.

4.12 Turn the pump off. Close header valve. Close bulk storage tank valve. Break down, cap and secure hoses.

4.13 Ensure the tanker vent valve is shut.

4.14 Release the truck.

5.0 SAFETY

PERSONAL PROTECTIVE EQUIPMENT

PPE	When Required
Safety Glasses	To be used when impact from flying objects or debris is expected.
Chemical Goggles	Chemical goggles are required to be worn when chemical splashes may be anticipated.
Hard Hat	Should meet Class E (formerly Class B) requirements, which meet impact and low voltage requirements. To be worn in the warehouse, yard, on the forklift, and customer locations.
Gloves	o Non-slip chemical resistant o Chemically resistant (Includes nitrile, butyl, or other gloves compatible with the chemicals used.)
Hard-toed Shoes	o Steel-toed or o Safety Cap

6.0 HAZARDS

JOB HAZARD/A.O.C.	ELIMNINATING/MINIMIZING THE HAZARD
Chemical Vapors/Splashes	o Work upwind and keep head away. o Wear respirator when required. o Keep bungs closed when possible. o Wear chemical goggles and chemical resistant gloves.
Hose Rupture or Disconnect	o Inspect hoses before use. o Ensure hose connections are secure before pumping. o Wear proper PPE.
Tank Overfilling	o Ensure product space availability before pumping. o Monitor volume continuously while filling.
Broken Glass	o Wear chemical goggles and chemical resistant gloves.

Champion Technologies *Committed to Improvement*	Tier 3 – Aztec, New Mexico SITE SPECIFIC GLOBAL QHSE PROCEDURE
TITLE: DRUM AND TOTE TANK FILLING OPS	
Global Document Effective Date: 01-Mar-2005	**Tier 3 Document Effective Date: 14-Feb-08**
Global Author: C. LeBlanc	**Tier 3 Author: C. Johnson, & F. Jones**

1.0 PURPOSE

The purpose of this procedure is to provide written instructions to properly and safely operate equipment when packaging materials and to prevent pollution to the environment.

2.0 SCOPE

The scope of this procedure is limited to the following Champion Technologies on-site operations:

- Product drum, tote tank and pail filling

3.0 RESPONSIBILITY

3.1 Location managers are responsible for procedure implementation.

3.2 All location managers are responsible for ensuring that their employees follow this procedure as applicable.

4.0 REQUIRED EQUIPMENT

- Empty tote tanks, drums, or pails
- Pump
- Hose
- Grounding wire
- Filling gauge

5.0 SAFETY

PERSONAL PROTECTIVE EQUIPMENT

PPE	COMMENTS
Safety Glasses	Used as a minimum for eye protection.
Chemical Goggles	Chemical goggles are required to be worn when chemical splashes may be anticipated.
Hard Hat	Should meet Class E (formerly Class B) requirements, which meet impact and low voltage requirements. To be worn in the warehouse, yard, on the forklift, and customer locations.
Gloves	o Non-slip chemical resistant o Chemically resistant (Includes nitrile, butyl, or other gloves compatible with the chemicals used.)
Hard-toed Shoes	o Steel-toed or o Safety Cap
Respiratory Protection	Wear air purifying respirator with acid gas, organic vapor, or other appropriate cartridges when PEL is exceeded, contaminants are below IDLH levels, and breathing air is between 19.5% and 23.5%.

6.0 HAZARDS

JOB HAZARD	*ELIMINATING / MINIMIZING THE HAZARD*
Chemical Vapors	o Work upwind and keep head away. o Wear respirator when required. o Keep bungs closed when possible.
Hose Rupture or Disconnect	Inspect hoses before use. Ensure hose connections are secure before pumping. Wear proper PPE.

TITLE: DRUM AND TOTE TANK FILLING OPS

7.0 PROCEDURE

7.1 A work order is generated.

7.2 Select an empty pail, drum or tote tank that meets all D.O.T. requirements.

7.3 Perform a visual inspection of each pail, drum or tote tank. Inspect externally for cracks, warping, corrosion, dents, leaks, other structural damage, and chemical residue around all threaded connections. NOTE: Tote tanks that do not pass the visual inspection are to be placed out of service, triple rinsed, fixed if required, and retested using the Champion Portable Tank Testing Procedure.

7.4 Review MSDS of each chemical before the filling process commences.

7.5 Remove all old labels and replace with new labels corresponding to the material in the work order.

7.6 Set up pump and hoses and ensure they are in good working condition.

7.7 DEEPWATER ONLY: All Deep Water (DW) products must be filtered while filling.

7.8 Connect hose to the manifold and to the pump and ensure camlock security pin is inserted to prevent connection failure.

7.9 Connect hose to the drum filling stinger and ensure the stinger reaches the bottom.

7.10 Open the valve at the manifold system.

7.11 Ensure no residual pressure is in the lines by slowing turning the stinger valve ¼ open.

7.12 Turn the pump on and slowly open the stinger valve to the full open position.

7.13 Monitor the filling gauge to ensure no overflow of the drum or tote tank.

7.14 When the drum or tote tank is full, turn the stringer valve to the closed position.

7.15 The stinger is removed slowly from the drum to allow for drainage of excess chemical.

7.16 The stinger is placed into the next drum or tote tank and the valve is slowly turned to the fully open position and the filling process is repeated.

7.17 After all tanks / drums are filled, close the manifold valve to allow displacement of the pumps and hoses.

7.18 The pump is switched into the "OFF" position

7.19 The discharge hose is disconnected from the discharge outlet of the pump, and held high enough to ensure chemical is not spilled.

7.20 Disconnect the hose at the manifold and ensure the ends of the hose are locked together to prevent any spills from occurring.

7.21 Disconnect the hose from the discharge of the pump to the stinger and ensure the ends are held up to prevent chemical spill.

7.22 Pull the stinger out and allow excess to drain into the drum or tote tank.

7.23 The stinger is swiped clean and stored properly.

7.24 Ensure all hoses are properly stored to prevent chemical pollution.

7.25 Seal the drum or tote tank and ensure the proper label is on the container.

7.26 Place in inventory or stage from delivery.

Appendix C: Weekly Inspection Checklist

This appendix includes copies of the weekly inspection checklist performed by a qualified individual. This inspection record must be completed except the month in which an annual inspection is performed. During the inspection if any item receives "no" as an answer, it must be described and addressed immediately.

CHAMPION TECHNOLOGIES
REGULATORY/COMPLIANCE WEEKLY INSPECTION REPORT

FACILITY: AZTEC, NM **DATE:**_____

WAREHOUSE AREA	YES	NO	N/A
1. CLEAN AND ORDERLY			
2. DRUMS NEATLY STACKED/STORED			
3. FREE FROM LEAKS AND SPILLS			
4. NO SMOKING SIGNS POSTED			
5. FIRE EXTINGUISHERS MOUNTED AND CHARGED			
6. FIRST AID KIT			
7. ABSORBENT MATERIAL TO CONTAIN LEAKS OR SPILLS			
8. ALL CONTAINERS PROPERLY LABELED AND CLOSED			
9. ALL PORTABLE AND FIXED LADDERS STRUCTURALLY SOUND			
REMARKS:			
PRODUCT TRANSFER AREA	YES	NO	N/A
1. LINES AND VALVES FREE FROM LEAKS			
2. ELECTRICAL EQUIPMENT CHECKED FOR HAZARDS			
3. WIRING IN GOOD CONDITION			
4. FLOOR/WORK AREA CLEAN			
5. NO SMOKING SIGNS POSTED			
6. FIRE EXTINGUISHER MOUNTED AND CHARGED			
7. ALL CONTAINERS PROPERLY LABELED AND CLOSED			
8. SHOP RAGS STORED IN SELF-CLOSING METAL STORAGE CONTAINER			
REMARKS:			
FUEL TANK AREA	YES	NO	N/A
1. FREE FROM SPILLS OR LEAKS			
2. TANK PROPERLY GROUNDED			
3. AREA CLEAN			
REMARKS:			
BULK STORAGE TANKS (ABOVEGROUND STORAGE TANKS)	YES	NO	N/A
1. TANK SURFACES SHOW NO SIGN OF LEAKAGE (IE. STAINS, RUST, ETC.)			
2. CONNECTIONS, PIPINGS, AND VALVES FREE FROM LEAKS (NO SIGNS OF STAINS ON CONCRETE BENEATH CONNECTIONS, PIPING, AND VALVES)			
3. BOLTS, RIVETS, AND SEAMS ARE IN GOOD CONDITION			
4. MANIFOLDS FREE FROM LEAKS			
5. SUMP(S) ADEQUATELY PUMPED DOWN			
6. TANK HATCHES CLOSED AND SECURE			
7. TANKS PROPERLY GROUNDED			
8. TANKS PROPERLY LABELED			
9. EYEWASH/SAFETY SHOWER ACCESSIBLE, TESTED & WORKING PROPERLY			
10. TANK LEVEL GAUGES/SITE GLASS OR ALARMS ARE OPERATIVE			
11. VENTS ON TANKS ARE CLEAR			
12. NO WATER/PRODUCT IN INTERSTICE OF DOUBLE-WALLED TANK			
13. HOUSEKEEPING MAINTAINED IN AREA			
REMARKS:			

SECONDARY CONTAINMENT – ABOVEGROUND STORAGE TANKS	YES	NO	N/A
1. NO STORMWATER, PRODUCT, OR OTHER LIQUID STANDING WITHIN SECONDARY CONTAINMENT			
2. DIKE CONTAINMENT AREA FREE FROM DRUMS, CONTAINERS, OR OTHER MATERIALS			
3. DIKE DRAINAGE VALVE IS CLOSED AND LOCKED			
4. NO NEW STAINS OR CRACKS (WIDTH GREATER THAN VERTICAL DIME) VISIBLE ON SECONDARY CONTAINMENT WALLS AND FLOORS			
SECONDARY CONTAINMENT – DRUM AND TOTE STORAGE AREA	YES	NO	N/A
1. NO STORMWATER, PRODUCT, OR OTHER LIQUID STANDING WITHIN SECONDARY CONTAINMENT			
2. DIKE CONTAINMENT AREA FREE FROM DRUMS, CONTAINERS, OR OTHER MATERIALS			
3. DIKE DRAINAGE VALVE IS CLOSED AND LOCKED			
4. SECONDARY CONTAINMENT WALLS AND FLOORS ARE IN GOOD CONDITION – NO NEW STAINS OR CRACKS (WIDTH GREATER THAN VERTICAL DIME) IN WALL OR FLOOR VISISBLE.			
REMARKS:			
LOADING/UNLOADING AREA – MANIFOLD SYSTEM	YES	NO	N/A
1. LOADING/UNLOADING MANIFOLD IS IN GOOD CONDITION (NO VISIBLE DAMAGE OR DETERIORATION)			
2. ALL CONNECTIONS ARE CAPPED OR BLANK-FLANGED			
3. NO STANDING PRODUCT/LIQUID IN SPILL TROUGH			
REMARKS:			
YARD AREA	YES	NO	N/A
1. FENCE AND GATE SECURE			
2. FREE FROM SPILLS OR LEAKS			
3. DRUM STORAGE AREA ORDERLY			
4. DRUM STORAGE AREA FREE FROM LEAKS			
5. DRUMS AND CONTAINERS PROPERLY LABELED AND CLOSED			
REMARKS:			
EMPTY DRUM STORAGE AREA	YES	NO	N/A
1. FREE FROM SPILLS OR LEAKS			
2. STACKED IN ORDERLY MANNER			
3. BUNGS INSTALLED ON ALL DRUMS			
4. BUNGS ARE SEALED			
REMARKS:			

WASTE ACCUMULATION AREA & SATELLITE ACCUMULATON AREA	YES	NO	N/A
1. HAZARDOUS AND NONHAZARDOUS WASTE CONTAINERS IN GOOD CONDITION AND ARE CLOSED/SEALED			
2. HAZARDOUS WASTE CONTAINERS LABELED WITH THE ACCUMULATION START DATE (WASTE AREA), HAZARDOUS PROPERTIES (IE. FLAMMABLE, CORROSIVE, ETC.), CONTENTS, AND PHYSICAL PROPERTY			
3. HAZARDOUS WASTE IN CONTAINMENT			
4. NON-HAZARDOUS WASTE (LIQUID ONLY) IN CONTAINMENT			
5. NO SPILLS OR OTHER LEAKS FROM WASTE CONTAINERS VISIBLE			
6. NO STORMWATER OR OTHER LIQUID STANDING WITHIN SECONDARY CONTAINMENT			
7. SHOW NUMBER OF HAZARDOUS WASTE CONTAINERS (ENTER NUMBER OF DRUMS/CONTAINERS IN YES COLUMN)			
8. SHOW NUMBER OF NON- HAZARDOUS WASTE CONTAINERS (ENTER NUMBER OF DRUMS/CONTAINERS IN YES COLUMN)			
REMARKS:			
SECURITY AND EMERGENCY RESPONSE	YES	NO	N/A
1. ALL PROPERTY & EQUIPMENT KEPT IN WAREHOUSE/FENCED LOCATIONS			
2. WAREHOUSES/FENCES EQUIPPED WITH A LOCKING DOOR OR GATE			
3. VEHICLES LOCKED DURING STORAGE			
4. KEYS TO VEHICLES PLACED IN A CONTROLLED ACCESS LOCATION			
5. FENCE/ WAREHOUSE ADEQUATE TO MINIMIZE UNAUTHORIZED ACCESS			
6. FACILITY GATES AND DOORS CLOSED AND LOCKED WHEN NO PERSONNEL ARE AT THE FACILITY			
7. EMERGENCY CONTACT LIST POSTED			
8. EMERGENCY/AUBIBLE ALARM TESTED (AT LEAST MONTHLY)			
9. WIND DIRECTION INDICATORS AVAILABLE AND IN GOOD CONDITION			
10. SPILL KITS AND SUPPLIES AVAILABLE			
REMARKS/ACTION ITEMS: _____ _____ _____ _____ _____ _____			

INSPECTED BY:_____ SIC CODE: 5169

NUMBER OF PERSONNEL AT FACILITY:_____ MANAGER'S INITIALS:_____

Appendix D: Annual Inspection Checklist

This inspection record must be completed *each year.* If any response requires further elaboration, provide comments in Description & Comments space provided. Further description and comments, if necessary, must be provided on a separate sheet of paper and attached to this sheet. **Any item that receives "yes" as an answer must be described and addressed immediately. Actions taken and date performed must be attached to this Checklist.**

TANK AREA –
(Copy form as necessary to complete for each tank containment area)

	Y	N	NA	Comments	Sketch Tank Area: identify any yes responses:
Concrete floor and dike					
Secondary containment is stained					
Dike drainage valve is open or is not locked					
Dike walls or floors are cracked or are separating					
Dike does not retain water following large rainfall					
Piping – aboveground					
Valve seals or gaskets are leaking					
Pipelines or supports are damaged/deteriorated					
Joints, valves & other appurtenances are leaking					
Buried piping is exposed					
Out-of-service pipes are not capped					

Tanks
For each tank within containment, complete the following (attach copies of sheet if more than 6 tanks in containment)

	Tank #	Y	N	NA	Tank #	Y	N	NA	Tank #	Y	N	NA
	Tank surfaces show signs of leakage				*Tank surfaces show signs of leakage*				*Tank surfaces show signs of leakage*			
	Tanks is damaged, rusted or deteriorated				*Tank- is damaged, rusted or deteriorated*				*Tanks is damaged, rusted or deteriorated*			
	Bolts, rivets, or seams are damaged				*Bolts, rivets, or seams are damaged*				*Bolts, rivets, or seams are damaged*			
	Tank supports are deteriorated or buckled				*Tank supports are deteriorated or buckled*				*Tank supports are deteriorated or buckled*			
	Tank foundations have eroded or settled				*Tank foundations have eroded or settled*				*Tank foundations have eroded or settled*			
	Overflow gauges or alarms are inoperative				*Overflow gauges or alarms are inoperative*				*Overflow gauges or alarms are inoperative*			
	Vents are obstructed				*Vents are obstructed*				*Vents are obstructed*			
	Comments:				Comments:				Comments:			
	Tank #	**Y**	**N**	**NA**	**Tank #**	**Y**	**N**	**NA**	**Tank #**	**Y**	**N**	**NA**
	Tank surfaces show signs of leakage				*Tank surfaces show signs of leakage*				*Tank surfaces show signs of leakage*			
	Tanks is damaged, rusted or deteriorated				*Tanks is damaged, rusted or deteriorated*				*Tanks is damaged, rusted or deteriorated*			
	Bolts, rivets, or seams are damaged				*Bolts, rivets, or seams are damaged*				*Bolts, rivets, or seams are damaged*			
	Tank supports are deteriorated or buckled				*Tank supports are deteriorated or buckled*				*Tank supports are deteriorated or buckled*			
	Tank foundations have eroded or settled				*Tank foundations have eroded or settled*				*Tank foundations have eroded or settled*			
	Overflow gauges or alarms are inoperative				*Overflow gauges or alarms are inoperative*				*Overflow gauges or alarms are inoperative*			
	Vents are obstructed				*Vents are obstructed*				*Vents are obstructed*			
	Comments:				Comments:				Comments:			

LOADING/UNLOADING AREAS	Y	N	NA	Comments	Sketch Loading/Unloading Area: identify any yes responses:
Manifold					
Manifold is damaged or deteriorated					
Connections are not capped or blank-flanged					
Loading area drainage valve is open					
Catch buckets not kept closed or have residue on outside of bucket					
Containment (speed bumps/berms, floors, curbing, etc.)					
Dike walls or floors are cracked or are separating					
Curbed/contained area does not retain water following large rainfall					
Floor is stained					
SECURITY					
Fencing, gates, or lighting is non-functional					
Pumps and valves not in use are not locked					
RESPONSE EQUIPMENT					
Response equipment inventory is incomplete					

Signature: _____ **Date:** _____ **Manager's Signature:** _____ **Date:** _____

The following items were identified during annual inspection. Describe action taken to remedy the identified item and the date performed.

Identified Issue:	Action Taken to Remedy	Signature	Date Performed

Appendix E: Annual SPCC Refresher Training

Date of Training: _____

Training Instructor: _____

Covered Topics:

1.
2.
3.
4.
5.

Name (printed)	Name (signature)

Appendix F: Spill Response and Spill Notification/Reporting Procedure

Spill Response

Minor/Incidental Spills (<=55 gallons)

NOTE: Contact QHSE Representative if spill is one of the following: Asphaltene/Paraffin Inhibitor, Emulsotron, Flexoil, Flotron, Xylene (raw material) – RQ is 17 gallons, Ammonia (raw material) – RQ is 44 gallons

- Prevent the source of the spill from continuing to discharge oil if possible (e.g., place the container upright, stop the pump).
- Apply the absorbent material in a sufficient amount to absorb the oil. If the spill occurs in an area where the floor/ground is sloped, then place temporary drain covers over the floor drains and catch basins in the area, if applicable. Apply the absorbent in front of the leading edge of the spill; covering the entire spill area. If appropriate for the spill scenario, prevent the oil from reaching the storm water catch basin by applying additional absorbent around (not in) the catch basin.
- Place the oil/absorbent residue in a plastic bag within a plastic bag (i.e., double bagged). Use a broom and dustpan to thoroughly clean the area where the spill occurred.
- Properly dispose of the oil/absorbent residue consistent with federal, state and/or local requirements.
- The Facility Manager will inspect the location of the spill to ensure the clean up was performed correctly and that no recoverable residue remains.

Large Spills (> 55 gallons)

- Prevent the source of the spill from continuing to discharge oil, if possible (e.g., place the container upright, stop the pump, turn off a valve, etc.).
- Dike far ahead of the liquid spill pathway using on-site boom, absorbents, or soil. The purpose is to contain the liquid or limit the area to which it travels – not to begin clean-up.
- If spill is beyond capability of Champion to property handle, contact Garner Environmental at 1-800-424-1716. **Approximate response time is 2 hours from contact.**
- You will need to provide the following information:
  - Directions to facility
  - Type and amount of released material
  - Health and safety information from MSDS (PPE requirement)
- Contact the Regional QHSE representative to report the spill.
  - Regional QHSE representative will assist with calculating RQ for spilled material using a combination of the Material Safety Data Sheet (MSDS), 40 Code of Federal Regulations (CFR) §302.4 Designation of Hazardous Substances, and the Mixture Rule.
  - Regional QHSE Representative will assist with contacting agencies as described below.

Spill Equipment

The Champion Technologies representative will use the spill cleanup equipment (see below – must be available on site) to properly clean up and dispose of the spill residue. The standard spill response equipment (i.e., spill kit) at the distribution center will include:

- Four empty 55 gallon drums
- One overpack for 55-gallon drum
- Two 20 foot socks
- 100 pounds "kitty litter" or loose absorbent
- Two boxes 2 ft x 3 ft absorbent pads
- One box nitrile gloves
- Large plastic bags
- Broom
- Spark-free shovel
- Dustpan

Health and Safety Consideration

In the event of an incidental (minor) spill, the distribution center representative will contact the Facility Manager and Champion's HSE department regarding the spill. Prior to initiating a cleanup, a Job Safety Analysis (JSA) is to be developed which takes into account the nature of the spilled fluids, making reference to the respective MSDS sheet(s). The JSA may provide guidance which is in addition to, or supersedes, the general response procedures summarized above.

Spill Notification/Reporting Procedure

Regulations for liquid releases from tanks, totes, drums, and hoses depend in part as to whether the release occurred within secondary containment (concrete wall and floor) or if the release discharged to land or water. There are two triggers for reporting to State or EPA: (1) the released amount is above the Reportable Quantity or (2) if an oil release, the release creates a sheen on water.

When released to the environment, the majority of raw materials and Champion Products are are regulated by Comprehensive Emergency Response Compensation Liability Act (CERCLA). CERCLA is also referred to as Superfund. A list of hazardous materials and its reportable quantity (RQ) in pounds is provided in the CERCLA regulation, 40 CFR 302.4. The RQ for Champion Technologies' product varies depending on its hazardous constituents, percentage of the hazardous constituent found in the product, and the toxicity of the hazardous constituent. **Contact your QHSE Representative to calculate the RQ.**

Release Location	Regulatory Trigger
Within Secondary Containment (concrete wall/floor) – no impact to soil or water	If the release is contained entirely within secondary containment (concrete wall and floor) with no potential for impact to soil or water, the release **must be pumped out within 24 hours as either:** • **Product** – pump into a container (ie. tank or drum) if the released material remains a viable product (containment is clean and no storm water) or • **Waste** – if the secondary containment contains storm water or is not clean, the released product no longer meets the specifications of the Material Safety Data Sheet (MSDS) and is considered a waste. The waste must be pumped out by to a drum or tote and then hauled by an approved vendor (transporter of hazardous materials) to an approved disposal locations for the type of waste (see Waste Management Plan for characterization and procedure).
Surface Water	For oils or oil soluble products (see MSDS for solubility), the EPA has determined that the Reportable Quantity (RQ) is exceeded when one of the following occurs: • Film or "sheen" (discoloration) on the surface of the water Note: Generally, it does not take a large amount (less than 1 gallon) to form a film or sheen on a water's surface. The "rainbow" effect commonly seen in parking lots is the best example of this. • Violates applicable water quality standards, or • Sludge or emulsion is deposited beneath the surface of the water. For water-soluble products the regulation is based upon changes to the surface water that may result in a danger to human health or the environment. **As a BMP, any release/spill to surface water MUST be reported at a minimum to the applicable state agency.**
Land	**For releases or spills to land, reporting is based upon the RQ Calculation. Contact your QHSE Representative to assist with this calculation. As a general rule of thumb, the following raw materials and Champion products have low RQs:** • Products with RQs less than 55 Gallons Champion Technologies produces approximately 125 products that have an RQ less than 55 gallons. If the spilled material is one of the following Champion Products, contact your Regional QHSE representative to determine if the product's RQ is less than 55 gallons. o Asphaltene/Paraffin Inhibitor o Xylene (raw material) – RQ is 17 gal o Ammonia (raw material) – RQ is 44 gal o Emulsotron o Flexoil o Flotron • Methanol (raw material) – RQ is 750 gallons (included since common raw product stored on-site)

Release Location	Regulatory Trigger
Oil or Gas Lease Property (not on a Champion site)	Releases that originate on oil and gas leases are under the jurisdiction of the New Mexico Energy and Natural Resource Division. Reporting is the responsibility of the company who owns the oil lease. Aztec, KS is located in District #1 – (505) 327-9851

Discharge Discovery and Reporting [112.7(a)(3)]

Several individuals and organizations must be contacted in the event of an oil discharge. The EPA and the New Mexico Environment Department (NMED) require notification in a timely manner depending on the material and quantity released to the environment. The timeline starts when someone at the facility becomes aware of a release that exceeded the RQ. However, **all spill, discharges and releases regardless of whether they are reportable to an Agency MUST be documented using Champion Spill/Discharge Form (Sharepoint) and be entered into the Accident/Incident Tracking System.**

The Facility Manager is responsible for ensuring that all required discharge notifications have been made. All discharges should be reported to the QHSE Regional Representative.

Verbal Notification Requirements (Local, State, and Federal (40 CFR Part 110)

- **Local** – If the release is not contained or threatens the health or safety of the local population, the Local Emergency Planning Committee (LEPC) must be notified by dialing 911.

- **State** – Verbal notification must be provided as soon as possible after learning of a discharge, but in no event more than twenty-four (24) hours thereafter. Note: New Mexico has not established state specific reportable quantities – default to EPA 40 CFR Part 110.

  If release occurred at client location (well site) or during transportation:

- **Federal** - For any discharge that reaches navigable waters, or threatens to reach navigable waters, immediate notification must be made to the National Response Center (NRC) Hotline and EPA.

When making a verbal report, be prepared to answer the following questions:

- Reporter's name and phone number
- Name and mailing address of facility
- Parish where incident occurred
- Incident date
- Time and location
- Extent of injuries (if applicable)

- Name and quantity of hazardous materials involved
- Type of incident (ie. release from tank, tanker truck overturned, etc.)
- Nature of hazardous materials involved – it's recommend to have the MSDS available to refer to
- Media affected
- Description of how the release occurred

Written Notification Requirements (Local, State, and Federal (40 CFR Part 110)

- **State**
  - **Within a week** of learning of the discharge a written Corrective Action Report (CAR) must be submitted to NMED verifying the verbal notification and provide any additions or corrections. As soon as possible after learning of the spill, corrective actions must be taken to contain and remove or mitigate the damage caused by the spill. If it is possible to do so without unduly delaying needed corrective actions. A certified environmental professional should be consulted to coordinate acceptable corrective action efforts. The NMED form can be found at: http://www.nmenv.state.nm.us/gwb/New_Pages/docs_policy/Spill%20Report%20Form.pdf
  - **15 day Corrective Action Report** - No later than 15 days of learning of the spill, a written CAR must be submitted to NMED describing any actions taken or to be taken. Upon receipt of the CAR, the CEP shall approve or disapprove the CAR within 30 days of receipt. If the spill may with reasonable probability cause water pollution or not be abated within 180 days, NMED may require and Abatement Plan. A corrective action flow chart helps explains the CAR regulatory process.

- **Federal** - A written notification must be made to the EPA for any single discharge of oil to navigable waters or adjoining shoreline waterway of more than 1,000 gallons or for two discharges of 42 gallons of oil to a waterway in any 12-month period.

Appendix G: Emergency and Agency Contact Numbers

For emergencies, call 911.

Champion Technologies Contact and Phone Numbers

Name	Title	Office Number	Mobile Number
Vaughn Campbell	Sales Representative/ Safety Coordinator	(505) 334-8530	(505) 860-5930
Clint Johnson	Regional HSE Rep	(713) 590.3525	(281) 382-8915
Juan Alvarado	HSE Services	(713) 590-3556	(281) 253-0596
Bill Waldrep	ABU Team Leader	(337) 289-0019	(337) 280-1703

New Mexico

Hospital – San Juan Regional Medical Center 801 West Maple Farmington, NM 87401	(505) 325-5011
Fire Department (HazMat)	911
Police Department	911
LEPC San Juan County P.O. Box 227 Waterflow, NM 87421	(505) 599-1430
National Response Center	(800) 424-8802
Chemtrec	(800) 424-9300
New Mexico Environmental Department	505-827-9329 (emergency) 866-428-6535 (voice mail – non emergency – expect return call – if no returned call contact NMED) For non-emergencies, and to reach an on-duty NMED staff member during normal business hours, call 505-476-6000.

Spill Response Contractor - Garner Environmental 1-800-424-1716
Vacuum Truck: Sunco Trucking (505) 327-0416
Wrecker: Mr. G. Inc. (505) 325-0669

If any quantity of spilled materials reaches or is likely to reach navigable waters, contact EPA to report and to ask for guidance.

Oil/SPCC Coordinator
1445 Ross Avenue
Dallas, TX 75202-2733
(214) 665-6444
(800) 887-6063 (in Region 6 only)

Appendix H: **Record of Drainage of Non-Contaminated Water from Secondary Containment**

Dike Drainage Discharge Form

Aztec, New Mexico

Fill out a separate form for each sample collected and prior to water release. This is performed to ensure no water is released that has the potential to cause harm to persons, property, and the environment.

Fill out or Circle Each That Apply		
Person Collecting/Examining Sample:		
Discharge Location:		
Date and Time Collected and Examined:		
Rainfall Amount:		
Parameter	Parameter Description	Parameter Characteristics
Color	Is the water colored? **Yes No**	Describe If Necessary:
Clarity	Is the water clear or transparent? Can you see through it? **Yes No**	Which of the following best describes the water clarity? **Clear Milky Opaque**
Oil Sheen	Can you see a rainbow effect or sheen on the water surface? **Yes No**	Which of the following best describes the water sheen? **Oily Silver Iridescent**
Odor	Does the sample have an odor? **Yes No**	Describe If Necessary:
Floating Solids	Is there something floating on the surface of the sample? **Yes No**	Describe If Necessary:
Suspended Solids	Is anything suspended in the sample? **Yes No**	Describe If Necessary:
Settled Solids	Is there something settled at the bottom of the sample? **Yes No**	Describe If Necessary:
Foam	Is there foam or material forming on top of the water? **Yes No**	Describe If Necessary:
Detail any concerns or if any corrective actions were taken:		
Collector's Signature and Date:		

Appendix I: Regulatory Cross-Reference Table

SPCC Rule	Description of Section	Plan Section
112.7	Management Approval	Section 8
112.5	SPCC Plan Review and Amendment	Section 9
112.3(d)	Engineer Certification	Section 10
112.7	General Requirements	Section 1
112.7(a)(1) and (a)(2)	Conformance with Applicable Requirements; Deviations from Plan Requirements – Equivalent Environmental Protection	N/A
112.7(a)(3)	Facility Description and Site Layout	Section 4 and Figures
112.7(a)(3)(i)	Type of Oil and Storage Capacity	Section 4
112.7(a)(3)(ii)	Discharge Prevention Measures	Section 4 & 5
112.7(a)(3)(iii)	Discharge Drainage Controls as Secondary Containment	Section 6
112.7(a)(3)(iv)	Countermeasures for Discharge Discovery, Response, and Cleanup	Section 6.5
112.7(a)(3)(v)	Methods of Disposal of Recovered Materials	Section 6.6
112.7(a)(3)(vi)	Contact List and Phone Numbers	Appendix G
112.7(a)(4)	Discharge Reporting Information	Appendix G
112.7(a)(5)	Organization of Response Procedures	Appendix F
112.7(b)	Potential Spill Prediction Information	Section 5
112.7(c)	Containment and Diversion Structures or Equipment	Section 5
112.7 (d)	Oil Spill Contingency Plan	N/A
112.7(e)	Inspections, Integrity Testing and Recordkeeping Practices	Section 6 and 7
112.7(f)	Personnel Training, and Discharge Prevention Procedures	Section 7.1

SPCC Rule	Description of Section	Plan Section
112.7(g)	Security	Section 5.4
112.7(h)	Facility Tank Car and Truck Loading/Unloading	Section 5.2 and Appendix B
112.7(i)	Field-constructed Aboveground Container Repair	NA
112.7(j)	Applicable State Rules and Regulations	Appendix F
112.8(a)	General Requirements	Section 6
112.8(b)(1)	Drainage from Diked Storage Areas	Section 6 and Appendix H
112.8(b)(2)	Valves to Control Drainage in Diked Storage Areas	Section 5
112.8(b)(3)	Drainage from Undiked Areas	Section 5, 6, and Appendix C/D
112.8(b)(4)	Discharge from Ditches	NA
112.8(b)(5)	Drainage from Treatment Systems	NA
112.8(c)(1)	Bulk Storage Container Material of Construction	Section 5
112.8(c)(2)	Bulk Storage Container Secondary Containment	Section 5
112.8(c)(3)	Bulk Storage Container Area Drainage	Section 5 and 6, App. H
112.8(c)(4)	Completely Buried Metallic Tank Cathodic Protection	NA
112.8(c)(5)	Partially Buried Metallic Tank Cathodic Protection	NA
112.8(c)(6)	Integrity Test Aboveground Containers	Section 6.3
112.8(c)(7)	Leak Control of Heating Coils	NA
112.8(c) (8)	Discharge Prevention Devices	Section 6
112.8(c)(9)	Inspection of Effluent Treatment Systems	NA
112.8(c)(10)	Visible Discharges/Accumulation of Oil	Section 6 and Appendix H
112.8(c)(11)	Mobile or Portable Storage Containers	Section 5
112.8 (d) (1)	Transfer System Buried Piping	NA

SPCC Rule	Description of Section	Plan Section
112.8(d)(2)	Transfer System Terminal Connection	NA
112.8(d)(3)	Transfer System Pipe Supports	NA
112.8(d)(4)	Transfer System Inspection of Aboveground Piping	Section 6 and Appendix D and E
112.8(d)(5)	Transfer System Security	Section 6 and Appendix D and E
112.12(a)	SPCC Requirements for Animal Fats and Oils and Greases, and Vegetable Oils – General Requirements	NA
112.12(b)	SPCC Requirements for Animal Fats and Oils and Greases, and Vegetable Oils – Facility Drainage	NA
112.12(c)	SPCC Requirements for Animal Fats and Oils and Greases, and Vegetable Oils – Bulk Storage Containers	NA
112.12 (d)	SPCC Requirements for Animal Fats and Oils and Greases, and Vegetable Oils – Facility Transfer Operations, Pumping, and Facility	NA
112.20	Facility Response Plans – General Requirements	NA
112.20(e)	Facility Response Plans – Certification of the Applicability of the Substantial Harm Criteria	Appendix A

Appendix J: Hydro Testing Procedure

Per 40 CFR § 112.8(c)(6) and 112.12(c)(6) each aboveground container must undergo a test for structural integrity on a regular schedule and whenever material repairs are performed. Integrity testing must combine regular visual inspections (weekly facility inspection) with another non-destructive shell testing method. Records of inspections and tests must be retained for three years.

The hydrostatic head test (hydro) demonstrates the ability of the tank and its fittings to perform under hydrostatic pressure. The following test procedure only applies to tanks that are at atmospheric pressure. This procedure is developed using the guidelines and specifications from the American Society for Testing and Materials (ASTM) D 1998-97 Standard Specification for Polyethylene Upright Storage Tanks, American Petroleum Institute (API) Standard 650 Welded Steel Tanks for Oil Storage, and API Standard 653 Tank Inspection, Repair, Alteration, and Reconstruction.

A copy of the Hydrostatic Test procedure for ABU locations is provided on Sharepoint. This section only includes the (checklist and form. **Please see the Sharepoint site for directions and details regarding the hydrostatic test.**

THIS PROCEDURE TESTS THE STRUCTURAL INTEGRITY OF THE TANK – DO NOT PROCEED IF TANK SHOWNS EVIDENCE OF ANY CRACKS, BULGES, OR DISCOLORATION OR IF TANK NOT LOCATED WITHIN SECONDARY CONTAINMENT

Facility Name: _____

Reason for Test ___ 5 Year Integrity Check ___ Increase in Severity of Service
___ New Tank ___ Major Repair (type): _____

--- TANK INFORMATION ---

Tank Identification: _____ Capacity (gal): _____

Tank Shell Material (circle): Bare Steel Coated Steel Lined – Date Installed _____
Fiberglass Double Wall Polyethylene Other:_____

Date Installed (approx.): _____ Last Repair/Change in Service Date: _____

Design Specification (circle): API 650 ASTM D 1998-97 Unknown Other: _____

Manufacturer: _____ Vendor Purchased from: _____

Dimensions: Height_____ (ft) Diameter:_____ (ft) or Circumference: _____ (ft)

Check if present: ___ Overfill Protection ___ Contents Label ___ NFPA Label
___ Cathodic Protection ___ High Level Alarm ___ Sight Glass/Gauge
___ Emergency Vents ___ Other _____

Contents (product): _____

Tank Used for Blending? Yes No If yes, list final products:

Product: _____ NFPA: ___ Product: _____ NFPA: ___
Product: _____ NFPA: ___ Product: _____ NFPA: ___
Product: _____ NFPA: ___ Product: _____ NFPA: ___

Containment (circle): Earthen Dike Concrete Synthetic Liner Other: _____

STEP 1: VISUALLY INSPECT TANK	YES	NO
1. Hairline or larger cracks in shell surface visible		
2. Shell surface shows signs of pitting or indentations.		
3. Tank is not uniform in color. Some areas appear "brighter" or discolored from the rest of the tank.		
4. Tank shell is not uniform – appears to bulge in areas.		
5. Seams are ragged or are not smooth to the touch.		
6. Seal on valve is rusted or area below valve shows signs of staining.		
IF YOU ANSWERED YES TO ANY OF THE ABOVE – STOP THE TEST CONTACT QHSE REPRESENTATIVE		
STEP 2: VISUALLY INSPECT SECONDARY CONTAINMENT		
1. Dirt, leaves, or other debris is present within secondary containment.		
2. Spills or other liquid is present within the secondary containment.		
3. Hairline cracks on the dike walls are present.		
4. Seams are not sealed on dike wall.		
IF YOU ANSWERED YES TO ANY OF THE ABOVE – STOP THE TEST CONTACT QHSE REPRESENTATIVE		

Step 3: Fill Tank to a Minimum of 75% Total Capacity
Tank Capacity: _____ x 0.75 = _____ gallons

WARNING: Tank will be OUT OF SERVICE for duration of test – 24 Hours
NOTE: Tank may be filled with either water or product except for new tanks. New must be tested using water prior to putting into service.

DO NOT LEAVE TANK UNATTENDED FOR MORE THAN 6 HOURS - MUST CHECK TANK VISUALLY AT LEAST ONCE EVERY 6 HOURS

1. Check weather forecast – if more than 20% chance of precipitation do not perform test.
2. Review MSDS if using Product.
3. Based upon MSDS – verify property Personal Protective Equipment (PPE) including respirator is present and ready for use.
4. Verify sufficient empty drums or other containers are present to pump tank contents into in the event the tank fails.
5. Ensure equipment including pump and hoses that may be needed to pump contents into another container have been inspected and are ready.
6. Fill tank to 75% capacity. Immediately check for leaks (first entry in table).
7. Visually inspect tank once every two hours for a minimum of twelve hours then at a minimum of once every six hours.

Facility Name: Start Time/Date (tank at 75% capacity) End Time/Date

Time	Leaks from Valve	Change in Shell Color	Leaks from Seams	Sides Bulging	Comments
	Y N	Y N	Y N	Y N	
	Y N	Y N	Y N	Y N	
	Y N	Y N	Y N	Y N	
	Y N	Y N	Y N	Y N	
	Y N	Y N	Y N	Y N	
	Y N	Y N	Y N	Y N	
	Y N	Y N	Y N	Y N	
	Y N	Y N	Y N	Y N	
	Y N	Y N	Y N	Y N	
	Y N	Y N	Y N	Y N	
	Y N	Y N	Y N	Y N	
	Y N	Y N	Y N	Y N	

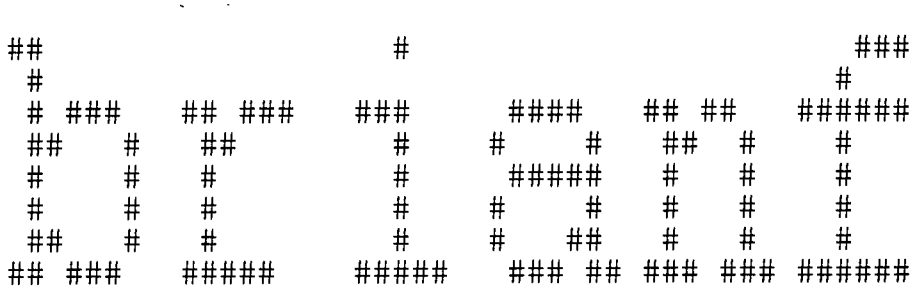
Circle: TANK MAINTAINED INTEGRITY (NO LOSS OF PRODUCT/WATER) – PASS
TANK FAILED – PRODUCT/WATER LOSS (SHELL OR VALVE) – CONTACT QHSE REPRESENTATAIVE

Inspector Name	Inspector Signature	Date	Facility Manager Name	Facility Manager Signature	Date

Appendix K: Container Storage Summary
January 2008 Inventory

PRODUCT	Solubility	Drums (gallons)	Totes (gallons)
Ambitrol FI 50	Water	50	0
Ambitrol NTF 50	Water	440	210
Ammonium Bisulfide	Water	85	0
Bactron K-103	Water	440	0
Bactron K-31 W	Water	7095	0
Bactron K-87	Water	1595	2795
Cortron R-2264	Water	605	0
Cortron R-2389	Water	1790	0
Cortron R-2498	Oil	55	0
Cortron RN-193	Water	0	0
Cortron RN-219	Water	880	0
Cortron RN-234	Water	4288	0
Cortron RPA-804	Oil	880	0
Cortron RU-206	Water	55	0
Diesel	Oil	0	300
Emulsotron X-798B5	Oil	0	0
Emulsotron X-839	Oil	460	0
Emulsotron X-965	Oil	1045	0
Flexoil FM-116	Oil	1365	0
Flotron M-136	Water	2255	0
Flotron M-154	Water	385	0
Flotron M-25	Water	555	0
Flotron M-45	Water	1457	0
Foamatron V-41	Water	1890	0
Foamatron V-89	Water	2645	0
Gas Treat 157	Water	0	2395
Gyptron T-106	Water	4785	0
Gyptron T-114	Water	405	0
Gyptron T-164	Water	1855	0
Gyptron T-357	Water	605	0
Gyptron TSD	Water	715	0
Isopropyl Alcohol	Water	330	0
Methanol	Water	128	750
Scortron GR-103	Water	5795	0
Scortron GR-150	Water	780	0
Surfatron 613	Water	770	0
Surfatron DN-100	Oil	6345	0
Surfatron DN-92	Oil	7060	0
Xylene	Oil	165	0

Total Chemical Storage in Containers (gallons)	66,293
Total Oil Storage in Containers (gallons)	**17,675**



Job : 73
Date: 2/14/2008
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