GW - 213

PERMITS, RENEWALS, & MODS Application

OIL CONSERVATION DIVISION

August 30, 1995

CERTIFIED MAIL
RETURN RECEIPT NO. Z-765-962-763

Mr. Ed Sloman
Hadson Gas Gathering & Processing Company
921 West Sanger
Hobbs, NM 88240

RE: Discharge Plan GW-213 Approval
Strata Compressor Station
Lea County, New Mexico

Dear Mr. Sloman:

The discharge plan GW-213 for the Hadson Gas Gathering & Processing Company Strata Compressor Station located in the NE/4 NE/4, Section 22, Township 23 South, Range 34 East, NMPM, Lea County, New Mexico, **is hereby approved** under the conditions contained in the enclosed attachment. The discharge plan consists of the application received July 19, 1995.

The discharge plan was submitted pursuant to Section 3-106 of the New Mexico Water Quality Control Commission (WQCC) Regulations. It is approved pursuant to Section 3-109.A. Please note Sections 3-109.E and 3-109.F., which provide for possible future amendments or modifications of the plan. Please be advised that approval of this plan does not relieve you of liability should your operation result in pollution of surface water, ground water, or the environment.

Please be advised that all exposed pits, including lined pits and open tanks (tanks exceeding 16 feet in diameter), shall be screened, netted, or otherwise rendered nonhazardous to wildlife including migratory birds.

Please note that Section 3-104 of the regulations require "When a facility has been approved, discharges must be consistent with the terms and conditions of the plan." Pursuant to Section 3-107.C. you are required to notify the Director of any facility expansion, production increase, or process modification that would result in any change in the discharge of water quality or volume.

Pursuant to Section 3-109.G.4., this plan is for a period of five (5) years. This approval will expire on August 30, 2000, and you should submit an application six months before this date. It should be noted that all discharge plan facilities will be required to submit plans for, or the results of, an underground drainage testing program as a requirement for discharge plan renewal.

The discharge plan application for the Hadson Gas Gathering & Processing Company Strata Compressor Station is subject to WQCC Regulation 3-114 discharge plan fee. Every billable facility submitting a discharge plan will be assessed a fee equal to the filing fee of fifty (50) dollars, due upon receipt of this approval, plus a flat fee based on the combined horsepower at the facility. There is no flat fee for facilities with a combined horsepower between 0 and 1,000. Since the combined horsepower at the Strata Compressor Station is 230, there is no required flat fee. The New Mexico Oil Conservation Division (OCD) received your fifty (50) dollar filing fee on July 19, 1995.

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

Sincerely,

William J. LeMay by MES

William J. LeMay
Director

WJL/mwa
Attachment

xc: Jerry Sexton, OCD Hobbs Office
Wayne Price, OCD Hobbs Office

ATTACHMENT TO THE DISCHARGE PLAN GW-213 APPROVAL
HADSON GAS GATHERING & PROCESSING COMPANY
STRATA COMPRESSOR STATION
DISCHARGE PLAN REQUIREMENTS
(August 30, 1995)

1. Drum Storage: All drums will be stored on pad and curb type containment.

2. Sump Inspection: All pre-existing single-lined sumps at this facility will be cleaned and visually inspected on an annual basis.

   Any new or rebuilt sumps or below-grade tanks will incorporate leak detection in their designs and will be approved by the OCD prior to installation.

3. Berms: All tanks that contain materials other than freshwater will be bermed to contain one and one-third (1-1/3) times the capacity of the largest tank within the berm or one and one-third (1-1/3) times the total capacity of all interconnected tanks.

4. Above Grade Tanks: All above ground tanks (saddle tanks) will be on impermeable pad and curb type containment.

5. Pressure Testing: All discharge plan facilities are required to pressure test all underground piping at the time of discharge plan renewal. All new underground piping shall be designed and installed to allow for isolation and pressure testing at 3 psi above normal operating pressure.

6. Spills: All spills and/or leaks will be reported to the OCD Santa Fe and Hobbs District Offices pursuant to WQCC Rule 1-203 and OCD Rule 116.

7. Closure: The OCD will be notified when operations of the facility are discontinued for a period in excess of six months. Prior to closure of the facility a closure plan will be submitted for approval by the director. Closure and waste disposal will be in accordance with the statutes, rules and regulations in effect at the time of closure.

8. Transfer of Discharge Plan: Prior to any transfer of ownership, control, or possession of your facility, the OCD will be notified. A written request must be submitted and approved by the OCD prior to the transaction.

9. Inspection Requirements: Additional requirements may be imposed as a result of inspections by the OCD.

Z 765 962 763

Receipt for Certified Mail

No Insurance Coverage Provided
Do not use for International Mail
(See Reverse)

Sent to	
Street and No.	
P.O., State and ZIP Code	
Postage	$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	$
Postmark or Date	

PS Form **3800**, March 1993

State of New Mexico
Energy, Minerals and Natural Resources Department
OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, NM 87501

GW-213

DISCHARGE PLAN APPLICATION FOR NATURAL GAS PROCESSING PLANTS, OIL REFINERIES AND GAS COMPRESSOR STATIONS

(Refer to OCD Guidelines for assistance in completing the application.)

I. TYPE: Compressor Station

II. OPERATOR: Hadson Gas Gathering & Processing Company

ADDRESS: 921 West Sanger - Hobbs, NM 88240

CONTACT PERSON: Ed Sloman PHONE: 505-393-2153

III. LOCATION: NE /4 NE /4 Section 22 Township 23S Range 34E
Submit large scale topographic map showing exact location.

IV. Attach the name and address of the landowner(s) of the disposal facility site.

V. Attach description of the facility with a diagram indicating location of fences, pits, dikes, and tanks on the facility.

VI. Attach a description of sources, quantities and quality of effluent and waste solids.

VII. Attach a description of current liquid and solid waste transfer and storage procedures.

VIII. Attach a description of current liquid and solid waste disposal procedures.

IX. Attach a routine inspection and maintenance plan to ensure permit compliance.

X. Attach a contingency plan for reporting and clean-up of spills or releases.

XI. Attach geological/hydrological evidence demonstrating that disposal of oil field wastes will not adversely impact fresh water. Depth to and quality of ground water must be included.

XII. Attach such other information as is necessary to demonstrate compliance with any other OCD rules, regulations and/or orders.

XIII. CERTIFICATION

I hereby certify that the information submitted with this application is true and correct to the best of my knowledge and belief.

Name: John R. Delaney Title: General Manager

Signature: John R. Delaney Date: 7/11/95

DISTRIBUTION: Original and one copy to Santa Fe with one copy to appropriate Division District Office.

I.

The major purpose of this facility, The Strata Compressor Station, is to compress natural gas.

This compressor station will be a "Low Pressure Gathering " compressor station. We will take gas from various wells which are being designated as low pressure, boost the pressure, and move the gas to another part of our system. To accomplish this goal we will be using a 230 H.P., two stage, gas compressor.

At this facility we will have a scrubber in front of the compressor. This will remove the free liquids from the stream of natural gas before it is compressed. All liquids which are recovered from this facility will be contained by a 210 Bbl. tank which will be emptied into trucks as often as necessary, and transported to either market, or to a licensed disposal, which ever is applicable.

II.

The Owner/Operator of the facility will be:
LLano Inc. (505) 393-2153
921 W. Sanger
Hobbs, New Mexico 88240

Mr. J. R. Delaney (505) 393-2153
Manager; Operations
921 W. Sanger
Hobbs, New Mexico 88240

The Compressor unit, will belong to the below listed company. They will provide the compressors, and full maintenance on the unit.

Hanover Compression Service, Inc.
4245 N. Central Expressway, Suite 350
Dallas, Texas 75205
214-528-9270

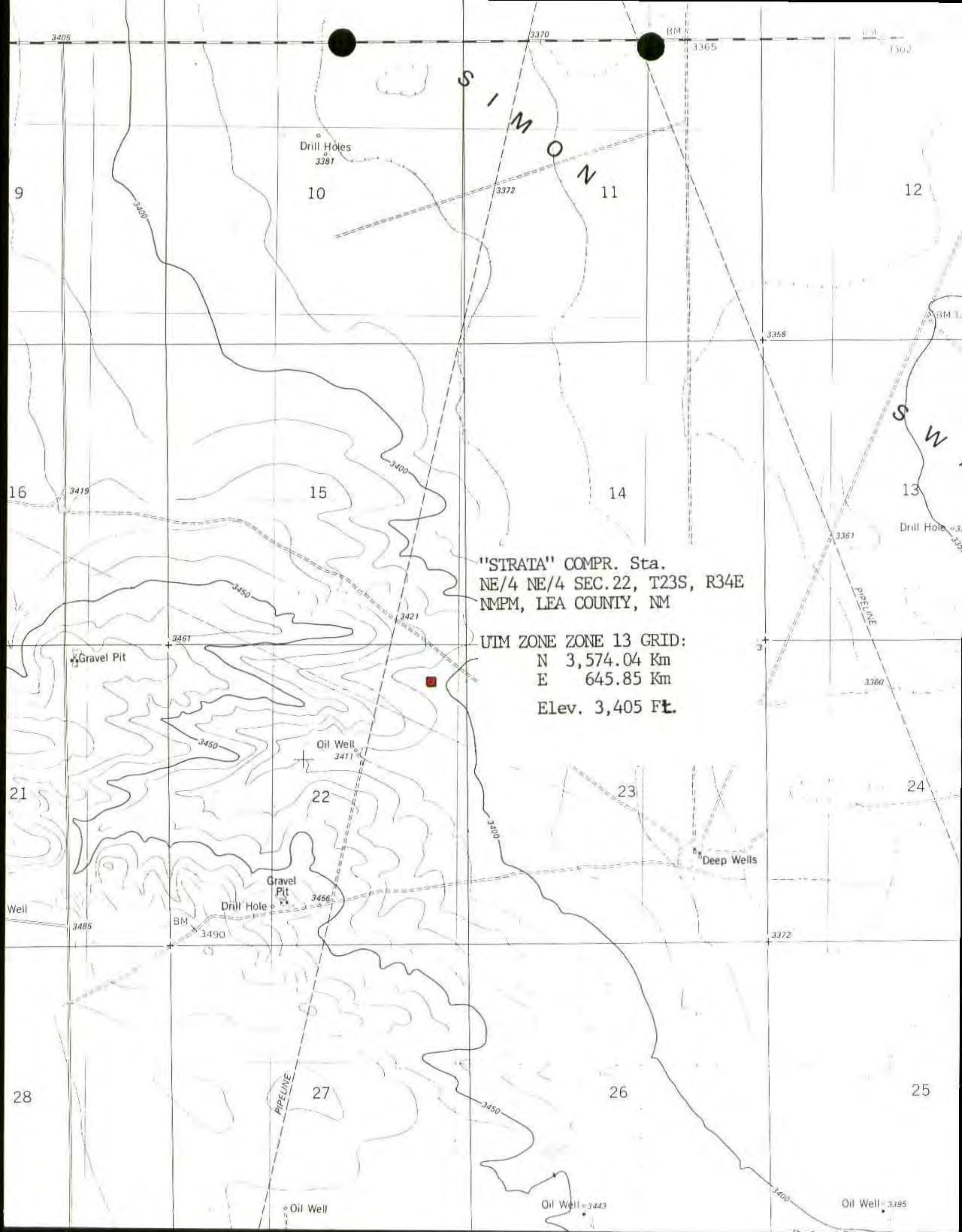
Contact Person:
W. David Malone (Sales Representative)

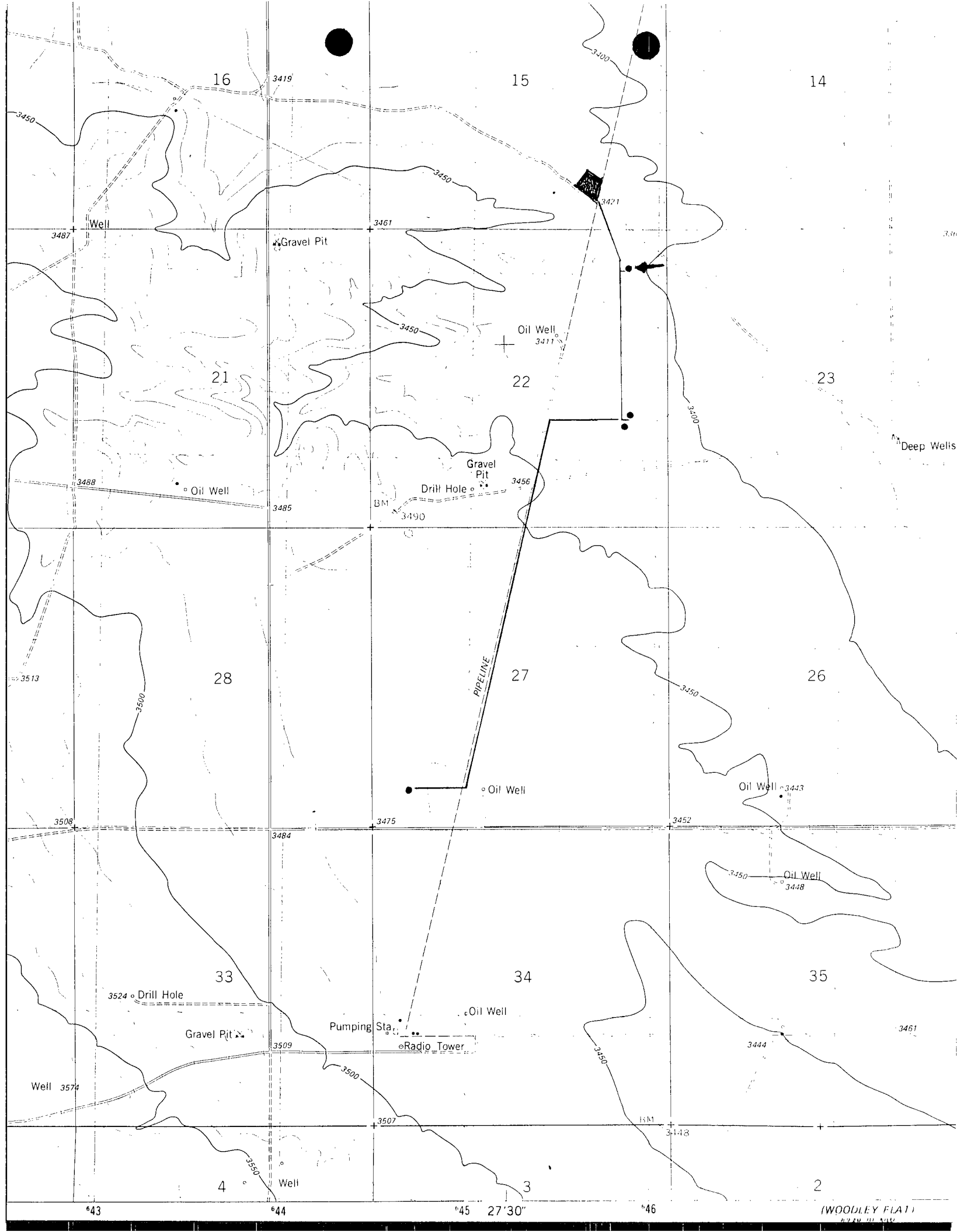
III.

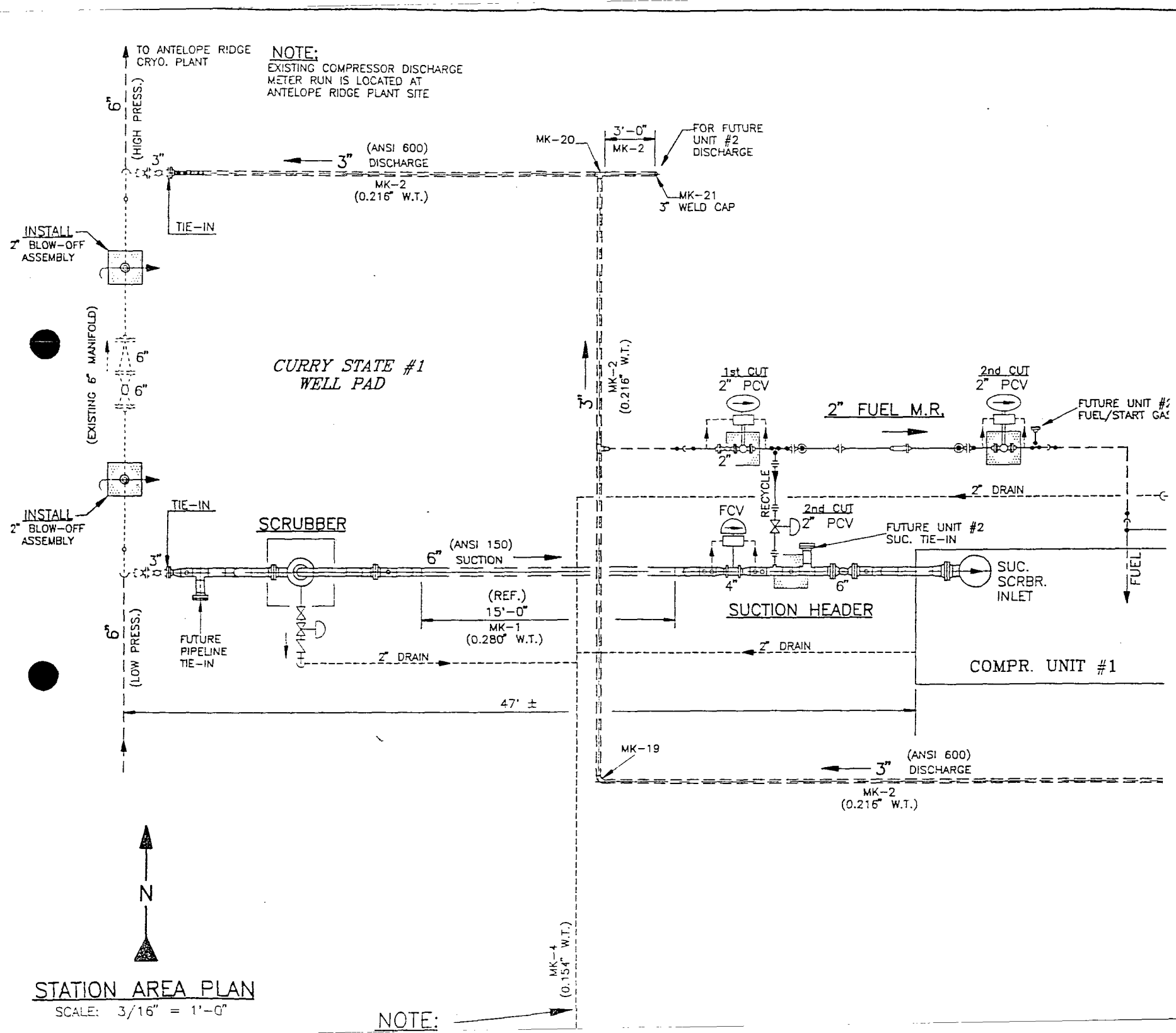
Location: NE/4, of NE/4, Section 22, Township 23 S, Range 34 E, NMPM, LEA County, New Mexico:

UTM ZONE 13 GRID
N 3,574.04 Km
E 645.85 Km
Elev. 3,405 Ft.

Attached please find a copy of the topographic map showing the location of the compressor station, along with a copy of the plan view of the single unit station.


"STRATA" COMPR. Sta.
NE/4 NE/4 SEC.22, T23S, R34E
NMPM, LEA COUNTY, NM
UTM ZONE ZONE 13 GRID:
N 3,574.04 Km
E 645.85 Km
Elev. 3,405 Ft.
SIMON
Drill Holes
3381
3405
3370
BM
3365
3372
3358
3361
3360
3372
9
10
11
12
16
15
14
13
21
22
23
24
28
27
26
25
3400
3450
3419
3421
3461
3411
3456
3485
3490
Gravel Pit
Oil Well
Gravel Pit
Drill Hole
Well
Deep Wells
Drill Hole
PIPELINE
PIPELINE
Oil Well
Oil Well 3443
Oil Well 3395


16
15
14
21
22
23
28
27
26
33
34
35
4
3
2
3419
3421
3461
3487
Well
Gravel Pit
3450
3400
Oil Well
3411
Deep Wells
Gravel Pit
Drill Hole
3456
3488
Oil Well
3485
BM
3490
3513
3500
PIPELINE
Oil Well
3443
3508
3475
3452
3484
3450
Oil Well
3448
3524
Drill Hole
Gravel Pit
Pumping Sta.
Oil Well
Radio Tower
3509
3444
3461
Well
3574
3507
BM
3448
3550
Well
643
644
645
27'30"
646
(WOODLEY FLAT)



STATION AREA PLAN

SCALE: 3/16" = 1'-0"

IV.

The land owner of the facility site is:

State of New Mexico
Commissioner of Public Lands
P. O. Box 1148
Santa Fe, New Mexico 87504-1148

V. Facility Description

The proposed compressor station will consist of a skid - mounted, engine-driven gas compressor, an inlet separator, and a 210 barrel tank. (See attached diagram of the facility.)

Natural gas will enter the compressor station from the south through a pipeline. The gas will be a commingled stream from various wells in the area. The gas will go through an inlet separator, before going into the compressor. After compression the gas will flow to the north through an existing pipeline.

VI. Sources, Quantities, & Quality of Effluent & Waste Solids

1) ENGINE COOLING WATER - The engine driving the compressor contains approximately 220 gallons of a 50% antifreeze, 50% water mixture for cooling purposes. This is a closed loop system and normally requires no make-up.

2) SEPARATORS - The inlet separator, and scrubber remove an estimated 0 to 12 BBL/day of water and an estimated 0 to 40 BBL/day of hydrocarbon liquids depending upon ambient conditions, and other factors involved in the gathering of natural gas.

3) WASTE LUBRICATION OILS - The compressor contains approximately 25 gallons of lubricating oil and the engine contains approximately 28 gallons of lubrication oil. The lubrication oil is a standard 30 or 40 weight oil and replaced approximately every 5000 hours of run time, or as required by oil analysis. The owner of the compressor, Hanover Compression, will be will be responsible for the waste lubrication oils from this compressor.

The waste water and hydrocarbon liquids will be commingled within the facility. Individual rates, volumes and concentrations should not vary beyond the ranges identified above. All process units will be self-contained to prevent unintentional or inadvertent discharges and spills.

VII. TRANSFER & STORAGE OF PROCESS FLUIDS & EFFLUENTS

Waste water and hydrocarbon liquids are collected in the inlet separator, the compressor scrubber, and the blowcase. The waste water and hydrocarbon liquids are commingled and piped to a closed storage tank. (See attached facility schematic).

The inlet separator, and compressor scrubber, are each pressurized. The closed storage tank will be maintained and checked on a daily bases.

The closed storage tank is a standard API 210 Barrel tank. The tank will be constructed above ground level with an earthen dike enclosure to provide secondary containment equal to one-third greater than the tank capacity.

Waste lubrication oil and foundation drains are piped to above ground pipe blowcases. The blowcases will be pressured as required to send the waste lubrication oil to a separate waste oil storage tank .

VIII.

This is not a disposal site for EFFLUENT Liquid.

As previously stated, the purpose of this site is to compress natural gas. There will be some produced water, and condensate which will be recovered from the natural gas.
These liquids will be stored in a 210 Bbl. tank, and will be hauled from location. The produced water will be disposed of by a trucking company, either Rowland Trucking, or AA Oilfield Service. Both of these companies have approved disposal wells which they use, and charge us for the disposal of the produced water.

The condensate will be sold to a refinery. The refinery of choice will be elected by price, and they will pick up the condensate from the storage tank and transport it to their facility.

The used engine lubricants, and engine coolants will be picked up by our compressor vendor, Hanover Compression.

The storage tank will be monitored by our operators on a daily bases. Our operators will be reporting to their supervisor by mobile communications if this tank should need any further attention. Our supervisors have the means to order a truck to haul liquid at the time our operator's report to him. With this type of check, and safety check, there should be no ground water contamination to contend with.

Simply stated, if the liquid is contained in the tank, then it cannot contaminate the ground, or ground water.

IX.

This facility will have an operator which will check the operations of the facility on daily bases. The operator will report the functioning of the compressor, and a log will be kept of the units. If the operator should locate any problem in any of the equipment, what-so-ever, he will report the problem to his supervisor. Each operator is equipped with mobile communications, which is monitored 24 hours a day.

In the event of a "reportable spill", the operator would notify his supervisor immediately of the occurrence. The supervisor would in turn notify his immediate supervisor, and our emergency report and operating plan would be implemented.

Fluids will be collected inside pressure vessels. These vessels will be ASME stamped, approved, pressure vessels. Therefore, no precipitation can be collected in them, or commingled with produced fluids.

The compressor unit will have an "environmental" skid, which will not allow precipitation which has contacted this unit to runoff onto the ground. The unit skid will be piped into a "blow casing" which will transfer all fluids to an above ground storage tank. As previously stated the contents of this tank will be hauled by truck as often as necessary to assure proper levels are maintained.

X.

Our contingency plan for cleaning up spills, and reporting same is not complicated. We have a supervisor on call who is available 24 hours a day. There are administrative support supervisors available when ever needed.

If a spill should occur, the supervisor on duty would start the field operations of the clean-up, by first stopping the source of the spill, and containing all fluids that he possibly can. The on duty supervisor would notify the support people of the situation. The OCD would be notified pursuant to rule 116, and a contractor would be dispatched at that time to start clean up. The land owner would be notified, and all measures would be taken to protect his live-stock, as well as any wild animals.

All clean up would be carried out in an approved manner, and all necessary waste would be dealt with accordingly.

XI. SITE CHARACTERISTICS

A. There have been no water wells located with in the immideate area of the location of this compressor station. Therefore no laboratory analysis of water from wells has been submitted.

This is not a disposal site. So we would not adversely effect any water, ground, or other environmental state with the disposal of waste.

(ALSO SEE SECTION 5)

ACKNOWLEDGEMENT OF RECEIPT OF CHECK/CASH

I hereby acknowledge receipt of check No. [redacted] dated 7/11/95,

or cash received on 8/2/95 in the amount of $ 50.00

from LLANO INC.

for STRATA C.S. (Facility Name) GW-213 (DP No.)

Submitted by: _____ Date: _____

Submitted to ASD by: R. Chavez Date: 8/8/95

Received in ASD by: Angie Allen Date: 8/9/95

Filing Fee X New Facility ___ Renewal ___

Modification ___ Other ___ (specify)

Organization Code 521.07 Applicable FY 96

To be deposited in the Water Quality Management Fund.

Full Payment ___ or Annual Increment ___

LLANO, INC.
OX 1320
OBBS, NEW MEXICO 88240

SUNWEST BANK OF HOBBS, N.A.
HOBBS, NEW MEXICO 88240

[redacted]

95-321
1122

CHECK DATE	CHECK N
07/11/95	[redacted]

THE SUNDRO DOLLARS

AY TO THE ORDER OF

State of New Mexico
Energy, Minerals and Natural Resources Department
OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, New Mexico 87501

CHECK AMOUNT
$ 50.00

LLANO, INC. - GENERAL ACCOUNT

VOID AFTER 90 DAYS

[redacted]

LLANO, INC.

[redacted]

INVOICE NO.	INVOICE DATE	DESCRIPTION	GROSS AMOUNT	DISCOUNT	NET AMOUNT
		Discharge Plan Application Fee GW-213 LANO 18350 L873			$50.00
CHECK NUMBER		TOTALS ➤			$50.00

LLANO, INC.

INVOICE NO	INVOICE DATE	DESCRIPTION	GROSS AMOUNT	DISCOUNT	NET AMOUNT
		Discharge Plan Application Fee GW-213 LANO 18350 L873			$50.00
CHECK NUMBER		TOTALS			$50.00

LLANO, INC.
BOX 1320
HOBBS, NEW MEXICO 88240

SUNWEST BANK OF HOBBS, N.A.
HOBBS, NEW MEXICO 88240

[redacted]

95-3
112

CHECK DATE	CHECK
07/11/95	[redacted]

THE SUNSHINE DOLPHINS

PAY TO THE ORDER OF

State of New Mexico
Energy, Minerals and Natural Resources Department
OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, New Mexico 87501

CHECK AMOUNT
$ 50.00

LLANO, INC. - GENERAL ACCOUNT

VOID AFTER 90 DAYS

[redacted]