

**GW - 045**

**INSPECTION**

Leonard,

This is the engineering drawing showing modifications to the Kutz Canyon Gas Plant pond system. The pond is being divided into two cells, each with double liner and leak detection.

Unless you see a concern with the design, we plan to start contraction in June.

Thanks,

David Bays



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**Lowe, Leonard, EMNRD**

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**From:** Lowe, Leonard, EMNRD  
**Sent:** Tuesday, September 30, 2008 4:32 PM  
**To:** 'Bays, David'; Deklau, Ingrid  
**Cc:** Price, Wayne, EMNRD; Powell, Brandon, EMNRD  
**Subject:** GW-045 Inspection Letter  
**Attachments:** GW-045, Inspection Letter.pdf; GW-045, Inspection photos.pdf

Mr. David Bays,

Attached is the report for the inspection performed on the Kutz gas plant.

llowe

**Leonard Lowe**

Environmental Engineer  
Oil Conservation Division/EMNRD  
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Santa Fe, N.M. 87505  
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New Mexico Energy, Minerals and Natural Resources Department

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**Reese Fullerton**  
Deputy Cabinet Secretary

**Mark Fesmire**  
Division Director  
Oil Conservation Division



September 30, 2008

Mr. David Bays

**Re: Inspection Report, GW-045  
Kutz Gas Plant, Williams Four Corners  
San Juan County, New Mexico**

Dear Mr. Bays:

The Oil Conservation Division (OCD) performed an onsite inspection of Williams Four Corners Kutz gas plant located in NW/4 NW/4 Section 13 & SW/4 Section 12, Township 28 North, Range 11 West, NMPM, San Juan County, New Mexico on July 31 2008.

Williams Four Corners shall address the following concerns (reference photos in attachment):

1. **Photos 1 & 14:** Sumps appear to have fluids in them. The permit conditions require that fluids in small sumps be removed within 72 hours. It is not known that these fluids have been present greater than 72 hours; this is just a reminder that fluids shall be removed within the prescribe time referenced in the permit conditions. Williams Four Corners shall inform the Kutz personnel of this condition.
2. **Photos 2 & 3:** Used activated carbon and molecular sieves placed within earthen bermed cells. Used filter waste should not be placed directly on the ground. Williams Four Corners shall reconfigure the ir holding area and not have waste placed directly on the ground. Waste is not allowed to accumulate more then 180 days unless approved by the OCD, see Condition Item 6 of permit for details. If waste has been there greater than 180 days, please provide to the OCD this approval. The OCD request testing results and manifest of current waste located in cells.
3. **Photos 4 & 5:** Iron sponge is dispersed on the ground. The OCD request; reasons for performing this task; were any ignitability testing completed to the waste sponge; the duration of this practice and any record from the OCD for approval of this activity.
4. **Photo 6:** AST needs to have a liner placed underneath it. Williams Four Corners shall reconfigure AST to conform to the permit requirements before the next permit renewal.
5. **Photo 7-10:** The flare pond located on the southwest site of the facility with leak detection system. Fluids appeared to be in the leak detection system. OCD was informed that the pond previously had a leak in its liner. The OCD is requesting the following: a history of this event and its resolution, including drawings/schematics of pond; the waste acceptance profile sheet for the pond; and the records for monitoring of the leak detection system. Williams Four Corners shall remove the liquids from the leak detection system and monitor fluid levels if present.

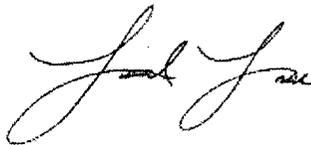


Mr. David Bays  
September 30, 2008  
Page 2

6. **Photo 11:** A discharge was noted around these two protruding conduits. Please clean up the contaminated soil and submit to the OCD a resolution to prevent this event from reoccurring.
7. **Photos 12, 13, 15:** One of many sumps located on site. The leak detection system in all sumps appeared to have fluids in them. Williams Four Corners shall remove all fluids in their sumps leak detection system and verify to the OCD that their sumps meet integrity. The OCD request the testing data records of all their sumps including cleaning records.
8. **Photo 16:** Fluids drained into this unknown drainage area near the south end of the processing area. Where is the fluid draining to? Provide the OCD the details of this scenario.
9. **Photo 17-21:** Several areas of soil staining. Williams Four Corners shall prevent any discharges on to the ground. Doing so is a violation of this discharge plan permit.
10. **Photo 22:** Williams Four Corners shall adhere to all conditions pertaining to drum storage at this facility.

Williams Four Corners shall submit replies or resolution to **Items 2, 3, 5, 6, 7, and 8 within 60 days** of the inspection letter. 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](mailto:leonard.lowe@state.nm.us).

Sincerely,



Leonard Lowe  
Environmental Engineer

xc: OCD District III Office, Aztec

OCD Inspection: Williams Four Corners, Kutz Gas Plant, GW - 045

Inspector(s): Brandon Powell and Leonard Lowe

Company Rep: David Bays

Date: 07.31.08

Time: 8:40 – 11:20

Page 1

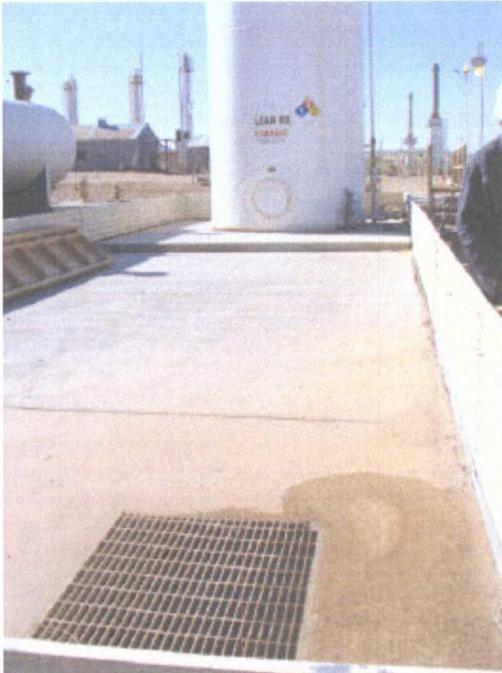


Photo 1: Sump contained fluids.



Photo 3: Used charcoal located in cells located on ground.



Photo 2: Used "Molesieve" located in cells on ground.



Photo 4: Iron sponge media spread out.



Photo 5: Iron sponge media spread out near a wash.

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Page 2

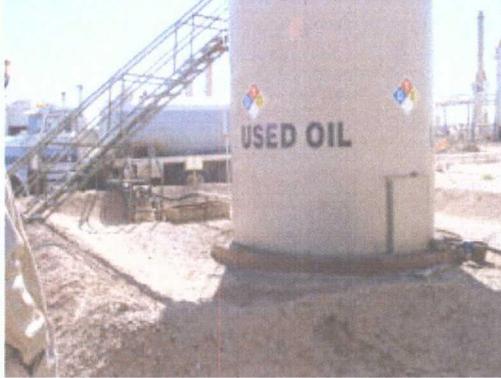


Photo 6: AST with no non permeable barrier.



Photo 9: Leak detection for pond located on west side.

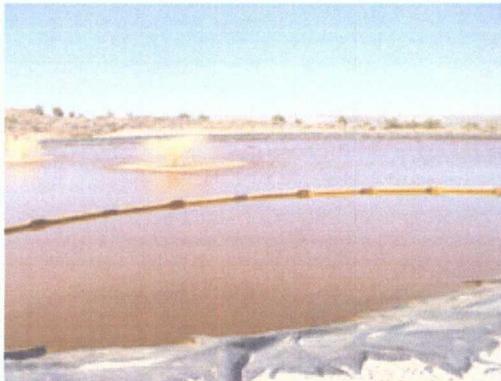


Photo 7:



Photo 10: Fluid in pond leak detection system.



Photo 8:



Photo 11: Ports with soil staining near water tanks, assume gasoline.

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Page 3



Photo 12: A cemented BGT located on the west side of plant with a cracked lid.



Photo 13: Leak detection for BGT, appeared to have fluids in system.



Photo 14: Sump filled with fluids.



Photo 15: Second concrete BGT located within the facility. Its leak detection appeared to have fluids.



Photo 16: Fluids (rainwater) are draining into this area, assumed a storm drain cover.

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Page 4



Photo 17: Gravel/soil contamination around building doorway.



Photo 19: Leaked diesel on to ground underneath conduit of Photo 18.



Photo 18: A leak at building and conduit interface.



Photo 20: Edge of leak near facility fence.



Photo 18: Conduit protruding from main fire pump building appears to have leaked diesel.

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Page 5



Photo 21: Drip pan area for used oil tank has discharge on to ground.



Photo 22: Drum storages, full or partially full barrels located on pallets.