

GW – 185

**GENERAL
CORRESPONDENCE**

YEAR(S): 2008 - 2013

Lowe, Leonard, EMNRD

From: Jennifer Knowlton [jknowlton@yatespetroleum.com]
Sent: Wednesday, February 11, 2009 10:54 AM
To: Lowe, Leonard, EMNRD
Subject: RE: GW-185, Agave Liquid Dagger Draw Gas Plant

Leonard,

Here is a brief summary of the six discharge permits Agave has in process. We have nine total but three of them are good until 2012.

Bitter Lake (GW 50-01) and Red Bluff #1 (GW 50-05) were submitted for renewal on 2/6/2009.
Red Bluff #2 (GW-50-07) and Red Bluff #3 (GW 50-08) were submitted for renewal on 12/1/2008.

I think that you were aware of these four.

Penasco (GW-125) was submitted for renewal on 4/10/2007 with a follow-up information request submitted on 4/9/2008. I prepped the public notice for this permit, but I don't think that anything ever happened to it.

Agave Dagger Draw Gas Plant was initially submitted for modification/renewal on 7/16/2006. Additional information was submitted at the request of the Division on 2/6/2007 and 4/9/2008. This one is more complicated.

The Duke Dagger Draw Gas Plant was issued discharge permit GW-185. To the best of our knowledge, this facility has not operated since August 2003. In May 2005, Agave Energy Company purchased the neighboring Duke Dagger Draw Gas Plant. These two facilities are neighboring and contiguous, sharing a common fence line. Agave modified and consolidated the two facilities to some degree. This project included the installation of an acid gas injection system in lieu of a flare or SRU to dispose of the acid gas stream from the amine system. Agave refurbished the cryogenic skids, removed two large gas fired compressor engines, and installed a new control system. The bulk of this work was done on the old "Duke side" of the operations. Agave started moving gas through the Agave Dagger Draw Gas Processing Plant in April 2006. At this time, the equipment on the old Agave side is not operational. Agave is currently developing a plan to clean up the old "Agave side" to treat a side stream of gas but due to current economic conditions, this project is not a priority.

I do not want two discharge permits for this new combined facility which I think caused some confusion. In addition to the modification of the permit submitted in 7/16/2006, Agave wanted to close the landfarm that is on the GW-053 permit. Closure plans were submitted in 2007 for that facility.

Beyond the requests for additional information, we haven't heard anything from the OCD regarding the Penasco facility nor the Agave Dagger Draw facility.

I am more than happy to provide information as you bring yourself up to speed on some of these outstanding projects! Just let me know how I can help!

Jen

-----Original Message-----

From: Lowe, Leonard, EMNRD [mailto:Leonard.Lowe@state.nm.us]
Sent: Tuesday, February 10, 2009 4:15 PM
To: Jennifer Knowlton
Subject: GW-185, Agave Liquid Dagger Draw Gas Plant

Jennifer,

Can you tell me the status of this facility and its discharge permit?

llowe

Leonard Lowe

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