

GW - 164

**GENERAL
CORRESPONDENCE**

2008 - Present

Griswold, Jim, EMNRD

From: Price, Wayne, EMNRD
Sent: Wednesday, November 19, 2008 11:12 AM
To: Mark Larson; Griswold, Jim, EMNRD
Cc: Schornick, Mike; Sam.Baron@woodgroup.com; Michelle Green
Subject: RE: GW-164, Wood Group ESP - Hobbs Test Facility Regulatory Update

Mr Jim Griswold of my staff has been assigned oversight of this permit. Make sure you CC him on all future correspondence.

From: Mark Larson [mailto:Mark@laenvironmental.com]
Sent: Friday, November 14, 2008 7:35 AM
To: Price, Wayne, EMNRD
Cc: Schornick, Mike; Sam.Baron@woodgroup.com; Michelle Green
Subject: Re: GW-164, Wood Group ESP - Hobbs Test Facility Regulatory Update

Wayne,

This message is submitted to the New Mexico Oil Conservation Division (OCD) on behalf of Wood Group ESP, Inc. (WGESP) by Larson & Associates, Inc. (LAI), its consultant, to provide the OCD with a regulatory status report for its Hobbs Test Facility (HTF), regulated by the OCD under discharge permit GW-164. As you recall from our meeting on June 13, 2008, WGESP presented the results of testing it performed to determine the source for hazardous concentrations of metals, specifically chromium and lead, that was detected in samples from acid waste at the HTF. The chromium and lead was being stripped from the metallurgy of the pumps during the acid cleaning process resulting in the generation of a hazardous waste. On June 13, 2008, representatives of WGESP and LAI, along with Mr. Glenn von Gonten of your staff, met with the New Mexico Environment Department Hazardous Waste Bureau in Santa Fe, New Mexico. As a result of the meeting, WGESP has completed the tasks required for compliance with the NMED hazardous waste rules at the HTF. On Wednesday, November 12, 2008, WGESP and LAI representatives met with Mr. Mark Coffman at the NMED District 1 office in Albuquerque, New Mexico. The meeting was held to review and discuss compliance documents that were submitted for the HTF to the NMED on July 24, 2008. The outcome of the meeting was very positive and WGESP can expect a compliance inspection by the NMED Hazardous Waste Bureau sometime during the first half of 2009. WGESP is dedicated to minimizing hazardous waste generation at the HTF and is committed to finding a suitable replacement for the acid cleaning process to eliminate generation of hazardous waste. Along that line, WGESP has decided to begin storing its hazardous waste in containers rather than large volume tanks and will be working with Safety-Kleen Systems, Inc., at the HTF today to properly dispose the acid waste tank, along with chemical drums from the drum storage area. On November 12, 2008, LAI personnel collected a groundwater sample for laboratory analysis from the water well at the HTF, a condition of the discharge permit. We would like to thank you and your staff for working with WGESP at the HTF for assistance in complying with the rules of the NMOCD and NMED. Please contact Mike Schornick with WGESP at (405) 671-2145 or emailMike.Schornick@woodgroup.com or myself if you have questions.

Mark J. Larson
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11/19/2008

Wood Group ESP Inc.

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July 24, 2008

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VIA: FedEx Courier

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**Re: Hazardous Waste Generator Compliance Plan Implementation Status
Wood Group ESP, Inc., Hobbs Test Facility
8426 North Dal Paso, in Hobbs, New Mexico
EPA ID No. NMR000013524**

Dear Mr. Vollmer:

This letter and accompanying compact disk (CD) are submitted to the New Mexico Environment Department (NMED) Hazardous Waste Bureau (HWB) by Wood Group ESP, Inc. (WGESP) to present compliance plan implementation status information in regards to Large Quantity Generator hazardous management regulations applicable to the WGESP Hobbs Test Facility (HTF) located at 8426 North Dal Paso, Hobbs, New Mexico. The HTF is a service center for electric submersible pumps used in the oil and gas industry and operates under a groundwater discharge permit (GW-164) administered by the New Mexico Oil Conservation Division (NMOCD).

On June 26, 2008, WGESP submitted a compliance action plan and schedule to the HWB for the HTF. Therein, WGESP committed to implement the plan tasks and provide documentation to the HWB on or before July 25, 2008. Subsequently, the HWB approved the plan and schedule. Accordingly, WGESP is pleased to inform the HWB that all plan tasks have been implemented as outlined in the plan. Also, as explained herein, during implementation of the plan, WGESP identified and initiated other compliance tasks, unknown at the time the plan was prepared. As indicated above, WGESP submits the enclosed CD and the following implementation status summary for each of the plan's task:

Contingency Plan

A site specific Contingency Plan for the HTF has been prepared. Employee training in regards to the plan has been completed and is documented in the HTF files. A copy of the plan has been provided to the local emergency agencies (fire, police and hospital).

Notification and Compliance Documentation

Initial notification of regulated waste activity (Form 8700-12) for the HTF was submitted on June 27, 2008. The facility is registered as a Large Quantity Generator (LQG). An updated regulated waste activity form and biennial report for 2007 were submitted on July 16, 2008.

Employees were trained in regards to notification, biennial reporting and general recordkeeping requirements for a LQG.

RCRA Training and Documentation

Employees responsible for handling waste and responding to potential releases completed the Hazardous Waste and Hazwoper training modules provided by WGESP' training contractor; West Texas Safety Training. Rodrigo Burrola, Test Shop Supervisor, will be attending a third party 40 hour Hazwoper Training class beginning August 4, 2008 along with Mike Schornick, WGESP Environmental Engineer.

Employees were trained on the training requirements for a LQG.

Hazardous Waste Characterization and Labeling

All historical information on waste characterization and process changes were compiled and reviewed in detail. Prior to plan implementation, waste streams were segregated, characterized and tested. WGESP emphasizes, no new tests were performed during plan implementation since historical tests were determined to be adequate and representative of the hazardous waste stream. The waste stream will be analyzed if any change to the process occurs. All analytical data has been organized, filed on-site and is available for inspection. The tanks have been properly labeled to identify contents. In particular, the Acid Waste Tank (i.e. which stores the HTF hazardous waste) has been properly labeled with a hazardous waste warning sign.

Inspection Schedule and Manifest Logs

HTF log books were developed to track the daily inspection of the Acid Tank and ancillary equipment. This includes a visual inspection for leaks, cracks or damage to the tank, piping or other components. The volume of waste in the tank is also recorded on a daily basis. Any deficiencies noted must be immediately reported to a supervisor.

Additionally, a manifest log book was developed and will track the hazardous waste shipments for the facility. It provides the HTF the ability to track the manifest and appropriate timeline to receive a completed manifest from the disposal facility. An exception report will be submitted and filed on-site if the appropriate disposal facility manifest copy is not received within the required regulatory timeframe.

Disposal Facility Approval and Transportation Setup

The HTF has made arrangements and agreements with a licensed/permitted hazardous waste disposal facility and a transportation company to transport and properly dispose of the Acid Tank waste. A waste characterization profile and supporting analytical report for the Acid Waste stream were submitted to the disposal company; Waste Control Specialist (WCS). WCS has approved the waste profile and the waste for disposal until January 3, 2010.

Arrangements for disposal of on-site waste were implemented to meet the 90-day on-site storage requirements for LQG. Transport and disposal of Acid Tank waste on-site, under the new arrangements, was completed on July 23, 2008.

Manifest and Land Disposal Restrictions (LDR) records will be maintained at the HTF.

Waste Disposal Oversight Plan

Arrangements have been made with Larson & Associates, Inc. (LAI), WGESP consultant, to provide oversight for hazardous waste disposal. LAI has prepared an instruction document to provide step by step guidance for implementing transport and disposal at the HTF. Templates are included to show how to properly fill out a manifest and the LDR documentation to be provided to the transport driver. LAI will assist with disposal until the employees are trained and comfortable with performing the task.

Waste Minimization Strategy

Prior to plan implementation, WGESP made significant progress to segregate hazardous and non-hazardous waste streams. The Acid Waste stream is now placed in a dedicated tank. Analysis during plan implementation indicates WGESP efforts have reduced the amount of hazardous waste generated by approximately 50%.

In a separate simulation study, WGESP has determined the principal source of the hazardous waste constituents to be the hydrochloric acid cleaning process used for scale removal from the pumps. WGESP is currently evaluating modifications and options for the acidification scale removal process for the pumps. One process modification option identified is to reduce the amount of time for the acidification process. Additionally, WGESP has determined it is likely feasible to reduce the number of pumps that need treated for scale removal. WGESP plans to identify viable waste minimization options and effect implementation within the next 12 months. Based on current information, WGESP believes it is possible to reduce their generator status to Small Quantity or possibly even Conditionally Exempt Small Quantity in that time period.

Recordkeeping Index

A filing system has been established at the HTF to maintain generator files. The filing system includes but is not limited to recordkeeping requirements, notification of regulated waste, tank inspections, hazardous waste manifest, reports (exception and biennial), training records, contingency plan and regulatory correspondence.

Additional Actions

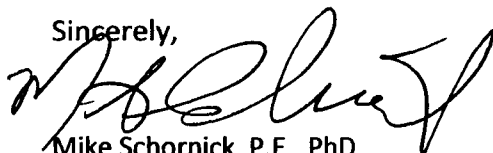
The above status report addresses the status of all tasks in the plan submitted to the HWB. During plan implementation the following additional needs were identified and actions taken:

- WGESP has completed and submitted the 2007 Annual Hazardous Waste Fee Report to the NMED along with past due fees; a total of \$16,053.
- The Acid Waste tank piping was pressure tested with file documentation to confirm no leaks at a test pressure of 50 psi.
- A tank integrity certification was performed by a third party New Mexico registered professional engineer and is documented in the HTF files.
- In the process of reviewing the information for the tank integrity evaluation it was discovered that the existing secondary containment does not meet the volume requirements of 40 CFR 265.193. WGESP is evaluating whether to expand the secondary containment system or replace the Acid Tank with a new double wall tank. A decision will be made soon and communicated to the HWB.

Summary

As mentioned above, the plan was implemented and a CD is enclosed containing the forms, log books, contingency plan and additional information as support documentation for WGESP's compliance progress. WGESP looks forward to scheduling a meeting at the HWB office to review this report and documentation with the HWB and NMOCD staff. If you have any questions or require additional information please do not hesitate to contact me.

Sincerely,



Mike Schornick, P.E., PhD
Environmental Engineer
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(405) 290-8523 (cell)

cc: Michelle Green – LAI, enclosure
Wayne Price – NMOCD
Glen Von Gonten – NMOCD, enclosure
Bud Missel - WGESp
Mike Nieman – WGESp
Larry Holdge – WGESp, enclosure