

GW - 278

**PERMITS,
RENEWALS,
& MODS
Application**



New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

John H. Bemis
Cabinet Secretary

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

Jami Bailey
Division Director
Oil Conservation Division



FEBRUARY 21, 2012

Mr. Bob Patterson
Key Energy Services
6 Desta Dr. Suite 4400
Midland TX 79705

Dear Mr. Patterson:

Based on your responses given in the "Oil & Gas Facilities Questionnaire for Determination of a WQCC Discharge Permit", the Oil Conservation Division (OCD) has determined that one of your facilities with a soon to expire permit is not required to operate under a Water Quality Control Commission (WQCC) Discharge Permit. This means that the WQCC Discharge Permit for **GW-278** (Key Carlsbad Truckers Service Company) will be allowed to expire and you are not required to proceed with the renewal of these expired WQCC Discharge Permits. OCD will close these discharge permits in its database.

Because this WQCC Discharge Permit will now longer be in effect, you may be required to obtain separate OCD permit(s) for other processes at your facility, such as: pits, ponds, impoundments, below-grade tanks; waste treatment, storage and disposal operations; and landfarms and landfills. OCD will determine if any of these existing processes may require a separate permit under OCD's Oil, Gas, and Geothermal regulations. If OCD determines that a separate permit(s) is required, then a letter will be sent to you indicating what type of permit is required. Please keep in mind, if your facility has any discharges that would require a WQCC Discharge Permit now or in the future, then you will be required to renew or obtain a WQCC Discharge Permit.

If you have any questions regarding this matter, please contact Glenn von Gonten at 505-476-3488.

Thank you for your cooperation.

A handwritten signature in black ink, appearing to read "Jami Bailey".

Jami Bailey
Director

JB/ll



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Jami Bailey
Division Director
Oil Conservation Division



FEBRUARY 21, 2012

Mr. Keith Price
ConocoPhillips Company
29 Vacuum Complex Lane
Lovington, New Mexico 88260-9664

Dear Mr. Price:

Based on your responses given in the "Oil & Gas Facilities Questionnaire for Determination of a WQCC Discharge Permit", the Oil Conservation Division (OCD) has determined that one of your facilities with a soon to expire permit is not required to operate under a Water Quality Control Commission (WQCC) Discharge Permit. This means that the WQCC Discharge Permit for **GW - 278** (Phillips East Vacuum Gas Plant) will be allowed to expire and you are not required to proceed with the renewal of these expired WQCC Discharge Permits. OCD will close these discharge permits in its database.

Because this WQCC Discharge Permit will now longer be in effect, you may be required to obtain separate OCD permit(s) for other processes at your facility, such as: pits, ponds, impoundments, below-grade tanks; waste treatment, storage and disposal operations; and landfarms and landfills. OCD will determine if any of these existing processes may require a separate permit under OCD's Oil, Gas, and Geothermal regulations. If OCD determines that a separate permit(s) is required, then a letter will be sent to you indicating what type of permit is required. Please keep in mind, if your facility has any discharges that would require a WQCC Discharge Permit now or in the future, then you will be required to renew or obtain a WQCC Discharge Permit.

If you have any questions regarding this matter, please contact Glenn von Gonten at 505-476-3488.

Thank you for your cooperation.

Jami Bailey
Director

JB/ll

Chavez, Carl J, EMNRD

From: Chavez, Carl J, EMNRD
Sent: Wednesday, January 16, 2008 9:53 AM
To: 'Perry, Mark'
Cc: Hansen, Edward J., EMNRD; 'Patterson, Bob'
Subject: Key Carlsbad Service Yard Inspection

January 16, 2008

Mr. Perry:

Re: Key Energy Service Yard- Carlsbad Inspection

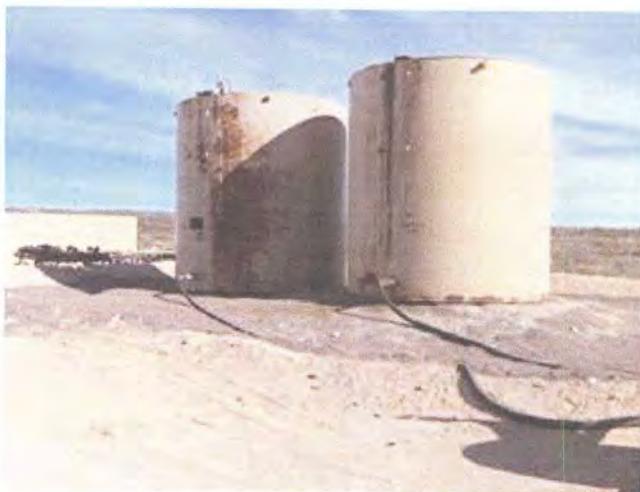
The Oil Conservation Division (OCD) is following up with you on our January 11, 2008 facility inspection. Mr. Ed Hansen and I inspected the facility for Mr. Leonard Lowe, since we were in the area. Please find the OCD observations, comments, and/or requirements provided below based on our inspection. Key should address the inspection items within 90 days of this e-mail.

Location: Take Hwy. 62-180 E of Carlsbad about 1.5 mi. toward Hobbs

**Primary Observations:**

- 1) Please verify that there is a liner under and within the bermed secondary containment area at the brine tank storage area. Provide liner details (i.e., construction schematic, liner type and mil thickness). The secondary containment area must be constructed with a liner to contain one and one-third times the capacity of the largest tank, or , if the tanks are interconnected, of all interconnected tanks. Note that if an HDPE liner is used, it must be at least 60-mil to overcome stress cracking. The OCD prefers reinforced LLDPE or polypropylene. In addition, the NE corner of the facility near the brine storage tanks requires a berm to prevent flow off-property in the event of a release from the property.

"All tanks shall be placed on impermeable pads and surrounded by lined berms or other impermeable secondary containment device having a capacity at least equal to one and one-third times the capacity of the largest tank, or, if the tanks are interconnected, of all interconnected tanks."



- 2) The truck wash down cement pad was observed to be cracked and the drain was clogged with sand. Key needs to unclog the drain and ensure that it remains unclogged on a continuous basis to prevent drainage off the pad area. In addition, the OCD requires that the cracked cement pad be repaired or replaced to prevent infiltration of washed chemicals from trucks from infiltration down into soil and ground water. The OCD recommends that a curb be installed around the pad area to prevent the discharge of washed fluids tainted with chemicals from the trucks from moving away from the wash pad drain.



- 3) The truck wash down tank downhill from the wash pad shall be placed within a lined and bermed area within secondary containment. The OCD recommends a 60-mil HDPE liner (mil thickness addresses stress cracking issue) or other proposed liner type. The OCD recommends reinforced LLDPE or polypropylene. The drainage from the truck wash down pad is routed downhill into the wash tank that is not lined or contained. The tank shall be surrounded by lined berms or other impermeable secondary containment device having a capacity at least equal to one and one-third times the capacity of the tank.

“All tanks shall be placed on impermeable pads and surrounded by lined berms or other impermeable secondary containment device having a capacity at least equal to one and one-third times the capacity of the largest tank, or, if the tanks are interconnected, of all interconnected tanks.”



- 4) Plug the fresh water conduit on the east side of the frac tank cleanout pit to prevent the drainage of tainted fluids or sediements from migrating beneath the cement concrete and into soil and ground water. The frac tank cleanout pit area is the area at most risk at the facility. Fluids should be continuously vacuumed out to minimize vapors and the potential for a release through cracks in structure, overland flow during rain events, etc. Similarly, contaminated soils stored on the pad east of the pit shall be removed as needed to prevent becoming a point source area with run-off problems.



- 5) The KCL sacks observed at the KCL dock should be stored within a secondary containment area or inside a building/structure away from rain. A curb could also be placed around the dock to contain a release if Key wishes to store KCL sacks there indefinitely.



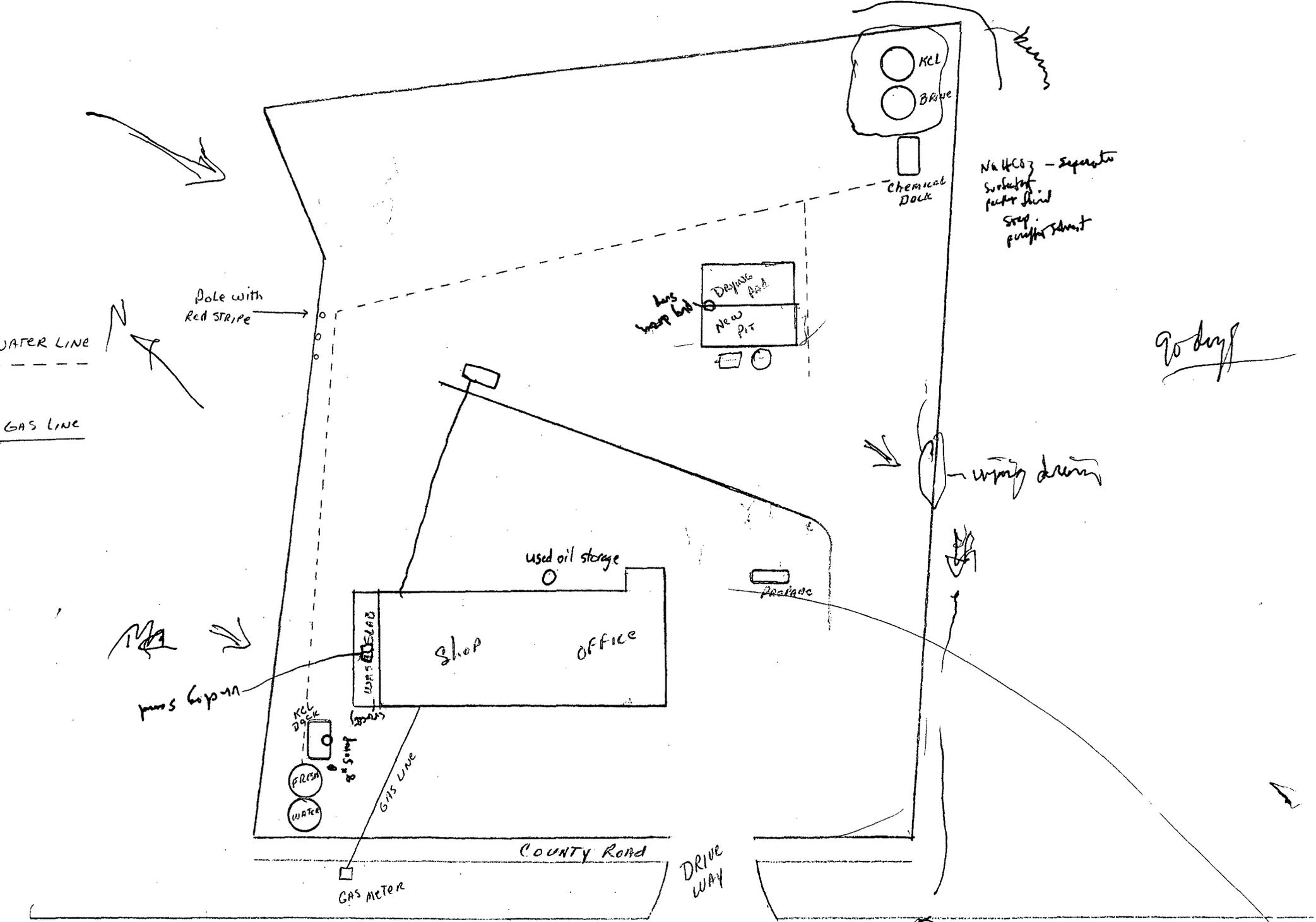
Secondary Observation:

- 1) The OCD recommends that Key fix the eye wash apparatus so fresh water will flow and be available in the event of an emergency.



Thank you for the opportunity to inspect the facility. You may provide your follow-up photos of COP actions correcting the requirement(s) or recommendations listed above to Mr. Leonard Lowe (OCD Inspector) at e-mail address: leonard.lowe@state.nm.us or to discuss the inspection, please call (505) 476-3492. Thank you

Carl J. Chavez, CHMM
New Mexico Energy, Minerals & Natural Resources Dept.
Oil Conservation Division, Environmental Bureau
1220 South St. Francis Dr., Santa Fe, New Mexico 87505
Office: (505) 476-3491
Fax: (505) 476-3462
E-mail: CarlJ.Chavez@state.nm.us
Website: <http://www.emnrd.state.nm.us/ocd/index.htm>
(Pollution Prevention Guidance is under "Publications")



NaHCO₃ - separate
 Substrate
 factor shield
 Soap
 purifier solvent

90 days

Key Energy Service Yard
 E of Central rd ~ 3mi toward Hobbs
 1/11/08



Key Energy Services
6 Desta Drive
Suite 4400
Midland, Texas 79705

Telephone: 432.620.0300
Facsimile: 432.571.7173
www.keyenergy.com

RECEIVED

2007 DEC 4 AM 11 41

November 30, 2007

Water Quality Management Fund
c/o Oil Conservation Division
1220 S. Saint Francis Drive
Santa Fe, New Mexico 87505

Re: Discharge Permit – GW-278

To Whom It May Concern:

Enclosed you will find the Discharge Permit for Key's Carlsbad site along with our check in the amount of \$1,700.

If you need anything else, please let me know.

Sincerely,

A handwritten signature in cursive script that reads "Robyn Miller".

Robyn Miller, CLA

Enclosures

Mr. Louis Sanchez
GW-278
November 13, 2007
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**ATTACHMENT TO THE DISCHARGE PERMIT
YALE E. KEY INC. DBA KEY ENERGY SERVICES INC, CARLSBAD SERVICE YARD (GW-
278)
DISCHARGE PERMIT APPROVAL CONDITIONS
NOVEMBER 13, 2007**

Please remit a check for \$1700.00 made payable to Water Quality Management Fund:

**Water Quality Management Fund
C/o: Oil Conservation Division
1220 S. Saint Francis Drive
Santa Fe, New Mexico 87505**

- 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 renewal flat fee (*see* WQCC Regulation 20.6.2.3114 NMAC). The Oil Conservation Division (“OCD”) has received the required \$100.00 filing fee. However, the owner/operator still owes the required \$1700.00 renewal permit fee for an oil and gas service company.
- 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 June 10, 2012** 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, NMSA1978} 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 August 24, 2007 discharge plan renewal 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.

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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.

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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.

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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.*

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November 13, 2007
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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: Key Energy Services, Inc., (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.

Mr. Louis Sanchez
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November 13, 2007
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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."

Key Energy Services, LLC
Company Name-print name above

Jim D. Flynt
Company Representative- print name

Jim D. Flynt
Company Representative- Signature

Title Senior VP Western Region

Date: 11-29-07

District I
1625 N. French Dr., Hobbs, 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
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

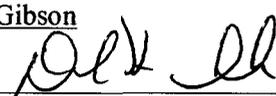
**DISCHARGE PLAN APPLICATION FOR SERVICE COMPANIES, GAS PLANTS,
REFINERIES, COMPRESSOR, GEOTHERMAL FACILITIES
AND CRUDE OIL PUMP STATIONS**

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

New Renewal Modification

1. Type: Oil & Gas Service Company
2. Operator: Yale E. Key Inc. dba Key Energy Services Inc.
Address: 1609 E. Greene St., Carlsbad, NM 88220
Contact Person: Mark Perry Phone: 505-885-2053
3. Location: SE /4 NE /4 Section 33 & 34 Township 21S Range 27E
Submit large scale topographic map showing exact location.
4. Attach the name, telephone number and address of the landowner of the facility site.
5. Attach the description of the facility with a diagram indicating location of fences, pits, dikes and tanks on the facility.
6. Attach a description of all materials stored or used at the facility.
7. Attach a description of present sources of effluent and waste solids. Average quality and daily volume of waste water must be included.
8. Attach a description of current liquid and solid waste collection/treatment/disposal procedures.
9. Attach a description of proposed modifications to existing collection/treatment/disposal systems.
10. Attach a routine inspection and maintenance plan to ensure permit compliance.
11. Attach a contingency plan for reporting and clean-up of spills or releases.
12. Attach geological/hydrological information for the facility. Depth to and quality of ground water must be included.
13. Attach a facility closure plan, and other information as is necessary to demonstrate compliance with any other OCD rules, regulations and/or orders.
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: Dan Gibson

Signature: 

Title: Corporate Environmental Manager

Date: 05/24/2007

E-mail Address: dgibson@keyenergy.com



Key Energy Services

6 Desta Drive

Suite 4400

Midland, Texas 79705

Telephone: 432.620.0300

Facsimile: 432.571.7173

www.keyenergy.com

RECEIVED

2007 AUG 27 AM 9 50

GW-278

August 24, 2007

State of New Mexico
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87505

Re: Discharge Plan Renewal

To Whom It May Concern:

Enclosed you will find the Discharge Plan Renewal for Key's yard at 1609 E. Greene Street in Carlsbad. I have also enclosed Key's check for \$100.00 for the renewal fee.

If you need anything else, please let me know.

Sincerely,

A handwritten signature in cursive script that reads "Robyn Miller".

Robyn Miller, CLA

Enclosure

cc: Mr. Mark Perry
Key Energy Services, Inc.
1609 E. Greene Street
Carlsbad, New Mexico 88220

Attachments for Discharge Plan Application

Key Energy Services, Inc.
1609 East Greene Street
Carlsbad, NM 88220

3. Location

The site is located within the northeast quarter of the southeast quarter of Section 33 in Township 21 South, Range 27 East in Eddy County, New Mexico. The facility also occupies a small portion of Section 34. Figure 1 shows the exact location of the facility on the U.S.G.S. topographic map of Carlsbad East, New Mexico (1985).

4. Landowner of the Facility Site

Yale E. Key Inc., dba Key Energy Services Inc.
P.O. Box 127
Carlsbad, NM 88220
Phone: 505-885-2053

5. Facility Description and Diagram

The facility transports fluids used for, or in conjunction with, the discovery, development, production, refining, processing and /or storage of natural gas and petroleum, and its products and by-products. See Figure 2 for facility diagram. All tanks and drums are stored on concrete and have secondary containment (i.e. plastic or metal bins).

6. Description of Stored and Used Materials

See Appendix A

7. Sources and Estimated Quantities of Effluent and Waste Solids

- a. Vacuum Trailer Wastes: Vacuum trailers are washed with fresh water into the Truck and Frac Tank Rinse pit (see Figure 2). The free water generated by this process is approximately ten (10) barrels per day. A minor amount of solids are generated from this trailer washout and are placed on the drying pad (see Figure 2).
- b. Frac Tank Wastes: Frac tanks are jetted and washed with fresh water into the Truck and Frac Tank Rinse pit (see Figure 2). The free water generated by this process is approximately 40 barrels per day. Approximately one (1) yard per day of solid material (mostly frac sand) is generated from this process and is placed on the drying pad (see Figure 2).



- c. Motor Oil and Lubrication Wastes: Engine oils that are drained during vehicle maintenance activities generate approximately 220 gallons per month and are placed into the waste oil tank (see Figure 2).
- d. Use Oil Filters: Oil filters are drained for 24 hours into the waste oil tank (see Figure 2). Approximately 25 filters per month are generated. The used oil filters are placed in a 55 gallon drum (see Figure 2).
- e. Used Solvent Filters: A solvent parts cleaner is used in the maintenance shop. The solvent is filtered and recycled, and the filters are changed approximately four (4) times per year.
- f. Used Aerosol Cans: Aerosol cans are used in the maintenance shop. The cans are placed in a 55 gallon drum. The drum is disposed of approximately two (2) times per year.

8. Description of Liquid and Solid Waste Collection and Disposal

- a. Vacuum Trailer and Frac Tank Wastes: The free water and solid material from these sources are collected into a concrete pit (see Figure 2). This pit has a double lined polyethylene geomembrane with a leak detection system beneath it. The liquids are siphoned off the top of the pit and transported to Key Energy Services BKE #1 SWD for disposal. The solids are loaded into dump trucks and hauled to Control Recovery, Inc., a New Mexico licensed solid waste disposal facility. The hauling services are provided by Roadrunner Environmental.
- b. Motor Oil and Lubrication Wastes: This waste oil is stored in a 1,000 gallon tank marked "Used Motor Oil Only." This oil is periodically picked up by Safety Kleen. A hazardous waste manifest is issued to Key Energy Services prior to removal.
- c. Used Oil Filters: After the "Used Oil Filters Only" drum is filled, it is picked up and transported by Safety Kleen for disposal.
- d. Used Solvent Filters: These filters are also picked up and transported by Safety Kleen for disposal.
- e. Used Aerosol Cans: After the 55 gallon drum containing used aerosol cans is filled, it is picked up and transported by Safety Kleen for disposal.

9. Proposed Modifications

At this time, there are no proposed modifications to existing collection/treatment/disposal systems.

10. Routine Inspection and Maintenance Plan

Visual checks are made daily by drivers and supervisory personnel. A facility "Internal Environmental Audit Summary Report" is made on a quarterly basis and is kept on file. A copy of the most recent report is included as Appendix B.

11. Contingency Plan for Reporting and Clean-Up of Spills

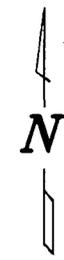
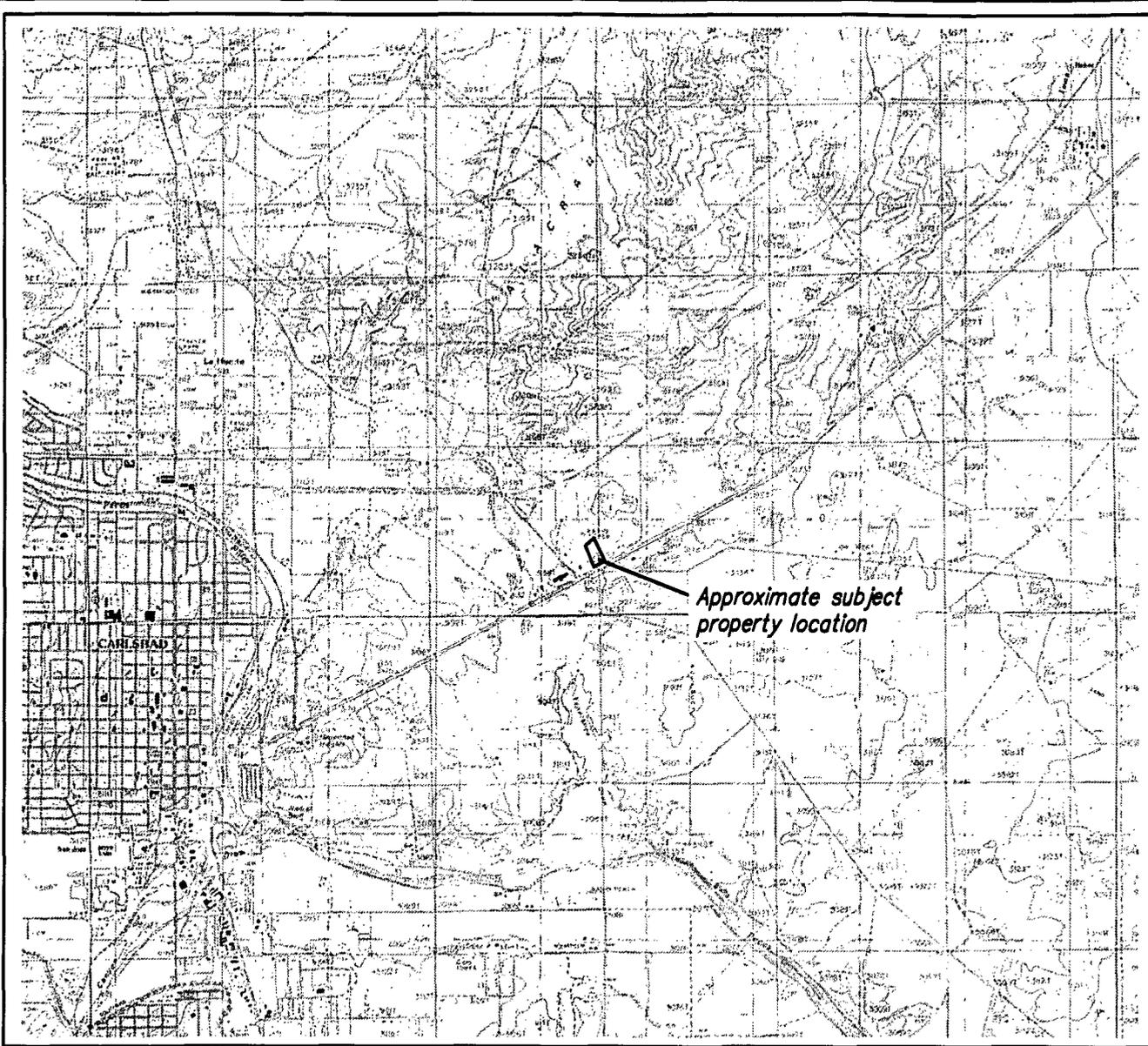
A copy of the "Key Energy Services, Inc. Spill Release Notification and Corrective Action" form is included as Appendix C. A copy of local response personnel and emergency phone numbers is provided as Appendix D.

12. Geological/Hydrological Information

- a. According to the U.S.G.S. topographic map of Carlsbad East, New Mexico (1985), potential surface water receptors include the East Canal located approximately 2,100 feet to the west of the facility, and the Esperanza Draw located approximately 1,200 feet to the southwest of the facility.
- b. According to the Office of the State Engineer's WATERS Database, the depth to water in the vicinity of the facility ranges from 15 feet to 46 feet below ground surface (bgs). According to the previous Discharge Plan Application (2002), total dissolved solids in the vicinity of the site are reported to be 1,500 mg/L.
- c. According to the Natural Resources Conservation Service Web Soil Survey, the facility is located on Upton gravelly loam with 0 to 9% slopes. A summary of this soil type is provided as Appendix E.
- d. According to the Geologic Map of New Mexico (2003), the near surface geology of the site appears to be unconsolidated alluvium (sand, silt, gravel and clay) and/or the Salado Formation, an evaporate sequence composed predominantly of halite.

13. Other Compliance Information

When the facility is to be closed, Key Energy Services will remove equipment, assess the site, and perform any necessary cleanup pursuant to a workplan approved by New Mexico Oil Conservation Division.



0 2,500 5,000

Scale: 1"=5,000'

Approximate subject property location

Note:
Base map is the Carlsbad East, New Mexico USGS 7.5 minute series topographic map (1985)

Site Location Map - 1609 E. Greene St.
Key Energy Discharge Plan
Carlsbad, New Mexico

Figure 1

5317300
08-07

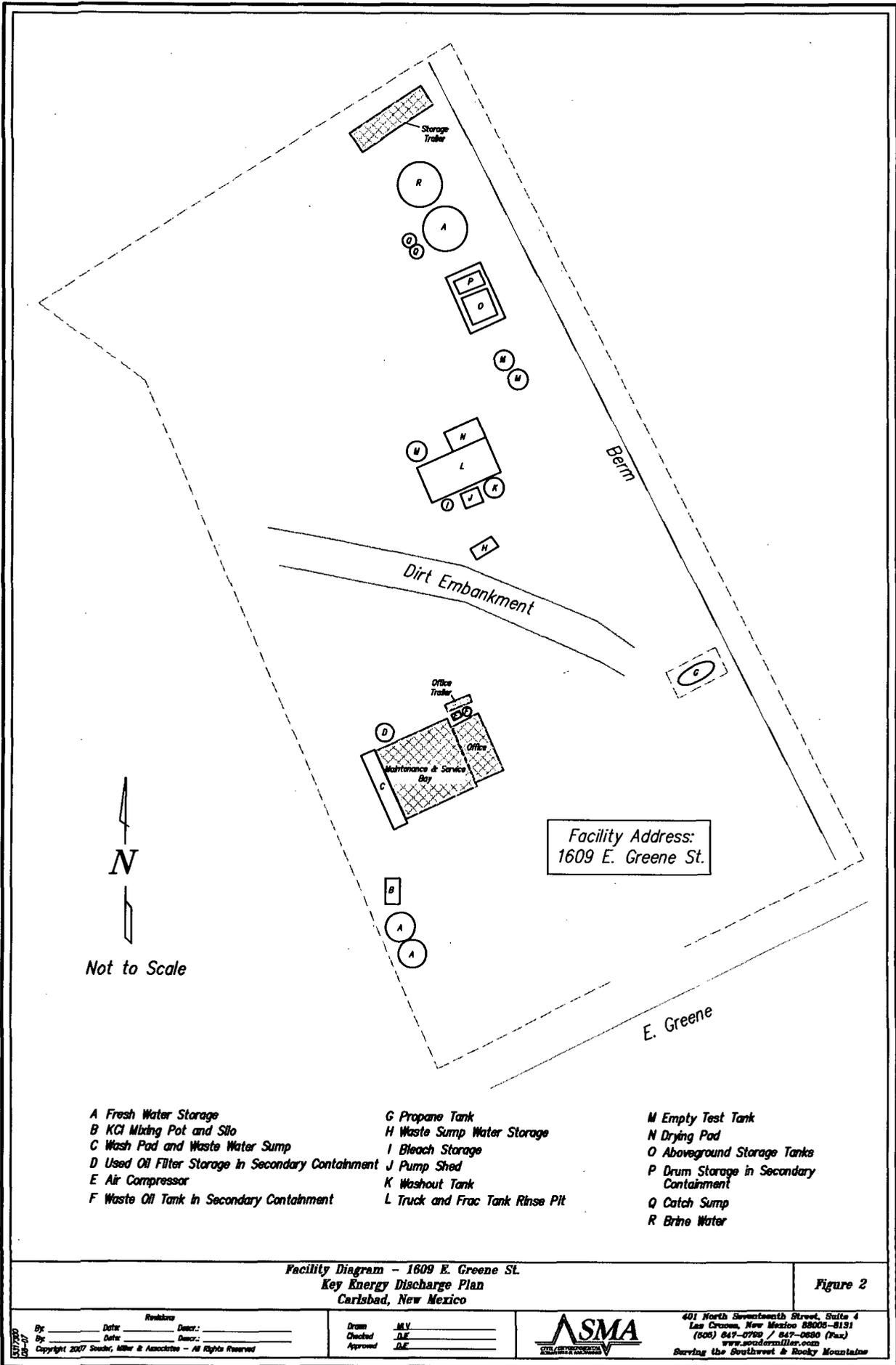
Revisions		
By:	Date:	Descr.:

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Drawn	MLV
Checked	D/E
Approved	D/E



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Las Cruces, New Mexico 88005-8131
(505) 647-0799 / 647-0880 (Fax)
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 N
 Not to Scale

Facility Address:
 1609 E. Greene St.

- | | | |
|--|---------------------------------|---|
| A Fresh Water Storage | G Propane Tank | M Empty Test Tank |
| B KCl Mixing Pot and Silo | H Waste Sump Water Storage | N Drying Pad |
| C Wash Pad and Waste Water Sump | I Bleach Storage | O Aboveground Storage Tanks |
| D Used Oil Filter Storage in Secondary Containment | J Pump Shed | P Drum Storage in Secondary Containment |
| E Air Compressor | K Washout Tank | Q Catch Sump |
| F Waste Oil Tank in Secondary Containment | L Truck and Frac Tank Rinse Pit | R Brine Water |

Facility Diagram - 1609 E. Greene St.
 Key Energy Discharge Plan
 Carlsbad, New Mexico

Figure 2

By: _____ Date: _____ Descr.: _____
 By: _____ Date: _____ Descr.: _____
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Drawn: M.V. _____
 Checked: D.E. _____
 Approved: D.E. _____



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Appendix A: Chemical Inventory

Form 4. Chemical Inventory

Facility Name: <u>Key Energy Services</u>	Division: <u>100T</u>	KEY ENERGY ENVIRONMENTAL H&E Hazard Communications Chemical Inventory	Building Name:
Inventory Supervisor: <u>Mark Perry</u>	Phone # <u>505-885-2053</u>		Location Code: <u>0405</u>
Facility Address: <u>1609 E. Greene Carlisle NM</u>	Fax # <u>505-887-3011</u>		Date of Inventory: <u>4-15-07</u>

Act Count	Max Amt	Chemical Name	Common Name	Container		PS	CAS Number	Manufacturer	N.F.P.A. Rating				Location	MSDS?	
				Size	Type				H	F	R	S		Yes	No
1	1	Techni-Hib 1606	Packe Fluid/Inhibitor	1/2 gal	FG	L	000017-56-1 010192-30-0	BT Unichem	2	3	0	0	Dock	✓	
1	1	Techni-Break 100	Emulsion Breaker	1/2 gal	FG	L	0168133-00-3 0168111-32-5 0000121-13-0 000100-41-4 001330-20-7 0164741-07-9 0164742-94-5 000091-20-3	BT Unichem	2	3	0	0	Dock	✓	
1	1	Techni-Sperse 270	Paraffin Chemical	55 gal	FG	L	001330-10-7 000100-41-4	BT Unichem	2	3	0	0	Dock	✓	
1	1	Techni-Wet 438	KCl Substitute	200 gal	FG	L	NONE	BT Unichem	1	0	0	0	Dock	✓	
1	1	Techni-Clean 420	Surfactant	1/2 gal	FG	L	000017-56-1 000017-56-1	BT Unichem	2	2	0	0	Dock	✓	
1	1	Techni-Sperse 275	Paraffin Dispersant	55 gal	FG	L	000017-56-1 000017-63-0	BT Unichem	2	3	0	0	Dock	✓	
1	2	Antifreeze	Antifreeze/Coolant	55 gal	SA	L	107-21-1	Shell	2	1	0	0	Shop	✓	
1	1	Antifreeze	Antifreeze/Coolant	18 gal	FG	L	7732-18-5	Shell	2	1	0	0	Shop	✓	
1	1	Aliphatic Hydrocarbon	Propane	1/2 gal	SGS	L	74-98-6	Navajo Refining	1	4	0	0	Yard	✓	
1	1	Motor Oil	Rimula SAE 15W-40	205 gal	Bulk	L	None	Shell	0	1	0	0	Shop	✓	
1	1	Biodegradable Detergent	Soap	250 gal	Bulk	L	None	Comgo Cleaning	1	0	0	0	Shop	✓	
2	2	Fuel Treatment	*B11NA Diesel treat-2000	30 gal	SA	L	841001-20-9 21564-17-6 64742-94-5 27247-96-7 64742-53-6 27249-58-1 111-77-3	Schaeffer Mfg	2	2	3	0	Shop	✓	
1	1	Liquichlor/ Sodium Hypochlorite	Bleach	330 gal	Bulk	L	7732-18-5	Snyder Industries	3	0	2	0	Unshout pit	✓	

Form 4. Chemical Inventory

Facility Name:	Division:	KEY ENERGY ENVIRONMENTAL HS&E Hazard Communications Chemical Inventory	Building Name:
Inventory Supervisor:	Phone #		Location Code:
Facility Address:	Fax #		Date of Inventory:

Act Count	Max Amt	Chemical Name	Common Name	Container			CAS Number	Manufacturer	N.F.P.A. Rating				Location	MSDS?	
				Size	Type	PS			H	F	R	S		Yes	No
		See page #1					71681-52-9								
							1310-73-2								
							7149-14-5								
3	3	Spirax HD 85W-140	Lubricating Oil	55gal	SD	L	72112-26-6	Sopus Products	0	1	0	0	shop	✓	
1	3	Hydraulic Oil AW68	Lubricating Oil, Hydraulic	55gal	SD	L	64742-65-0	Basin Tech	0	1	0	0	shop	✓	
1	2	Torcula Oil 100	Lubricating Oil	55gal	SD	L	None	Sopus Products	0	1	0	0	shop	✓	
1	1	"	"	55gal	SD	L	"	"	0	1	0	0	BRE SWD	✓	
2	2	Alvania EP Grease 00	Lubricating Grease	55gal	SD	L	None	Sopus Products	0	1	0	0	shop	✓	
1	1	Retinax LC Grease 2	Heavy Duty Grease	55gal	SD	L	None	Sopus Products	0	1	0	0	shop	✓	
1	1	Potassium Chloride	KCL Powder	50.000 metal 105 BAK		L	7447-40-1	Mississippi Chem	1	0	0	0	yard	✓	

Appendix B: Internal Environmental Audit Summary Report



Souder, Miller & Associates
Civil/Environmental Scientists & Engineers



Internal Audit Checklist Form
4.10 (rev 4/18/06)

QUARTERLY ENVIRONMENTAL AUDIT

Division DB Trucking
Yard 405
Audit Team Members
John Vigil
Johnnie + Hubnik

Date 6-21-07
Manager Mark Perry
Position
Supervisor
Safety

1. Facility Inspection

A. Housekeeping

Inspect each of the following areas for housekeeping practices. Rate each area as Acceptable (A), Needs Improvement (N) or Not Applicable (N/A). Comment on any problem areas.

1. Shop A N N/A
Comments Red Rags on floor, old parts on floor, mud

2. Parts Storage Room A N N/A
Comments Some parts in boxes need to be put on shelf.

3. Used Parts A N N/A
Comments Sold for metal.

4. Wash Rack A N N/A
Comments Full of mud, sump full, hoses thrown.

5. Fuel Island A N N/A
Comments _____

6. Waste Comments A N N/A
Comments _____

7. Rig A N N/A
Comments _____

8. Equipment A N N/A
Comments _____

9. SWD Well A N N/A
Comments _____

Yard:	
Date:	

Internal Audit Checklist
Form 4.10 (rev 4/18/06)

10. SWD A N N/A
Comments _____

11. Other Comments or Notes _____

B. Fuel Storage Not applicable for this facility

1. Describe any bulk fuel storage containers present at the facility. Note the product (gasoline, diesel, etc.), capacity, type of tank (above ground or underground) and the physical condition.

Product	Capacity (Gal.)	Type of Tank	Physical Condition
<i>Propane</i>	<i>3000 gal</i>	<input checked="" type="checkbox"/> AST <input type="checkbox"/> UST	<i>Good</i>
_____	_____	<input type="checkbox"/> AST <input type="checkbox"/> UST	_____
_____	_____	<input type="checkbox"/> AST <input type="checkbox"/> UST	_____
_____	_____	<input type="checkbox"/> AST <input type="checkbox"/> UST	_____

2. Are fuel tanks equipped with Stage II and/or Stage III vapor recovery equipment?
 None Stage II Stage III N/A *EX*
3. Are all fuel containers clearly labeled with the following signs?
 a. Content labels Yes No
 b. NFPA Hazard Yes No
 c. "No Smoking" Yes No
4. Are fuel tanks equipped with locking filler caps?
 If no, are the fuel pumps equipped with any other means of securing access?
 If yes, describe *locking fence*
 Yes No
 Yes No
5. Are the fuel pumps equipped with a remotely located emergency shutoff switch?
 If yes, where is this located? *West of Tank*
 Yes No
6. Are the fuel hoses equipped with quick release couplings? *on order.* Yes No
7. Are bulk oil tanks located within secondary containment structures large enough to contain 110% of the largest tank?
 Yes No N/A
8. How is rainwater removed from secondary containment areas? *Vac Truck*
 If valves are used, are they locked in the closed position?
 Yes No N/A
9. Inspect the tanks, pumps, lines, hoses, and secondary containment for signs of wear and/or deterioration.
 Comments *Acc.*

Yard:	
Date:	

Internal Audit Checklist
Form 4.10 (rev 4/18/06)

10. Is there evidence of spills and/or leaks around the fuel storage area?
 Yes No
 If yes, what is the probable cause of the release? Has the problem been corrected?
 How? Describe the impacted area (location, size, etc.) _____
11. Are fire extinguishers located within 75 feet of all fuel storage areas? Yes No
 Comments N/A
12. Other Comments or Notes _____

C. Oil Storage Not applicable for this facility

1. How are motor oil, hydraulic fluid, skim oil, and other petroleum liquids stored?
 Check all that apply.
 Qt./Gal./5 Gal. Containers 55 Gal. Drums Bulk Tanks Other _____
2. Are oil containers clearly labeled with the following signs?
- a. Drums
- | | | | |
|--------------------------------|---|--|------------------------------|
| (1) Contents label | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> N/A |
| (2) NFPA Hazard Identification | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> N/A |
| (3) "No Smoking" | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | <input type="checkbox"/> N/A |
- b. Bulk Tanks
- | | | | |
|--------------------------------|---|--|------------------------------|
| (1) Contents label | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> N/A |
| (2) NFPA Hazard Identification | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> N/A |
| (3) "No Smoking" | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | <input type="checkbox"/> N/A |
- c. Skim Oil Storage Tanks
- | | | | |
|--------------------------------|---|-----------------------------|---|
| (1) Contents label | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No | <input checked="" type="checkbox"/> N/A |
| (2) NFPA Hazard Identification | <input type="checkbox"/> Yes | <input type="checkbox"/> No | <input checked="" type="checkbox"/> N/A |
| (3) "No Smoking" | <input type="checkbox"/> Yes | <input type="checkbox"/> No | <input checked="" type="checkbox"/> N/A |
3. Are oil containers located within secondary containment structures large enough to contain 110% of the largest container?
- a. Drums Yes No N/A
- b. Bulk Tanks Yes No N/A
- c. Skim oil Tanks Yes No N/A
4. How is rainwater removed from secondary containment areas? Vac Truck
 If valves are used are they locked in the closed position? Yes No N/A
5. Inspect the tanks, drums, lines, hoses, and secondary containment for signs of wear and/or deterioration.
 Comments ACE
6. Is there evidence of spills and/or leaks around oil storage areas? Yes No

Yard:	
Date:	

Internal Audit Checklist
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If yes, what is the probable cause of the release? Has the problem been corrected?
How? Describe the impacted area (location, size, etc.) _____

7. Other Comments or Notes _____

D. Painting Not applicable for this facility

1. Is painting of equipment conducted at the yard? Yes No
If yes how often? _____
If yes, what type of equipment is painted? _____
How is paint applied (spray, brush, etc.) _____
2. Is painting of equipment conducted off site? Yes No
If yes, what type of equipment is painted? Where is the work performed?
By whom? _____
3. Is paint and/or solvent stored on the premises? Yes No
If yes, is the paint/solvent stored in a well ventilated, fire resistant building separate
from other structures? Yes No N/A
Describe the paint storage area _____
4. Is the paint inventory kept to a minimum considering the painting workload? Yes No
5. Is painting conducted in a designated area? Yes No
a. Describe the areas used for painting _____
b. What BMPs are used to control overspray? _____
6. Can overspray from the painting operation leave the specified area? Yes No N/A
7. Is the washrack used as a painting area? Yes No N/A
8. Other Comments or Notes _____

E. Sandblasting Not applicable for this facility

1. Is sandblasting of equipment conducted at the yard? Yes No
If yes how often? _____
If yes, what type of equipment is sandblasted? _____
2. Is sandblasting of equipment conducted off site? Yes No
If yes, what type of equipment is sandblasted? Where is the work performed?
By whom? _____
3. Is sandblasting conducted in a designated area? Yes No N/A
a. Describe the areas used for sandblasting _____

Yard:	
Date:	

Internal Audit Checklist
Form 4.10 (rev 4/18/06)

b. What BMPs are used to control sandblast media and waste? _____

- 4. Can overspray from the sandblasting operation leave the specified area? Yes No N/A
- 5. How is spent sandblast grit handled? _____
- 6. Other Comments or Notes _____

F. Chemicals Not applicable for this facility

- 1. Prepare a list of the chemicals being stored at the facility (ex. antifreeze, methanol, solvents, paints, soaps), an estimate of the volume in storage, the type of storage container used (drums, 5 gal, cans, etc.), and the location of each chemical. Use additional sheets if necessary. Check here if the updated list is available in the site SWPP plan

Chemical	Estimated Volume	Container	Location
<i>See Chemical</i>	<i>list on Back.</i>		

- 2. Are all chemicals stored in a secure area? Yes No
Comments _____
- 3. Are bulk chemicals (drums and tanks) stored in secondary containment areas? Yes No
Comments _____
- 4. Is there evidence of spills and/or leaks around chemical storage areas? Yes No
If yes, what is the probable cause of the release? Has the problem been corrected?
How? Describe the impacted area (location, size, etc.) _____
- 5. Inspect chemical containers and secondary containment for signs of wear and/or deterioration.
Comments *Aec*
- 6. Other Comments or Notes _____

G. Equipment Maintenance and Cleaning Not applicable for this facility

- 1. Where is maintenance performed on rigs, pumps, trucks, etc.? *in Field & Shop*
- 2. Is the maintenance area equipped with an impervious surface that will prevent machine fluids from impacting the soil? Yes No
Comments *only in shop*
- 3. What measures are taken to protect soil and water during equipment maintenance? *in shop on concrete*
- 4. Is the facility equipped with a wash rack? Yes No
If no, where are rigs, trucks, and other equipment cleaned? _____

Yard:	
Date:	

Internal Audit Checklist
Form 4.10 (rev 4/18/06)

5. Is the washrack equipped with an impervious surface that fully contains all cleaning fluids and other pollutants? Yes No N/A
6. Is the washrack used as a painting or maintenance area? Yes No N/A
7. How is wash water disposed of?
 - Recycled through a closed loop system
 - Discharged to a public sewer system
 - Collected in tanks and transported to an approved disposal facility
 - Discharged to surface
 - Other _____
8. Is the washrack designed so as to prevent overspray of wash fluids and other pollutants from impacting the surrounding soil? Yes No N/A
Comments *wash rack too small.*
9. Inspect the wash rack and fluid containment structures for signs of wear and/or deterioration. *wash rack had cracked*
Comments _____
10. Is the soil around the wash rack stained from runoff and/or overspray? Yes No N/A
If yes, has the problem been corrected? How? Describe the impacted area (location, size, etc.) _____
11. Other Comments or Notes _____

H. Equipment Storage Not applicable for this facility

1. Are rigs and/or other equipment located in the yard for long term storage? Yes No
2. Is there a designated area in the yard for long term storage of this equipment? Yes No
3. Will the surface grade around stored equipment prevent spills and/or leaks from running off site? *N/A* Yes No
4. What measures have been taken to prevent contaminants from running off site? (ex. dikes) berms, trenches) _____
5. Is there evidence of spills and/or leaks around equipment storage areas? Yes No
If yes, what is the probable cause of the release? Has the problem been corrected? How? Describe the impacted area (location, size, etc.) _____
6. Is the stored equipment cleaned sufficiently to prevent contaminants from being washed onto the surrounding soil? *N/A* Yes No
Comments _____
7. Have the following procedures been completed for the stored equipment?
 - a. Drain fuel, oil, hydraulic fluid, etc. *N/A* Yes No

Yard:	
Date:	

Internal Audit Checklist
Form 4.10 (rev 4/18/06)

b. Remove the batteries. *N/A* Yes No

c. Lock out / tag out starters. *N/A* Yes No

d. Comments *NO Equipment in Storage*

8. Other Comments or Notes _____

I. Waste Management Not applicable for this facility

1. Aerosol Cans
a. Are aerosol cans recycled? Yes No N/A

b. If not, how are they disposed of? *Composter*

c. Are aerosol cans punctured prior to disposal/recycling? Yes No N/A

d. Comments _____

2. Antifreeze
a. Is used antifreeze recycled? Yes No N/A

b. Name of recycling company _____

c. If not recycled, how is it disposed of? *Safety Klean*

d. How is used antifreeze stored prior to recycling/disposal? *55 gal Drums*

e. Are used antifreeze containers labeled? Yes No N/A

f. Is used antifreeze stored in secondary containment areas? Yes No N/A

g. Comments _____

3. Asbestos Materials
a. Are used asbestos brake blocks present in the yard? Yes No N/A

b. If yes how are they disposed of? *Block not taken back to store*

c. If yes, are they protected from weather? Yes No N/A

d. Are asbestos brake blocks placed in plastic bags prior to disposal? Yes No N/A

e. Are there any other sources of asbestos materials at this facility?
If yes, describe _____ Yes No

f. Comments _____

4. Batteries
a. Are used batteries returned to the vendor for recycling? Yes No

Yard:	
Date:	

Internal Audit Checklist
Form 4.10 (rev 4/18/06)

b. If not, how are they disposed of? N/A

c. Are used batteries stored in a covered well-ventilated area with containment? Yes No

d. Comments _____

5. Buckets

a. Are used buckets recycled? Yes No N/A

b. If not recycled, how are they disposed of? _____

c. Comments _____

6. Filters

a. Are used oil filters and fuel filters recycled? Yes No N/A

b. If not recycled, how are they disposed of? _____

c. How are used filters stored prior to recycling/disposal? In Storage Bin.

d. Number of drums of used oil filters on site? 1

e. Are used filter containers covered & labeled? Yes No

oil filter bin not covered

f. Are used filters stored in secondary containment areas? Yes No

g. Is there evidence of spills and/or leaks around used filter storage areas? Yes No

h. If yes, what is the probable cause of the release? Has the problem been corrected? How? Describe the impacted area (location, size, etc.) _____

i. Inspect used filter containers and secondary containment for signs or wear and/or deterioration. Comments Acc

j. Comments _____

7. Oil

a. Is used oil generated at this facility recycled? Yes No N/A

b. How is the used oil stored? tank (25 Dral.) drums other 25 Dral.

c. Are used oil storage containers in good condition? Yes No

d. Are all used oil containers properly labeled? Yes No

1. Contents Yes No

2. "No Smoking" Yes No

e. Are there open containers of used oil in the yard? Yes No

f. Is used oil stored in a secondary containment area? Yes No

Yard:	
Date:	

Internal Audit Checklist
Form 4.10 (rev 4/18/06)

g. Is there evidence of spills and/or leaks around used oil storage areas? Yes No

h. If yes, what is the probable cause of the release? Has the problem been corrected?
How? Describe the impacted area (location, size, etc.) _____

i. Inspect used oil containers and secondary containment for signs or wear and/or deterioration. Comments Acceptable

j. Comments _____

8. Rags/Sorbents

a. Are used rags and sorbent material recycled? Yes No N/A

b. If not recycled, how are they disposed of? _____

c. Comments W-First cleans Rags.

9. Rubber Goods

a. Are rubber goods (other than tires) recycled? Yes No N/A

b. If not recycled, how are they disposed of? Thrown in Dumpster.

c. Comments _____

10. Soil (contaminated)

a. Are there areas of petroleum contaminated soil at this facility that require remediation? Yes No
If yes, describe _____

b. Are there areas of saltwater contaminated soil at this facility that require remediation? Yes No N/A
If yes, describe _____

c. Is any contaminated soil currently being remediated on-site? Yes No
If yes, describe _____

Does the remediation project present a further pollution hazard? Yes No

d. Comments _____

11. Tires

a. Are used tires returned to the vendor for recycling? Yes No N/A

b. If not, how are they disposed of? _____

c. Are used tires stored in a designated area? Yes No N/A

d. Comments _____

Yard:	
Date:	

Internal Audit Checklist
Form 4.10 (rev 4/18/06)

- 12. **Trash**
 - a. Are trash collection bins designed to protect contents from wind and rain? Yes No
 - b. Are there sufficient numbers of trash cans and collection bins in the yard? Yes No
 - c. Comments _____

- 13. **Wire Rope**
 - a. Is all wire rope either returned to the vendor or sold for scrap? Yes No N/A
 - b. If not, how is it disposed of? _____
 - c. Comments *Sold for scrap*

- 14. **Paint Waste**
 - a. Is paint waste stored on site? Yes No N/A
 - b. How is this material disposed? _____

- 15. **Blasting Grit**
 - a. Is spent blasting grit stored on site? Yes No N/A
 - b. How is this material disposed? _____

- 16. **Other**
Is other waste generated at this facility that does not fall into the above categories? Yes No
If yes, describe the waste. _____ How is it disposed of? _____

- 17. **Other Comments and Notes** _____

J. Naturally Occurring Radioactive Material (NORM) Not applicable for this facility

- 1. Does this yard service wells known to produce NORM? Yes No
If yes, what precautions are used to prevent NORM contamination of equipment and property _____
- 2. Is liquid and solid residue removed from mud tanks before they are transported to the yard? Yes No
- 3. Are mud tanks cleaned at the yard? Yes No
If yes, where? _____
- 4. Is used production equipment or tubing stored at the yard? Yes No
- 5. Has this equipment been surveyed for NORM? Yes No
If so, have NORM labels been applied as required? Yes No
- 6. **Other Comments and Notes** _____

Yard:	
Date:	

Internal Audit Checklist
Form 4.10 (rev 4/18/06)

K. Drums Not applicable for this facility

- 1. Are empty drums returned to the vendors for recycling?
If not, how are they disposed of? _____ Yes No
- 2. Are all drums stored in a containment area? N/A Yes No
- 3. Other Comments and Notes _____

L. Parts Washers Not applicable for this facility

- 1. Are all solvents recycled?
If not, how are they disposed of? _____ Yes No
- 2. Are parts washers clearly labeled with the following signs?
 - (1) Contents label Yes No
 - (2) Hazard Identification Yes No
 - (3) "No Smoking" Yes No
- 3. Other Comments and Notes _____

Yard:	
Date:	

Internal Audit Checklist
Form 4.10 (rev 4/18/06)

2. Environmental Records and Procedures Not applicable for this facility

A. Environmental Files

- 1. Does this facility maintain an organized system of filing environmental records and documents? Yes No
- 2. Other Comments and Notes _____

B. Training

- 1. Do newly hired employees receive training in the following areas?
 - a. HAZCOM Program Yes No
 - b. Spill Prevention Control and Countermeasure Plan Yes No
 - c. Storm Water Pollution Prevention Plan Yes No
 - d. Key Energy's Environmental Policy and Procedures Yes No
 - e. NORM Yes No
- 2. Have all employees received environmental training in the last year? Yes No
- 3. Are environmental training records maintained in the yard/office? Yes No
- 4. Are environmental subjects discussed during monthly and/or quarterly safety meetings? Yes No
- 5. Other Comments and Notes _____

C. Permits and Registration

- 1. Does this facility have an NPDES or state Storm Water Permit? Yes No
- 2. Is this facility registered with the EPA as a hazardous waste generator?
If yes, EPA # _____ Yes No
- 3. Are all non-SWD above ground petroleum storage tanks registered with appropriate regulatory agencies?
Name of agency, if applicable _____ Yes No N/A

Yard:	
Date:	

Internal Audit Checklist
Form 4.10 (rev 4/18/06)

- 4. Is a SWD present at this facility?
Is there a permit for this SWD? Yes No N/A
- 5. Are other permits and/or registrations required at this facility?
If yes, describe. _____ Yes No
- 6. Does this facility have a pit?
If there is a pit, when was the pit last emptied and inspected? _____ Yes No
- 7. Is this facility in compliance with permit and registration requirements? Yes No
- 8. Other Comments and Notes _____

D. Spill Prevention Control and Countermeasure Plan (SPCC)

- 1. A SPCC plan is required at any facility that stores a total of 1320 gal. of petroleum in any container of 55 gallon or greater including tanks. Is a SPCC plan required for this facility? Yes No
- 2. Is the SPCC plan for this facility readily accessible? Yes No
- 3. Is the SPCC plan up to date? Yes No
- 4. Do yard and shop workers have a good working knowledge of the SPCC plan? Yes No
- 5. Is the facility inspected at least quarterly as specified in the SPCC plan? Yes No
- 6. Are facility inspections documented? Yes No
- 7. Other Comments and Notes _____

E. Storm Water Pollution Prevention Plan (SWPPP)

- 1. Is the SWPPP for this facility readily accessible? Yes No
- 2. Is the SWPPP up to date? Yes No
- 3. Does the pollution prevention team have a good working knowledge of the SWPPP? Yes No
- 4. Is the facility inspected as specified in the SWPPP at least quarterly? Yes No
- 5. Are facility inspections documented in the SWPPP? Yes No
- 6. Is storm water sampling and analysis required at this facility?
If yes, has the facility complied with the sampling requirements? Yes No
- 7. Inspect drainage areas and outfalls. Is there evidence of pollutants entering the drainage system? Yes No
- 8. Are the management practices in place effectively controlling exposure of pollutants to

Yard:	
Date:	

Internal Audit Checklist
Form 4.10 (rev 4/18/06)

- storm water? Yes No
9. Note any problems with storm water pollution or controls. _____
10. Is the facility SWP/SW3P compliant? Yes No
11. Other Comments and Notes _____

F. HAZCOM Plan

1. Is the HAZCOM plan for this facility readily accessible? Yes No
2. Does the plan contain material safety data sheets (MSDS) for all the chemicals noted in the facility inspection? Yes No
3. Other Comments and Notes _____

G. Waste Shipments

1. Is hazardous waste generated at this facility? Yes No
(Note: Do not include recycled materials, batteries, used oil, antifreeze)

2. If yes, list the type of waste and estimated monthly quantity generated below.

Hazardous Waste	Monthly Quantity Generated

3. Are copies of the following waste shipment manifests on file?
If yes, for what period of time?
- a. Used oil Yes, since 2001 No
- b. Used filters Yes, since 2001 No
- c. Solvents Yes, since 2001 No
- d. Other _____ Yes, since _____ No
- e. Other _____ Yes, since _____ No
- f. Other _____ Yes, since _____ No

4. Other Comments and Notes _____

H. Lab Testing Not applicable for this facility

1. Sandblasting and Painting Not applicable for this facility
a. If equipment is sandblasted at this facility, are samples of paint collected from

Yard:	
Date:	

Internal Audit Checklist
Form 4.10 (rev 4/18/06)

the equipment and analyzed for hazardous constituents prior to sandblasting? Yes No

b. Are copies of the lab reports from the above samples on file? Yes No

c. If equipment is painted and/or sandblasted at this facility, are soil samples collected annually and tested for contamination? Yes No

d. Are copies of the lab reports from the above samples on file? Yes No

e. Do the lab reports indicate elevated levels of hazardous materials? Yes No

f. Are samples of grit analyzed for inertness? Yes No

g. Other Comments and Notes _____

2. Soil Remediation Not applicable for this facility

a. If soil remediation is conducted on site, were samples of the soil collected and analyzed for appropriate constituents? Yes No

b. Are copies of the lab reports from the above samples on file? Yes No

c. Other Comments and Notes _____

I. Contractors

1. Are waste transportation, disposal, and recycling contractors properly licensed and permitted for the type of waste they handle? Yes No

2. Is proof of insurance available for all environmental contractors? Yes No

3. If an off site wash rack is used for cleaning rigs and other equipment, is the facility properly permitted? Yes No
Does the wash rack facility use sound waste management practices? *W/A* Yes No

4. Other Comments and Notes _____

Yard:	
Date:	

Internal Audit Checklist
Form 4.10 (rev 4/18/06)

NOT IN USE AT THIS TIME.

3. SWD Inspection Not applicable for this facility

A. Well Site

- 1. Are required signs posted (well name, RRC#, authorized personnel only, etc.)? Yes No
- 2. Are piping and valves free of damage and leaks? Yes No
- 3. Are all thief hatches closed and secured? Yes No
- 4. Are fire extinguishers mounted within 50 feet of any point and do they have current inspection tags and seals? Yes No
- 5. Is the tank level gauge working properly? Yes No
- 6. Are all walkway, stairs, and ladders free of damage and are proper railings in place? Yes No N/A
- 7. Are all pressure gauges working properly? Yes No
- 8. Are electrical wiring and switches in proper condition? Yes No
- 9. Are the sumps are free of standing water? Yes No N/A
- 10. Are slip/trip hazards present? Yes No
- 11. Is adequate lighting available for night work? Yes No N/A
- 12. When was the pit last cleaned out and inspected? N/A Bulk Tanks
- 13. Is documentation related to cleaning/inspecting the pit available? Yes No N/A
Comments _____
- 14. Other Comments and Notes _____

If any actions recommended for deficiencies that could impact releases to storm water, a corrective actions form must be completed and attached to this checklist.

Yard:	
Date:	

Internal Audit Checklist
Form 4.10 (rev 4/18/06)

AUDIT APPROVED BY:

NAME: Joseph HOBNIK
TITLE: Safety
DATE: 6-21-07

Appendix C: Spill, Release Notification and Corrective Action Form

Key Energy Services, Inc. Spill, Release Notification and Corrective Action KE-1 4.2

Initial Report

Final Report

C #:	Division:
Employee: N/A	Yard Location & Code:
Date Of Hire: N/A	Supervisor:
Type of Equipment:	Equipment #:
Reported By:	Telephone No.:
Date Reported:	

LOCATION OF RELEASE

Surface Owner:	Mineral Owner:	Customer Rep.:
Customer:	Lease:	Well #:

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
-------------	---------	----------	-------	---------------	------------------	---------------	----------------	--------

Latitude:	Longitude:
Address:	Zip Code:

NATURE OF RELEASE

Type of Release:	Volume of Release:	Volume Recovered:
Source of Release:	Date & Hour of Occurrence:	Date and Hour of Discovery:
Was Immediate Notice Given? <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If Yes, to Whom?	
By Whom?	Date and Hour	
Was Surface Water Reached? <input type="checkbox"/> Yes <input type="checkbox"/> No	If YES, Volume Impacting the Surface Water:	

Surface Water was Impacted, Describe the Water Body and the Impact Involved.*

Describe Cause of Problem and Area Affected.*

Describe Clean up Action Taken*

Attach a detailed map of the area and all roads and surface water.

Total Cost of Cleanup:	Amount of Solids Removed:
Reports filed:	Disposal Facility Information (Name, Address, Phone):
Reported to Carrier <input type="checkbox"/> Yes <input type="checkbox"/> No	Key Energy Corporate
Division HSE Manager:	Approved by Environmental Manager:
Approval Date:	Approval Date: Project Date:
Date Completed:	Conditions of Approval: Attached <input type="checkbox"/>
Comments:	

* Attach Additional Sheets if Necessary

Appendix D: Emergency Contact Information

**KEY ENERGY SERVICES
CARLSBAD YARD 405
SUPERVISOR INFORMATION**

Marcos Hernandez 885-2053(Office)706-0228(Cell)
885-0087(Home)

JD McCormack 885-2053(Office)706-0234(Cell)

David Thompson 885-2053(Office)706-0232(Cell)
885-4842(Home)

Jason Vigil 885-2053(Office)706-0236(Cell)887-0135(Home)

**IN THE EVENT OF AN EMERGENCY AND A
SUPERVISOR CAN NOT BE REACHED CALL 911**

Appendix E: Web Soil Survey Map and Description



Souder, Miller & Associates
Civil/Environmental Scientists & Engineers

Soil Map—Eddy Area, New Mexico



MAP LEGEND

Area of Interest (AOI)

 Area of Interest (AOI)

Soils

 Soil Map Units

Special Point Features

-  Blowout
-  Borrow Pit
-  Clay Spot
-  Closed Depression
-  Gravel Pit
-  Gravelly Spot
-  Landfill
-  Lava Flow
-  Marsh
-  Mine or Quarry
-  Miscellaneous Water
-  Perennial Water
-  Rock Outcrop
-  Saline Spot
-  Sandy Spot
-  Severely Eroded Spot
-  Sinkhole
-  Slide or Slip
-  Sodic Spot
-  Spoil Area
-  Stony Spot

-  Very Stony Spot
-  Wet Spot
-  Other

Special Line Features

-  Gully
-  Short Steep Slope
-  Other

Political Features

Municipalities

-  Cities
-  Urban Areas

Water Features

-  Oceans
-  Streams and Canals

Transportation

-  Rails

Roads

-  Interstate Highways
-  US Routes
-  State Highways
-  Local Roads
-  Other Roads

MAP INFORMATION

Original soil survey map sheets were prepared at publication scale. Viewing scale and printing scale, however, may vary from the original. Please rely on the bar scale on each map sheet for proper map measurements.

Source of Map: Natural Resources Conservation Service
 Web Soil Survey URL: <http://websoilsurvey.nrcs.usda.gov>
 Coordinate System: UTM Zone 13N

This product is generated from the USDA-NRCS certified data as of the version date(s) listed below.

Soil Survey Area: Eddy Area, New Mexico
 Survey Area Data: Version 6, Jan 28, 2007

Date(s) aerial images were photographed: 9/19/1998

The orthophoto or other base map on which the soil lines were compiled and digitized probably differs from the background imagery displayed on these maps. As a result, some minor shifting of map unit boundaries may be evident.

Map Unit Legend

Eddy Area, New Mexico (NM614)			
Map Unit Symbol	Map Unit Name	Acres in AOI	Percent of AOI
UG	Upton gravelly loam, 0 to 9 percent slopes	2.2	29.1%
Uo	Upton gravelly loam, 0 to 9 percent slopes	5.4	70.9%
Totals for Area of Interest (AOI)		7.7	100.0%

Map Unit Description (Brief, Generated)

The map units delineated on the detailed soil maps in a soil survey represent the soils or miscellaneous areas in the survey area. The map unit descriptions in this report, along with the maps, can be used to determine the composition and properties of a unit.

A map unit delineation on a soil map represents an area dominated by one or more major kinds of soil or miscellaneous areas. A map unit is identified and named according to the taxonomic classification of the dominant soils. Within a taxonomic class there are precisely defined limits for the properties of the soils. On the landscape, however, the soils are natural phenomena, and they have the characteristic variability of all natural phenomena. Thus, the range of some observed properties may extend beyond the limits defined for a taxonomic class. Areas of soils of a single taxonomic class rarely, if ever, can be mapped without including areas of other taxonomic classes. Consequently, every map unit is made up of the soils or miscellaneous areas for which it is named and some minor components that belong to taxonomic classes other than those of the major soils.

The Map Unit Description (Brief, Generated) report displays a generated description of the major soils that occur in a map unit. Descriptions of non-soil (miscellaneous areas) and minor map unit components are not included. This description is generated from the underlying soil attribute data.

Additional information about the map units described in this report is available in other Soil Data Mart reports, which give properties of the soils and the limitations, capabilities, and potentials for many uses. Also, the narratives that accompany the Soil Data Mart reports define some of the properties included in the map unit descriptions.

Report—Map Unit Description (Brief, Generated)

Eddy Area, New Mexico

Map Unit: UG—Upton gravelly loam, 0 to 9 percent slopes

Component: Upton (100%)

The Upton component makes up 100 percent of the map unit. Slopes are 0 to 9 percent. This component is on fans, uplands. The parent material consists of residuum weathered from limestone. Depth to a root restrictive layer, petrocalcic, is 7 to 20 inches. The natural drainage class is well drained. Water movement in the most restrictive layer is moderately high. Available water to a depth of 60 inches is very low. Shrink-swell potential is low. This soil is not flooded. It is not ponded. There is no zone of water saturation within a depth of 72 inches. Organic matter content in the surface horizon is about 1 percent. This component is in the R042XC025NM Shallow ecological site. Nonirrigated land capability classification is 7s. This soil does not meet hydric criteria. The calcium carbonate equivalent within 40 inches, typically, does not exceed 58 percent.

Map Unit: Uo—Upton gravelly loam, 0 to 9 percent slopes

Component: Upton (100%)

The Upton component makes up 100 percent of the map unit. Slopes are 0 to 9 percent. This component is on fans, uplands. The parent material consists of residuum weathered from limestone. Depth to a root restrictive layer, petrocalcic, is 7 to 20 inches. The natural drainage class is well drained. Water movement in the most restrictive layer is moderately high. Available water to a depth of 60 inches is very low. Shrink-swell potential is low. This soil is not flooded. It is not ponded. There is no zone of water saturation within a depth of 72 inches. Organic matter content in the surface horizon is about 1 percent. This component is in the R042XC025NM Shallow ecological site. Nonirrigated land capability classification is 7s. This soil does not meet hydric criteria. The calcium carbonate equivalent within 40 inches, typically, does not exceed 58 percent.

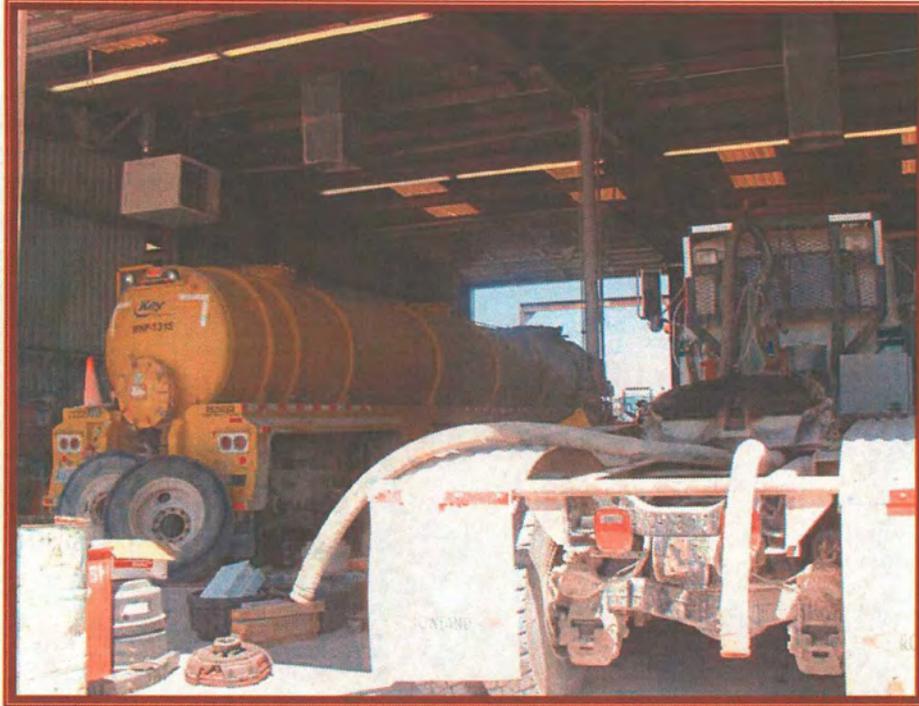
Data Source Information

Soil Survey Area: Eddy Area, New Mexico
Survey Area Data: Version 6, Jan 28, 2007

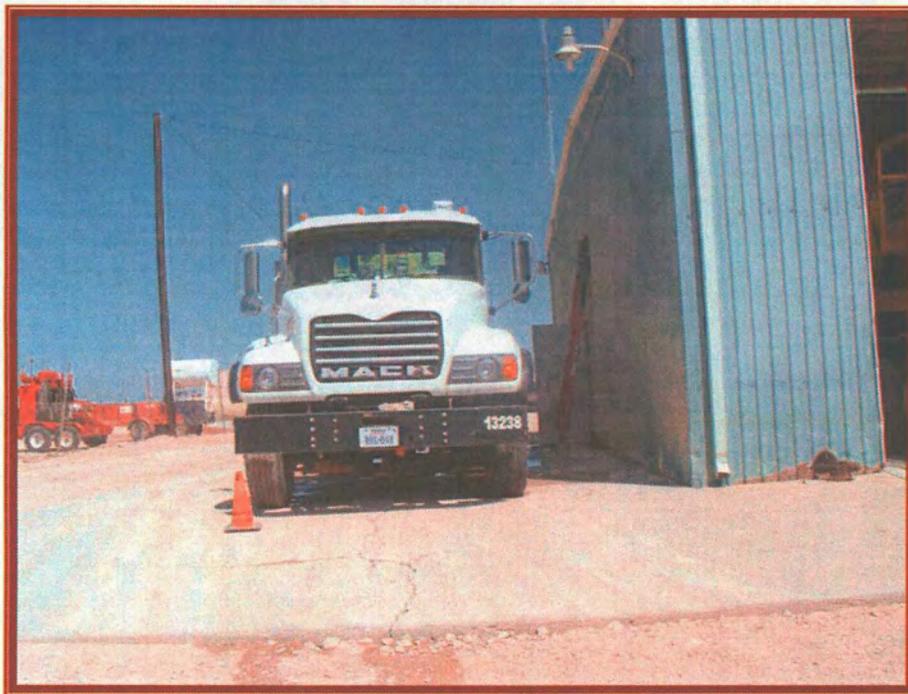
Appendix F: Photographs

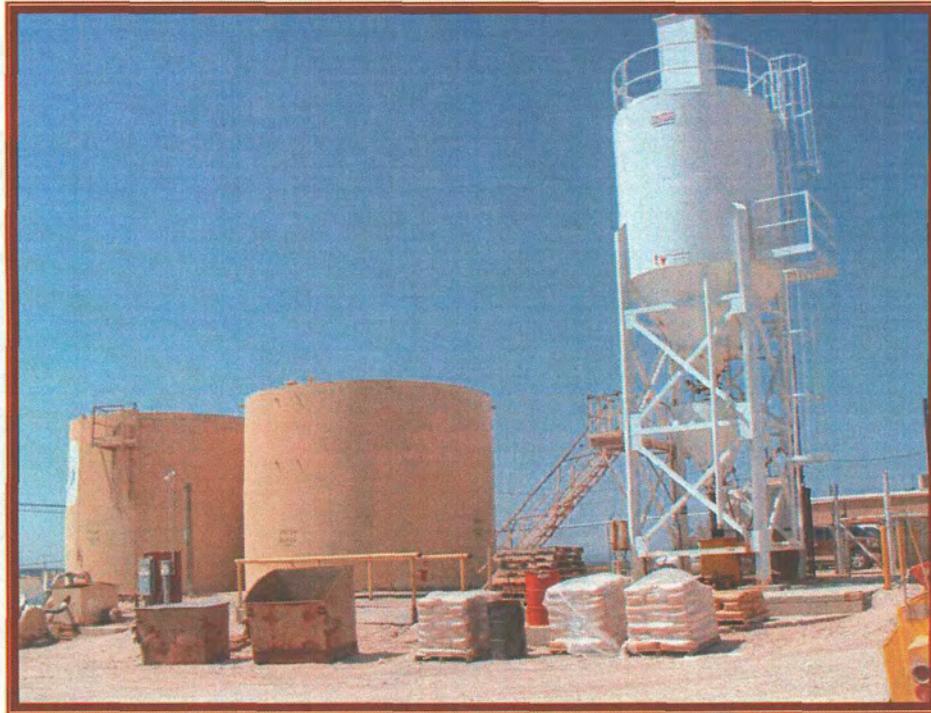


Souder, Miller & Associates
Civil/Environmental Scientists & Engineers

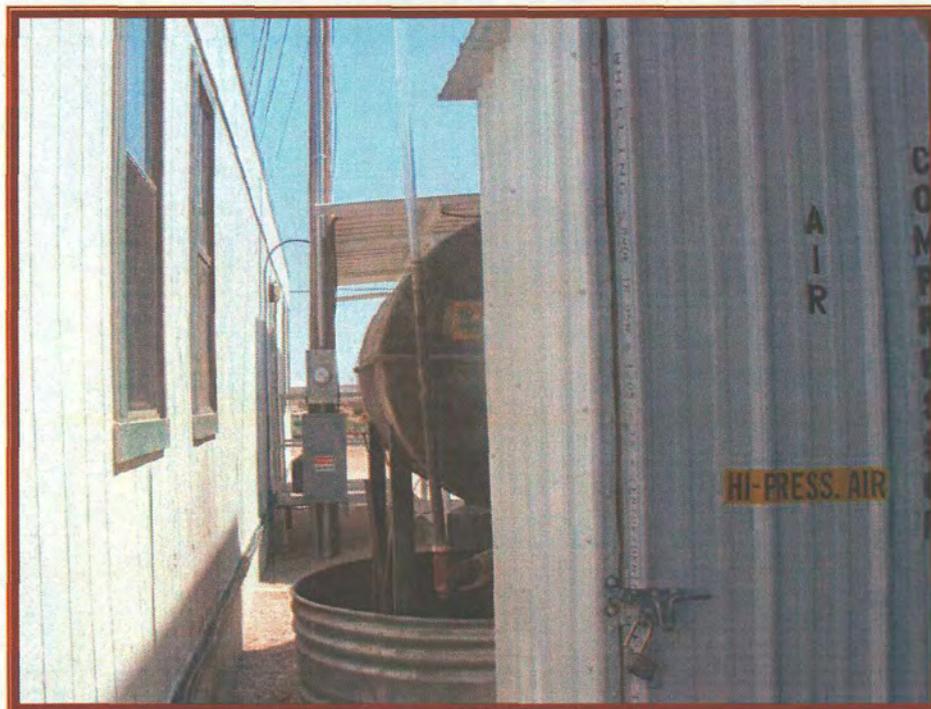


Above: Inside the maintenance bay on the property
Below: Wash pad on the property



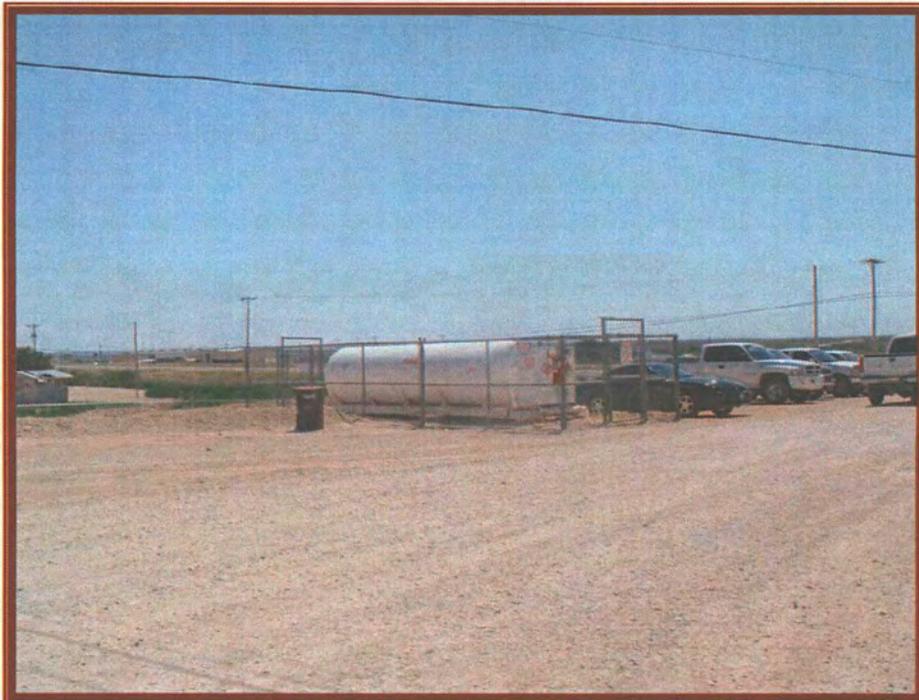


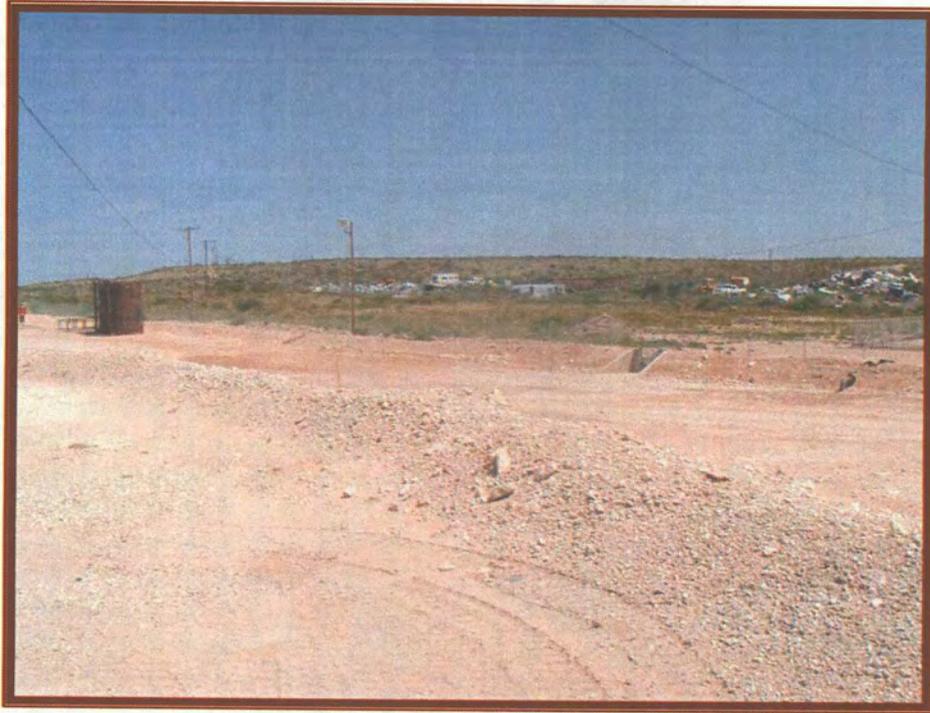
Above: Freshwater storage tanks, and KCl mixer and silo on the property
Below: Air compressor and used oil storage tank on the property





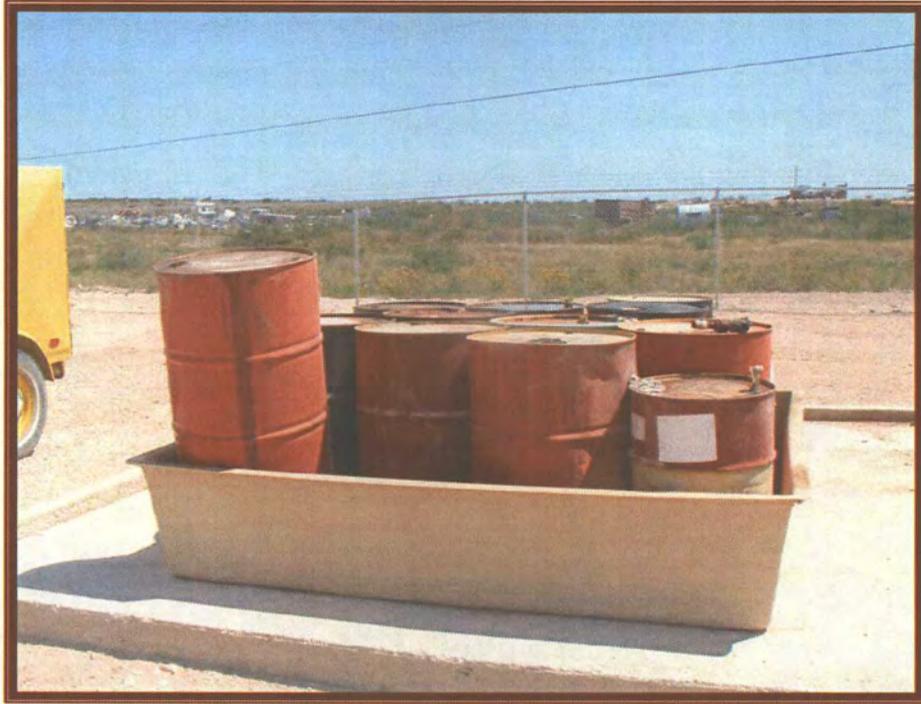
Above: Oil filter storage on the property
Below: Propane tank on the property



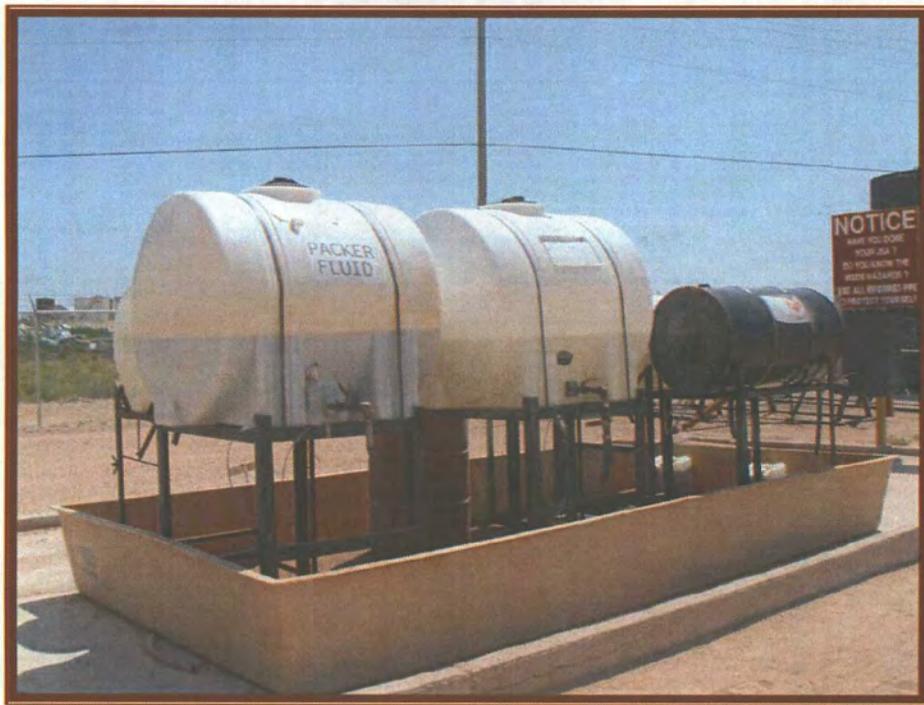


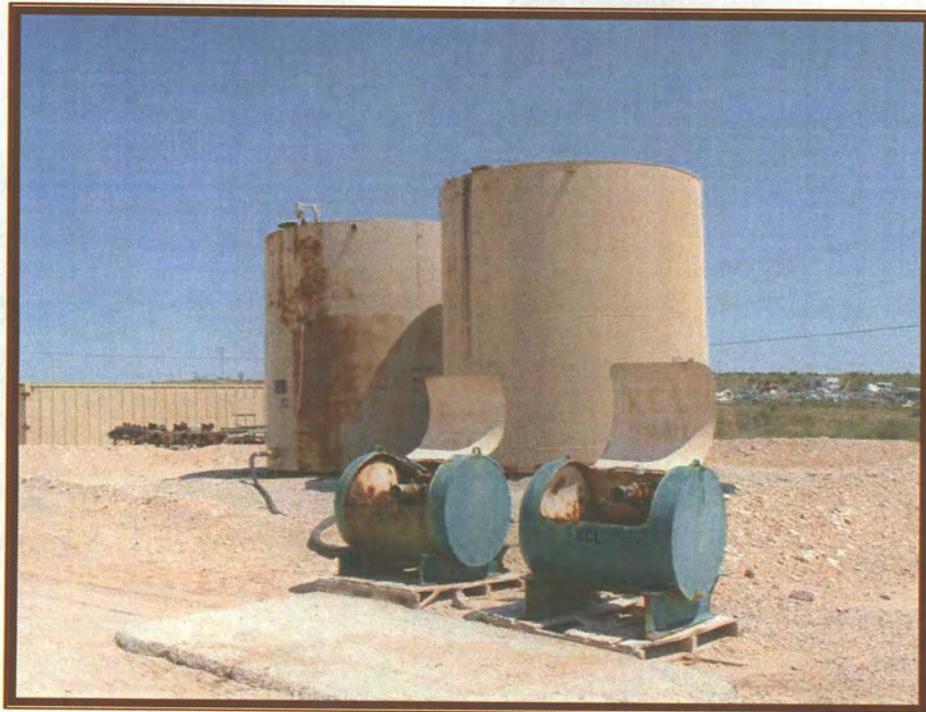
Above: Berm on the property
Below: Truck and frac tank rinse pad on the property



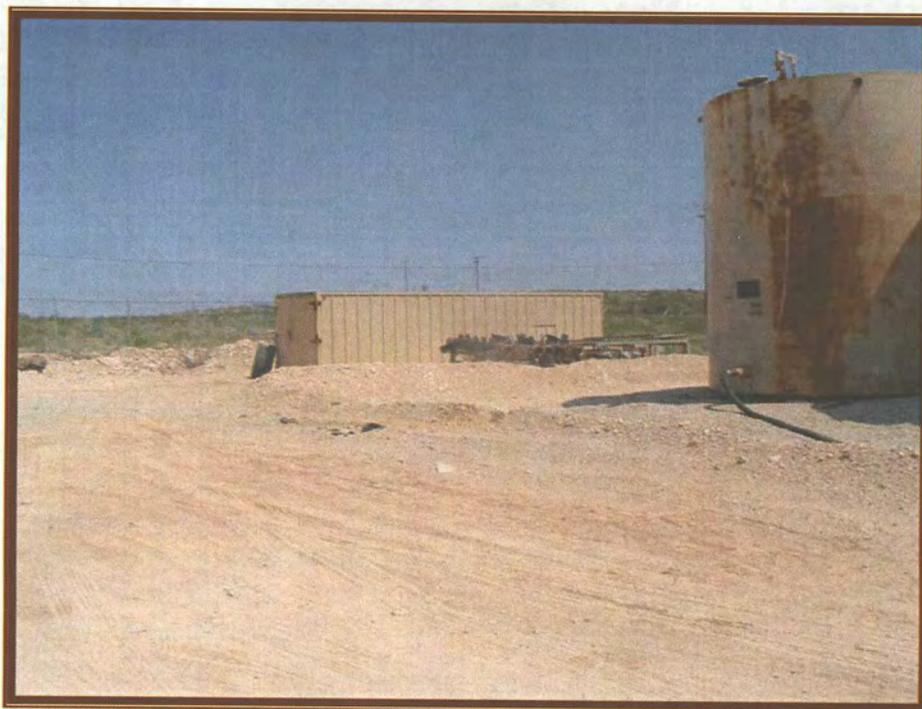


Above: Drum storage on the property
Below: Aboveground storage tank storage on the property





Above: Brine water, freshwater and catch sumps on the property
Below: Storage trailer on the property



RECEIVED

MAR 30 2003

OIL CONSERVATION
DIVISION

ATTACHMENT TO THE DISCHARGE PERMIT GW-278 APPROVAL
Yale E. Key Inc. dba Key Energy Services Inc., Carlsbad Trucking Yard
DISCHARGE PERMIT APPROVAL CONDITIONS
March 07, 2003

1. Payment of Discharge Permit Fees: The \$100.00 filing fee has been received by the OCD. There is a required flat fee of \$1700.00 for oil field service companies. The flat fee required for this facility may be paid in a single payment due at the time of approval, or in equal annual installments over the duration of the discharge permit, with the first payment due upon receipt of this approval. The filing fee is payable at the time of application and is due upon receipt of this approval.
2. Commitments: Yale E. Key Inc. dba Key Energy Services Inc. will abide by all commitments submitted in the discharge permit renewal application dated July 26, 2002 including attachments and these conditions for approval.
3. Drum Storage: All drums containing materials other than fresh water must be stored on an impermeable pad with curbing. All empty drums should be stored on their sides with the bungs in place and lined up on a horizontal plane. Chemicals in other containers such as sacks or buckets must also be stored on an impermeable pad with curbing.
4. Process Areas: All process and maintenance areas which show evidence that leaks and spills are reaching the ground surface must be either paved and curbed or have some type of spill collection device incorporated into the design.
5. Above Ground Tanks: All above ground tanks which contain fluids other than fresh water must be bermed to contain a volume of one-third more than the total volume of the largest tank or of all interconnected tanks. All new facilities or modifications to existing facilities must place the tank on an impermeable type pad within the berm.
6. Above Ground Saddle Tanks: Above ground saddle tanks must have impermeable pad and curb type containment unless they contain fresh water or fluids that are gases at atmospheric temperature and pressure.
7. Labeling: All tanks, drums, and other containers should be clearly labeled to identify their contents and other emergency information necessary if the tank were to rupture, spill, or ignite.

8. Below Grade Tanks/Sumps: All below grade tanks, sumps, and pits must be approved by the OCD prior to installation or upon modification and must incorporate secondary containment and leak-detection into the design. All below grade tanks, sumps and pits must be tested annually, except systems that have secondary containment with leak detection. These systems with leak detection shall have a monthly inspection of the leak detection to determine if the primary containment is leaking. Results of tests and inspections shall be maintained at the facility covered by this discharge plan and available for NMOCD inspection. Any system found to be leaking shall be reported pursuant to Item # 12. Permit holders may propose various methods for testing such as pressure testing to 3 pounds per square inch above normal operating pressure and/or visual inspection of cleaned out tanks and/or sumps, or other OCD approved methods. The OCD will be notified at least 72 hours prior to all testing.
9. Underground Process/Wastewater Lines: All underground process/wastewater pipelines must be approved by the OCD prior to installation and must be tested to demonstrate their mechanical integrity every five (5) years. Results of such tests shall be maintained at the facility covered by this discharge plan and available for NMOCD inspection. Permit holders may propose various methods for testing such as pressure testing to 3 pounds per square inch above normal operating pressure or other means acceptable to the OCD. The OCD will be notified at least 72 hours prior to all testing.
10. Class V Wells: No Class V wells that inject non-hazardous industrial wastes or a mixture of industrial wastes and domestic wastes will be approved for construction and/or operation unless it can be demonstrated that groundwater will not be impacted in the reasonably foreseeable future. Leach fields and other wastewater disposal systems at OCD regulated facilities which 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.
11. Housekeeping: All systems designed for spill collection/prevention, and leak detection will be inspected daily to ensure proper operation and to prevent over topping or system failure. All spill collection and/or secondary containment devices will be emptied of fluids within 48 hours of discovery. A record of inspections will be retained on site for a period of five years.
12. Spill Reporting: All spills/releases shall be reported pursuant to OCD Rule 116. and WQCC 1203. to the OCD District Office.
13. Waste Disposal: All wastes will be disposed of at an OCD approved facility. Only oilfield exempt wastes shall be disposed of down Class II injection wells. Non-exempt oilfield wastes that are non-hazardous may be disposed of at an OCD approved facility upon proper waste determination per 40 CFR Part 261. Any waste stream that is not listed in the discharge permit will be approved by OCD on a case-by-case basis.

Rule 712 Waste: Pursuant to Rule 712 disposal of certain non-domestic waste is allowed at solid waste facilities permitted by the New Mexico Environment Department as long as the waste stream is identified in the discharge permit, and existing process knowledge of the waste stream does not change without notification to the Oil Conservation Division.

14. OCD Inspections: Additional requirements may be placed on the facility based upon results from OCD inspections.
15. Storm Water Permit: Stormwater runoff controls shall be maintained. As a result of operations, if any water contaminant that exceeds the WQCC standards listed in 20 NMAC 6.2.3101 is discharged in any stormwater run-off, then immediate actions shall be taken to mitigate the effects of the run-off, notify the OCD within 24 hours, and modify the discharge permit to include a formal stormwater run-off containment permit and submit for OCD approval within 15 days.
16. Transfer of Discharge Permit: The OCD will be notified prior to any transfer of ownership, control, or possession of a facility with an approved discharge permit. A written commitment to comply with the terms and conditions of the previously approved discharge permit must be submitted by the purchaser and approved by the OCD prior to transfer.
17. 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 permit 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.
18. Certification: **Yale E. Key Inc. dba Key Energy Services Inc.** by the officer whose signature appears below, accepts this permit and agrees to comply with all terms and conditions contained herein. **Yale E. Key Inc. dba Key Energy Services Inc.** further acknowledges that these conditions and requirements of this permit may be changed administratively by the Division for good cause shown as necessary to protect fresh water, human health and the environment.

Conditions accepted by:

Yale E. Key Inc. dba Key Energy Services Inc.

Bob Patterson
Company Representative- print name

Bob Patterson Date 3-25-03
Company Representative- Sign

Title Area Manager - Trucking Div.



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop
Cabinet Secretary

March 07, 2003

Lori Wrotenberg

Director

Oil Conservation Division

CERTIFIED MAIL

RETURN RECEIPT NO. 3929 9697

Mr. Royce Crowell
Yale E. Key Inc. dba Key Energy Services Inc.
P.O. Box 2040
Hobbs, New Mexico 88241

Re: Renewal of Discharge Permit GW-278
Carlsbad Trucking Yard

Dear Mr. Crowell:

The groundwater discharge permit GW-278 for the Yale E. Key Inc. dba Key Energy Services Inc., Carlsbad Trucking Yard, located in Section 33 and 34, Township 21 South, Range 27 East, NMPM, Eddy County, New Mexico, **is hereby approved** under the conditions contained in the enclosed attachment. 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.**

The original discharge plan was approved on June 10, 1997 with an expiration date of June 10, 2002. The discharge permit renewal application dated July 26, 2002, including attachments, submitted pursuant to Section 3106 of the New Mexico Water Quality Control Commission (WQCC) Regulations also includes all earlier applications and all conditions later placed on those approvals.

The discharge permit is renewed pursuant to Section 3109.C. Please note Section 3109.G., which provides for possible future amendment of the permit. Please be advised that approval of this permit does not relieve Yale E. Key Inc. dba Key Energy Services Inc. of responsibility should operations result in pollution of surface water, ground water or the environment. Nor does it relieve Yale E. Key Inc. dba Key Energy Services Inc. of its responsibility to comply with any other governmental authority's rules and regulations.

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

Please note that Section 3104. of the regulations requires that "when a permit has been approved, discharges must be consistent with the terms and conditions of the permit." Pursuant to Section 3107.C., Yale E. Key Inc. dba Key Energy Services Inc. is 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 3109.H.4., this approval is for a period of five years. **This approval will expire June 10, 2007** and an application for renewal should be submitted in ample time before that date. Pursuant to Section 3106.F. of the regulations, 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.

The discharge permit application for the Yale E. Key Inc. dba Key Energy Services Inc., Carlsbad Trucking Yard, is subject to the WQCC Regulation 3114. Every billable facility submitting a discharge permit will be assessed a fee equal to the filing fee of \$100.00 plus a flat fee of \$1700.00 for oil field service companies. The OCD has not received the \$1700.00 flat fee. The flat fee may be paid in a single payment due on the date of the discharge permit approval or in five equal installments over the expected duration of the discharge permit. Installment payments shall be remitted yearly, with the first installment due on the date of the discharge permit approval and subsequent installments due on this date of each calendar year.

**Please make all checks payable to: Water Quality Management Fund
C/o: Oil Conservation Division
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505.**

If you have any questions, please contact Wayne Price of my staff at (505-476-3487) or E-mail WPRICE@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,



Roger C. Anderson
Environmental Bureau Chief

RCA/lwp
Attachment-1
Xc: OCD Artesia Office

**ATTACHMENT TO THE DISCHARGE PERMIT GW-278 APPROVAL
Yale E. Key Inc. dba Key Energy Services Inc., Carlsbad Trucking Yard
DISCHARGE PERMIT APPROVAL CONDITIONS
March 07, 2003**

1. Payment of Discharge Permit Fees: The \$100.00 filing fee has been received by the OCD. There is a required flat fee of \$1700.00 for oil field service companies. The flat fee required for this facility may be paid in a single payment due at the time of approval, or in equal annual installments over the duration of the discharge permit, with the first payment due upon receipt of this approval. The filing fee is payable at the time of application and is due upon receipt of this approval.
2. Commitments: Yale E. Key Inc. dba Key Energy Services Inc. will abide by all commitments submitted in the discharge permit renewal application dated July 26, 2002 including attachments and these conditions for approval.
3. Drum Storage: All drums containing materials other than fresh water must be stored on an impermeable pad with curbing. All empty drums should be stored on their sides with the bungs in place and lined up on a horizontal plane. Chemicals in other containers such as sacks or buckets must also be stored on an impermeable pad with curbing.
4. Process Areas: All process and maintenance areas which show evidence that leaks and spills are reaching the ground surface must be either paved and curbed or have some type of spill collection device incorporated into the design.
5. Above Ground Tanks: All above ground tanks which contain fluids other than fresh water must be bermed to contain a volume of one-third more than the total volume of the largest tank or of all interconnected tanks. All new facilities or modifications to existing facilities must place the tank on an impermeable type pad within the berm.
6. Above Ground Saddle Tanks: Above ground saddle tanks must have impermeable pad and curb type containment unless they contain fresh water or fluids that are gases at atmospheric temperature and pressure.
7. Labeling: All tanks, drums, and other containers should be clearly labeled to identify their contents and other emergency information necessary if the tank were to rupture, spill, or ignite.

8. Below Grade Tanks/Sumps: All below grade tanks, sumps, and pits must be approved by the OCD prior to installation or upon modification and must incorporate secondary containment and leak-detection into the design. All below grade tanks, sumps and pits must be tested annually, except systems that have secondary containment with leak detection. These systems with leak detection shall have a monthly inspection of the leak detection to determine if the primary containment is leaking. Results of tests and inspections shall be maintained at the facility covered by this discharge plan and available for NMOCD inspection. Any system found to be leaking shall be reported pursuant to Item # 12. Permit holders may propose various methods for testing such as pressure testing to 3 pounds per square inch above normal operating pressure and/or visual inspection of cleaned out tanks and/or sumps, or other OCD approved methods. The OCD will be notified at least 72 hours prior to all testing.
9. Underground Process/Wastewater Lines: All underground process/wastewater pipelines must be approved by the OCD prior to installation and must be tested to demonstrate their mechanical integrity every five (5) years. Results of such tests shall be maintained at the facility covered by this discharge plan and available for NMOCD inspection. Permit holders may propose various methods for testing such as pressure testing to 3 pounds per square inch above normal operating pressure or other means acceptable to the OCD. The OCD will be notified at least 72 hours prior to all testing.
10. Class V Wells: No Class V wells that inject non-hazardous industrial wastes or a mixture of industrial wastes and domestic wastes will be approved for construction and/or operation unless it can be demonstrated that groundwater will not be impacted in the reasonably foreseeable future. Leach fields and other wastewater disposal systems at OCD regulated facilities which 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.
11. Housekeeping: All systems designed for spill collection/prevention, and leak detection will be inspected daily to ensure proper operation and to prevent over topping or system failure. All spill collection and/or secondary containment devices will be emptied of fluids within 48 hours of discovery. A record of inspections will be retained on site for a period of five years.
12. Spill Reporting: All spills/releases shall be reported pursuant to OCD Rule 116. and WQCC 1203. to the OCD District Office.
13. Waste Disposal: All wastes will be disposed of at an OCD approved facility. Only oilfield exempt wastes shall be disposed of down Class II injection wells. Non-exempt oilfield wastes that are non-hazardous may be disposed of at an OCD approved facility upon proper waste determination per 40 CFR Part 261. Any waste stream that is not listed in the discharge permit will be approved by OCD on a case-by-case basis.

Rule 712 Waste: Pursuant to Rule 712 disposal of certain non-domestic waste is allowed at solid waste facilities permitted by the New Mexico Environment Department as long as the waste stream is identified in the discharge permit, and existing process knowledge of the waste stream does not change without notification to the Oil Conservation Division.

14. OCD Inspections: Additional requirements may be placed on the facility based upon results from OCD inspections.
15. Storm Water Permit: Stormwater runoff controls shall be maintained. As a result of operations, if any water contaminant that exceeds the WQCC standards listed in 20 NMAC 6.2.3101 is discharged in any stormwater run-off, then immediate actions shall be taken to mitigate the effects of the run-off, notify the OCD within 24 hours, and modify the discharge permit to include a formal stormwater run-off containment permit and submit for OCD approval within 15 days.
16. Transfer of Discharge Permit: The OCD will be notified prior to any transfer of ownership, control, or possession of a facility with an approved discharge permit. A written commitment to comply with the terms and conditions of the previously approved discharge permit must be submitted by the purchaser and approved by the OCD prior to transfer.
17. 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 permit 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.
18. Certification: **Yale E. Key Inc. dba Key Energy Services Inc.** by the officer whose signature appears below, accepts this permit and agrees to comply with all terms and conditions contained herein. **Yale E. Key Inc. dba Key Energy Services Inc.** further acknowledges that these conditions and requirements of this permit may be changed administratively by the Division for good cause shown as necessary to protect fresh water, human health and the environment.

Conditions accepted by: **Yale E. Key Inc. dba Key Energy Services Inc.**

Company Representative- print name

Date
Company Representative- Sign

Title

DRAFT PERMIT

January 03, 2003

CERTIFIED MAIL
RETURN RECEIPT NO. 3929 9697

Mr. Royce Crowell
Yale E. Key Inc. dba Key Energy Services Inc.
P.O. Box 2040
Hobbs, New Mexico 88241

Re: Renewal of Discharge Permit GW-278
Carlsbad Trucking Yard

Dear Mr. Crowell:

The groundwater discharge permit GW-278 for the Yale E. Key Inc. dba Key Energy Services Inc., Carlsbad Trucking Yard, located in Section 33 and 34, Township 21 South, Range 27 East, NMPM, Eddy County, New Mexico, is **hereby approved** under the conditions contained in the enclosed attachment. 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.**

The original discharge plan was approved on June 10, 1997 with an expiration date of June 10, 2002. The discharge permit renewal application dated July 26, 2002, including attachments, submitted pursuant to Section 3106 of the New Mexico Water Quality Control Commission (WQCC) Regulations also includes all earlier applications and all conditions later placed on those approvals.

The discharge permit is renewed pursuant to Section 3109.C. Please note Section 3109.G., which provides for possible future amendment of the permit. Please be advised that approval of this permit does not relieve Yale E. Key Inc. dba Key Energy Services Inc. of responsibility should operations result in pollution of surface water, ground water or the environment. Nor does it relieve Yale E. Key Inc. dba Key Energy Services Inc. of its responsibility to comply with any other governmental authority's rules and regulations.

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

Mr. Royce Crowell

January 03, 2003

Page 2

Please note that Section 3104. of the regulations requires that "when a permit has been approved, discharges must be consistent with the terms and conditions of the permit." Pursuant to Section 3107.C., Yale E. Key Inc. dba Key Energy Services Inc. is 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 3109.H.4., this approval is for a period of five years. **This approval will expire June 10, 2007** and an application for renewal should be submitted in ample time before that date. Pursuant to Section 3106.F. of the regulations, 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.

The discharge permit application for the Yale E. Key Inc. dba Key Energy Services Inc., Carlsbad Trucking Yard, is subject to the WQCC Regulation 3114. Every billable facility submitting a discharge permit will be assessed a fee equal to the filing fee of \$100.00 plus a flat fee of \$1700.00 for oil field service companies. The OCD has not received the \$1700.00 flat fee. The flat fee may be paid in a single payment due on the date of the discharge permit approval or in five equal installments over the expected duration of the discharge permit. Installment payments shall be remitted yearly, with the first installment due on the date of the discharge permit approval and subsequent installments due on this date of each calendar year.

Please make all checks payable to: Water Quality Management Fund
C/o: Oil Conservation Division
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505.

If you have any questions, please contact Wayne Price of my staff at (505-476-3487) or E-mail WPRICE@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,

Roger C. Anderson
Environmental Bureau Chief

RCA/lwp
Attachment-1
Xc: OCD Artesia Office

ATTACHMENT TO THE DISCHARGE PERMIT GW-278 APPROVAL
Yale E. Key Inc. dba Key Energy Services Inc., Carlsbad Trucking Yard
DISCHARGE PERMIT APPROVAL CONDITIONS
January 03, 2003

1. Payment of Discharge Permit Fees: The \$100.00 filing fee has been received by the OCD. There is a required flat fee of \$1700.00 for oil field service companies. The flat fee required for this facility may be paid in a single payment due at the time of approval, or in equal annual installments over the duration of the discharge permit, with the first payment due upon receipt of this approval. The filing fee is payable at the time of application and is due upon receipt of this approval.
2. Commitments: Yale E. Key Inc. dba Key Energy Services Inc. will abide by all commitments submitted in the discharge permit renewal application dated July 26, 2002 including attachments and these conditions for approval.
3. Drum Storage: All drums containing materials other than fresh water must be stored on an impermeable pad with curbing. All empty drums should be stored on their sides with the bungs in place and lined up on a horizontal plane. Chemicals in other containers such as sacks or buckets must also be stored on an impermeable pad with curbing.
4. Process Areas: All process and maintenance areas which show evidence that leaks and spills are reaching the ground surface must be either paved and curbed or have some type of spill collection device incorporated into the design.
5. Above Ground Tanks: All above ground tanks which contain fluids other than fresh water must be bermed to contain a volume of one-third more than the total volume of the largest tank or of all interconnected tanks. All new facilities or modifications to existing facilities must place the tank on an impermeable type pad within the berm.
6. Above Ground Saddle Tanks: Above ground saddle tanks must have impermeable pad and curb type containment unless they contain fresh water or fluids that are gases at atmospheric temperature and pressure.
7. Labeling: All tanks, drums, and other containers should be clearly labeled to identify their contents and other emergency information necessary if the tank were to rupture, spill, or ignite.

8. Below Grade Tanks/Sumps: All below grade tanks, sumps, and pits must be approved by the OCD prior to installation or upon modification and must incorporate secondary containment and leak-detection into the design. All below grade tanks, sumps and pits must be tested annually, except systems that have secondary containment with leak detection. These systems with leak detection shall have a monthly inspection of the leak detection to determine if the primary containment is leaking. Results of tests and inspections shall be maintained at the facility covered by this discharge plan and available for NMOCD inspection. Any system found to be leaking shall be reported pursuant to Item # 12. Permit holders may propose various methods for testing such as pressure testing to 3 pounds per square inch above normal operating pressure and/or visual inspection of cleaned out tanks and/or sumps, or other OCD approved methods. The OCD will be notified at least 72 hours prior to all testing.
9. Underground Process/Wastewater Lines: All underground process/wastewater pipelines must be approved by the OCD prior to installation and must be tested to demonstrate their mechanical integrity every five (5) years. Results of such tests shall be maintained at the facility covered by this discharge plan and available for NMOCD inspection. Permit holders may propose various methods for testing such as pressure testing to 3 pounds per square inch above normal operating pressure or other means acceptable to the OCD. The OCD will be notified at least 72 hours prior to all testing.
10. Class V Wells: No Class V wells that inject non-hazardous industrial wastes or a mixture of industrial wastes and domestic wastes will be approved for construction and/or operation unless it can be demonstrated that groundwater will not be impacted in the reasonably foreseeable future. Leach fields and other wastewater disposal systems at OCD regulated facilities which 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.
11. Housekeeping: All systems designed for spill collection/prevention, and leak detection will be inspected daily to ensure proper operation and to prevent over topping or system failure. All spill collection and/or secondary containment devices will be emptied of fluids within 48 hours of discovery. A record of inspections will be retained on site for a period of five years.
12. Spill Reporting: All spills/releases shall be reported pursuant to OCD Rule 116. and WQCC 1203. to the OCD District Office.
13. Waste Disposal: All wastes will be disposed of at an OCD approved facility . Only oilfield exempt wastes shall be disposed of down Class II injection wells. Non-exempt oilfield wastes that are non-hazardous may be disposed of at an OCD approved facility upon proper waste determination per 40 CFR Part 261. Any waste stream that is not listed in the discharge permit will be approved by OCD on a case-by-case basis.

Rule 712 Waste: Pursuant to Rule 712 disposal of certain non-domestic waste is allowed at solid waste facilities permitted by the New Mexico Environment Department as long as the waste stream is identified in the discharge permit, and existing process knowledge of the waste stream does not change without notification to the Oil Conservation Division.

14. OCD Inspections: Additional requirements may be placed on the facility based upon results from OCD inspections.
15. Storm Water Permit: Stormwater runoff controls shall be maintained. As a result of operations, if any water contaminant that exceeds the WQCC standards listed in 20 NMAC 6.2.3101 is discharged in any stormwater run-off, then immediate actions shall be taken to mitigate the effects of the run-off, notify the OCD within 24 hours, and modify the discharge permit to include a formal stormwater run-off containment permit and submit for OCD approval within 15 days.
16. Transfer of Discharge Permit: The OCD will be notified prior to any transfer of ownership, control, or possession of a facility with an approved discharge permit. A written commitment to comply with the terms and conditions of the previously approved discharge permit must be submitted by the purchaser and approved by the OCD prior to transfer.
17. 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 permit 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.
18. Certification: **Yale E. Key Inc. dba Key Energy Services Inc.** by the officer whose signature appears below, accepts this permit and agrees to comply with all terms and conditions contained herein. **Yale E. Key Inc. dba Key Energy Services Inc.** further acknowledges that these conditions and requirements of this permit may be changed administratively by the Division for good cause shown as necessary to protect fresh water, human health and the environment.

Conditions accepted by: **Yale E. Key Inc. dba Key Energy Services Inc.**

Company Representative- print name

Date _____
Company Representative- Sign

Title _____

Mr. Royce Crowell
January 03, 2003
Page 6

ACKNOWLEDGEMENT OF RECEIPT
OF CHECK/CASH

I hereby acknowledge receipt of check No. [REDACTED] dated 6/12/03
or cash received on _____ in the amount of \$ 100⁰⁰
from KEY ENERGY SERVICES INC.
for KEY CARLSBAD TRUCK YARD GW-278
Submitted by: WAYNE PRICE (Family Name) Date: 1/2/03
Submitted to ASD by: [Signature] Date: _____
Received in ASD by: _____ Date: _____
Filing Fee New Facility _____ Renewal _____
Modification _____ Other _____ (Optional)
Organization Code 521.07 Applicable FY 2003

To be deposited in the Water Quality Management Fund.
Full Payment _____ or Annual Increment _____

THE FACE OF THIS DOCUMENT IS PRINTED BLUE. THE BACK CONTAINS A SIMULATED WATERMARK.

Key KEY ENERGY SERVICES, INC.
1220 SOUTH ST. FRANCIS DRIVE
SANTA FE, NM 87504

FNC BANK NATIONAL ASSOCIATION
Check Date: 6/12/2003 No. [REDACTED]

\$ 100.00

PAY TO THE ORDER OF: NM ENERGY, MINRS. & NAT. RESOUR. DEPT.
OIL CONSERVATION DIVISION
1220 SOUTH ST. FRANCIS DRIVE
SANTA FE, NM 87504

[Signature]
AUTHORIZED SIGNATURE IF OVER \$10,000.00

6-6-278



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

April 12, 2000

CERTIFIED MAIL
RETURN RECEIPT NO. 5051 5888

Mr. Bob Patterson
Key Energy Services, Inc.
P.O. Box 99
Eunice, New Mexico 88231

Re: Pit Closure SE/4 of Sec 33 and SW/4 of Sec 34-Ts21S-R27E
Carlsbad Facility GW-278 (Old Rowland Yard)
Eddy Co., NM

Dear Mr. Patterson:

New Mexico Oil Conservation Division (NMOCD) is in receipt of the Closure Report Clean Out Pit submitted by Safety & Environmental Solutions, Inc., dated March 22, 2000, for the above referenced site. **The OCD Environmental Bureau staff has reviewed the closure plan and hereby approves of the closure.**

Please be advised that NMOCD approval of this site does not relieve Key Energy of liability should their operations fail to adequately investigate and remediate contamination that pose a threat to ground water, surface water, human health or the environment. In addition, NMOCD approval does not relieve Key Energy of responsibility for compliance with any other federal, state, or local laws and/or regulations.

If you require any further information or assistance please do not hesitate to write or call me at (505-827-7155).

Sincerely Yours,

A handwritten signature in black ink, appearing to read "Wayne Price-Pet.", written over a horizontal line.

Wayne Price-Pet. Engr. Spec.
Environmental Bureau

cc: OCD Artesia office

ACKNOWLEDGEMENT OF RECEIPT
OF CHECK/CASH

I hereby acknowledge receipt of check No. [REDACTED] dated 6/26/97

or cash received on _____ in the amount of \$ 1430.00

from Rowland Trucking

for Coilsbod GW-278

Submitted by: _____ Date: _____

Submitted to ASD by: R. C. Anderson Date: 7/31/97

Received in ASD by: _____ Date: _____

Filing Fee New Facility Renewal _____
Modification _____ Other _____

Organization Code 521.07 Applicable FY 98

To be deposited in the Water Quality Management Fund.

Full Payment or Annual Increment _____

ROWLAND TRUCKING CO., INC.
P.O. BOX 340
HOBBS, NM 88241
(505) 397-0199

NORWEST BANK
NEW MEXICO, N.A. 0320
P.O. BOX 1290
HOBBS, NM
95-189/1122

CHECK NO.	CHECK DATE	VENDOR NO.
[REDACTED]	6/26/97	

AY ***** ONE THOUSAND FOUR HUNDRED THIRTY & NO/100 *****

CHECK AMOUNT
***** \$1,430.00 *****

TO THE
ORDER OF NMED WATER QUALITY MANAGEMENT

[Signature]
AUTHORIZED SIGNATURE

ATTACHMENT TO THE DISCHARGE PLAN GW-278
ROWLAND TRUCKING COMPANY, INC.
CARLSBAD FACILITY
DISCHARGE PLAN APPROVAL CONDITIONS
(June 10, 1997)

1. **Payment of Discharge Plan Fees:** The filing fee and the flat fee shall be submitted upon receipt of this approval. The required flat fee may be paid in a single payment due at the time of approval, or in equal annual installments over the duration of the plan, with the first payment due upon receipt of this approval.
2. **Rowland Commitments:** Rowland will abide by all commitments submitted in the discharge plan application dated March 10, 1997.
3. **Waste Disposal:** All wastes shall be disposed of at an NMOCD approved facility. Only oilfield exempt wastes shall be disposed of down Class II injection wells. Non-exempt oilfield wastes that are non-hazardous by characteristics may be disposed of at an NMOCD approved facility upon proper waste characterization per 40 CFR Part 261.
4. **Drum Storage:** All drums containing materials other than fresh water must be stored on an impermeable pad with curbing. All empty drums will be stored on their sides with the bungs in and lined up on a horizontal plane. Chemicals in other containers such as sacks or buckets will also be stored on an impermeable pad and curb type containment.
5. **Process Areas:** All process and maintenance areas which show evidence that leaks and spills are reaching the ground surface must be either paved and curbed or have some type of spill collection device incorporated into the design.
6. **Above Ground Tanks:** All above ground tanks which contain fluids other than fresh water must be bermed to contain a volume of one-third more than the total volume of the largest tank or of all interconnected tanks. All new facilities or modifications to existing facilities must place the tank on an impermeable type pad within the berm.
7. **Above Ground Saddle Tanks:** Above ground saddle tanks must have impermeable pad and curb type containment unless they contain fresh water or fluids that are gases at atmospheric temperature and pressure.
8. **Labeling:** All tanks, drums and containers should be clearly labeled to identify their contents and other emergency information necessary if they were to rupture, spill, or ignite.
9. **Below Grade Tanks/Sumps:** All below grade tanks, sumps, and pits must be approved by the OCD prior to installation or upon modification and must incorporate secondary containment and leak-detection into the design. All pre-existing sumps and below-grade

tanks must demonstrate integrity on an annual basis. Integrity tests include pressure testing to 3 pounds per square inch above normal operating pressure and/or visual inspection of cleaned out tanks and/or sumps, or other OCD approved methods. The OCD will be notified at least 72 hours prior to all testing. Test results will be submitted to the OCD Santa Fe Division office within 30 days of testing.

10. Underground Process/Wastewater Lines: All underground process/wastewater pipelines must be tested to demonstrate their mechanical integrity at present and then every 5 years thereafter, or prior to discharge plan renewal. Permittees may propose various methods for testing such as pressure testing to 3 pounds per square inch above normal operating pressure or other means acceptable to the OCD. The OCD will be notified at least 72 hours prior to all testing. Test results will be submitted to the OCD Santa Fe Division office within 30 days of testing.

11. Housekeeping: All systems designed for spill collection/prevention should be inspected to ensure proper operation and to prevent overtopping or system failure.

Any non-exempt contaminated soils that are collected at the facility will be tested for hazardous constituents, and after receiving OCD approval, will be disposed of at an OCD approved site.

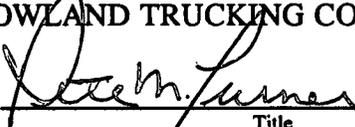
12. Spill Reporting: All spills/releases shall be reported pursuant to OCD Rule 116 and WQCC 1203 to the OCD Artesia District Office.

13. Transfer of Discharge Plan: The OCD will be notified prior to any transfer of ownership, control, or possession of a facility with an approved discharge plan. A written commitment to comply with the terms and conditions of the previously approved discharge plan must be submitted by the purchaser and approved by the OCD prior to transfer.

14. 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.

15. Certification: Rowland, by the officer whose signature appears below, accepts this permit and agrees to comply with all terms and conditions contained herein. Rowland further acknowledges that these conditions and requirements of this permit may be changed administratively by the Division for good cause shown as necessary to protect fresh water, human health and the environment.

Accepted:
ROWLAND TRUCKING COMPANY, INC.

by  _____
Title



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 S. PACHECO
SANTA FE, NEW MEXICO 87505
(505) 827-7131

June 10, 1997

CERTIFIED MAIL
RETURN RECEIPT NO. P-288-258-931

Mr. Pete Turner
Rowland Trucking Company, Inc.
P.O. Box 340
Hobbs, New Mexico 88240

**RE: Discharge Plan GW-278
Carlsbad Facility
Eddy County, New Mexico**

Dear Mr. Turner:

The ground water discharge plan GW-278, for the Rowland Trucking Company, Inc. (Rowland) Carlsbad Facility located in Sections 33 and 34, Township 21 South, Range 27 East, NMPM, Eddy County, New Mexico, is hereby approved under the conditions contained in the enclosed attachment. The discharge plan consists of the original discharge plan application dated March 10, 1997. 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 10 working days of receipt of this letter.**

The discharge plan was submitted pursuant to Section 3106 of the New Mexico Water Quality Control Commission (WQCC) Regulations. It is approved pursuant to Section 3109.A. Please note Sections 3109.E and 3109.F., which provide for possible future amendments or modifications of the plan. Please be advised that approval of this plan does not relieve Rowland of liability should operations 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.

Mr. Pete Turner
June 10, 1997
Page 2

Please note that Section 3104 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 3107.C. Rowland is 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.

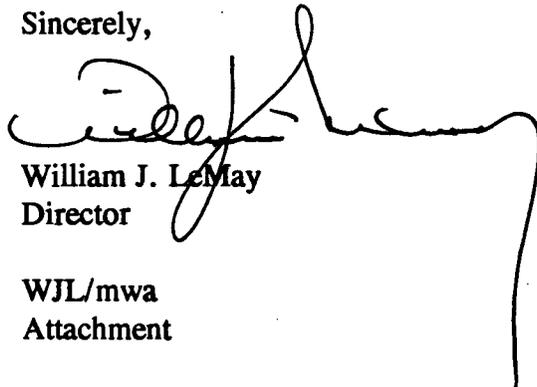
Pursuant to Section 3109.G.4., this plan is for a period of five years. This approval will expire on June 10, 2002, and Rowland should submit an application in ample time before this date. Note that under Section 3106.F. of the regulations, if a discharger submits a discharge plan renewal application at least 120 days before the discharge plan expires and is in compliance with the approved plan, then the existing discharge plan will not expire until the application for renewal has been approved or disapproved. It should be noted that all discharge plan facilities will be required to submit the results of an underground drainage testing program as a requirement for discharge plan renewal.

The discharge plan application for the Rowland Trucking Company, Inc. Carlsbad Facility is subject to WQCC Regulation 3114. Every billable facility submitting a discharge plan will be assessed a fee equal to the filing fee of \$50 plus a flat fee of \$1,380 for oil field service companies. The OCD has not received the filing fee or the flat fee. The filing fee and the flat fee are due upon receipt of this approval. The flat fee may be paid in a single payment due on the date of the discharge plan approval or in five equal installments over the expected duration of the discharge plan. Installment payments shall be remitted yearly, with the first installment due on the date of the discharge plan approval.

Please make all checks payable to: **NMED-Water Quality Management** and addressed to the OCD Santa Fe Office.

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
Director

WJL/mwa
Attachment

xc: OCD Artesia Office

ATTACHMENT TO THE DISCHARGE PLAN GW-278
ROWLAND TRUCKING COMPANY, INC.
CARLSBAD FACILITY
DISCHARGE PLAN APPROVAL CONDITIONS
(June 10, 1997)

1. **Payment of Discharge Plan Fees:** The filing fee and the flat fee shall be submitted upon receipt of this approval. The required flat fee may be paid in a single payment due at the time of approval, or in equal annual installments over the duration of the plan, with the first payment due upon receipt of this approval.
2. **Rowland Commitments:** Rowland will abide by all commitments submitted in the discharge plan application dated March 10, 1997.
3. **Waste Disposal:** All wastes shall be disposed of at an NMOCD approved facility. Only oilfield exempt wastes shall be disposed of down Class II injection wells. Non-exempt oilfield wastes that are non-hazardous by characteristics may be disposed of at an NMOCD approved facility upon proper waste characterization per 40 CFR Part 261.
4. **Drum Storage:** All drums containing materials other than fresh water must be stored on an impermeable pad with curbing. All empty drums will be stored on their sides with the bungs in and lined up on a horizontal plane. Chemicals in other containers such as sacks or buckets will also be stored on an impermeable pad and curb type containment.
5. **Process Areas:** All process and maintenance areas which show evidence that leaks and spills are reaching the ground surface must be either paved and curbed or have some type of spill collection device incorporated into the design.
6. **Above Ground Tanks:** All above ground tanks which contain fluids other than fresh water must be bermed to contain a volume of one-third more than the total volume of the largest tank or of all interconnected tanks. All new facilities or modifications to existing facilities must place the tank on an impermeable type pad within the berm.
7. **Above Ground Saddle Tanks:** Above ground saddle tanks must have impermeable pad and curb type containment unless they contain fresh water or fluids that are gases at atmospheric temperature and pressure.
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tanks must demonstrate integrity on an annual basis. Integrity tests include pressure testing to 3 pounds per square inch above normal operating pressure and/or visual inspection of cleaned out tanks and/or sumps, or other OCD approved methods. The OCD will be notified at least 72 hours prior to all testing. Test results will be submitted to the OCD Santa Fe Division office within 30 days of testing.

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11. **Housekeeping:** All systems designed for spill collection/prevention should be inspected to ensure proper operation and to prevent overtopping or system failure.

Any non-exempt contaminated soils that are collected at the facility will be tested for hazardous constituents, and after receiving OCD approval, will be disposed of at an OCD approved site.

12. **Spill Reporting:** All spills/releases shall be reported pursuant to OCD Rule 116 and WQCC 1203 to the OCD Artesia District Office.

13. **Transfer of Discharge Plan:** The OCD will be notified prior to any transfer of ownership, control, or possession of a facility with an approved discharge plan. A written commitment to comply with the terms and conditions of the previously approved discharge plan must be submitted by the purchaser and approved by the OCD prior to transfer.

14. **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.

15. **Certification:** Rowland, by the officer whose signature appears below, accepts this permit and agrees to comply with all terms and conditions contained herein. Rowland further acknowledges that these conditions and requirements of this permit may be changed administratively by the Division for good cause shown as necessary to protect fresh water, human health and the environment.

Accepted:
ROWLAND TRUCKING COMPANY, INC.

by _____
Title

P 288 258 931

US Postal Service
Receipt for Certified Mail
No Insurance Coverage Provided.
Do not use for International Mail (*See reverse*)

Sent to	
Street & Number	
Post Office, State, & ZIP Code	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date	

PS Form 3800, April 1995

STATE OF NEW MEXICO
ENERGY, MINERALS, AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION
2040 SOUTH PACHECO
SANTA FE, NEW MEXICO 87505

DISCHARGE PLAN APPLICATION

ROWLAND TRUCKING CO., INC.
1609 EAST GREEN
CARLSBAD, NEW MEXICO 88220

I. TYPE OF OPERATION

AN OIL AND GAS SERVICE COMPANY THAT PROVIDES TRANSPORTATION OF FLUIDS, USED FOR, OR IN CONJUNCTION WITH , THE DISCOVERY, DEVELOPMENT, PRODUCTION, REFINING, PROCESSING, AND OR STORAGE OF NATURAL GAS AND PETROLEUM, AND ITS PRODUCTS AND BY-PRODUCTS.

II. NAME OF OPERATOR

ROWLAND TRUCKING CO., INC.
1609 EAST GREEN
CARLSBAD, NEW MEXICO 88220
(505) 885-2053
PETE M. TURNER, MANAGER

III. LOCATION OF DISCHARGE PLAN

LOT 4 OF THE INDUSTRIAL PARK SUBDIVISION LOCATED IN PARTS OF SECTIONS 33 & 34, TOWNSHIP 21 SOUTH, RANGE 37 EAST
(SEE LOCATION MAP, EXHIBIT I)

IV. LANDOWNER

ROWLAND TRUCKING CO., INC.
P. O. BOX 340
HOBBS, NEW MEXICO 88240

V. FACILITY DESCRIPTION

SEE EXHIBIT II.

VI. STORED MATERIAL DESCRIPTION

SEE EXHIBIT III.

VII. SOURCES AND ESTIMATED QUANTITIES OF WASTES

1. VACUUM TRAILER WASTES: VACUUM TRAILERS ARE WASHED OUT WITH FRESH WATER INTO A WASH-OUT PIT. THE FREE WATER GENERATED BY THIS PROCESS IS APPROXIMATELY TEN BARRELS A DAY. A MINOR AMOUNT OF SOLIDS ARE GENERATED FROM THIS TRAILER WASHOUT.

2. FRAC TANK WASTES: FRAC TANKS ARE JETTED AND WASHED OUT WITH FRESH WATER INTO A WASH-OUT PIT. THE FREE WATER GENERATED BY THIS PROCESS IS APPROXIMATELY FORTY BARRELS A DAY. APPROXIMATELY ONE YARD PER DAY OF SOLID MATERIAL (MOSTLY FRAC SAND) IS GENERATED FROM THIS PROCESS.

3. MOTOR OIL & LUBRICATION WASTES: ENGINE OILS WHICH ARE DRAINED DURING VEHICLE MAINTENANCE PROGRAMS GENERATE APPROXIMATELY 220 GALLONS PER MONTH.

4. USED OIL FILTERS: OIL FILTERS ARE DRAINED FOR 24 HOURS INTO THE WASTE MOTOR OIL TANK. APPROXIMATELY TWENTY-FIVE FILTERS PER MONTH ARE GENERATED.

5. USED SOLVENT FILTERS: A SOLVENT TYPE PARTS CLEANER IS USED IN THE MAINTENANCE SHOP. THE SOLVENT IS FILTERED AND RECYCLED THROUGH THE MACHINE. THE FILTERS ARE CHANGED ABOUT FOUR TIMES A YEAR.

VIII. DESCRIPTION OF LIQUID AND SOLID WASTE COLLECTION & DISPOSAL

1. VACUUM TRAILERS AND FRAC TANK WASTES: THE FREE WATER, BS&W, AND SAND SOLIDS FROM THESE SOURCES ARE COLLECTED INTO A CONCRETE PIT. THIS PIT HAS A DOUBLE LINED POLYETHYLENE GEOMEMBRANE WITH A LEAK DETECTION SYSTEM UNDER IT. THE LIQUIDS ARE SIPHONED OFF THE TOP OF THE PIT AND TRANSPORTED TO ROWLAND TRUCKING CO., INC. BONES SPRINGS SWD FOR DISPOSAL. THE SOLIDS ARE LOADED INTO DUMP TRUCKS AND HAULED TO CONTROL RECOVERY, INC., A NEW MEXICO LICENSED SOLID WASTE DISPOSAL FACILITY. THIS SOLID WASTE DISPOSAL IS PERMITTED ON NMOCD FORM C-117. (SEE EXHIBIT IV)

2. MOTOR OIL & LUBRICATION WASTES: THIS WASTE OIL IS STORED IN A 1000 GALLON TANK , MARKED "USED MOTOR OIL ONLY". THIS OIL IS PERIODICALLY PICKED UP BY INDUSTRIAL SERVICE CORPORATION. A HAZARDOUS WASTE MANIFEST IS ISSUED TO ROWLAND TRUCKING CO., INC. PRIOR TO REMOVAL.

3. USED OIL FILTERS: AFTER A "USED OIL FILTERS ONLY" DRUM IS FILLED, IT IS TRANSPORTED TO ROWLAND TRUCKING RIG-UP SHOP, WHERE THE FILTERS ARE CRUSHED AND EVENTUALLY PICKED UP BY INDUSTRIAL SERVICE CORPORATION, A PERMITTED HAZARDOUS WASTE FACILITY.

4. USED SOLVENT FILTERS: THESE FILTERS ARE ALSO SHIPPED TO ROWLAND RIG-UP SHOP AND CRUSHED AND DISPOSED IN A LIKE MANNER OF THE OIL FILTERS.

IX. PROPOSED MODIFICATIONS

ROWLAND TRUCKING CO., INC. PROPOSES TO CONSTRUCT AN ADDITIONAL CLEAN-OUT PIT ADJACENT TO THE EXISTING PIT. (SEE EXHIBIT II FOR LOCATION) THE PROPOSED PIT WILL BE 30' WIDE, 71' LONG AND SLOPE 7' FRONT TO BACK. IT WILL HAVE A DOUBLE LINED POLYETHYLENE GEOMEMBRANE WITH A LEAK DETECTION SYSTEM UNDER IT. (SEE EXHIBIT V) IT WILL HAVE A 50' x 71' CONCRETE SLAB TO DRAIN AND DRY SOLIDS. THIS DRYING SLAB WILL ALSO HAVE A GEOMEMBRANE UNDER IT WHICH WILL BE TIED BACK TO THE CLEAN-OUT PIT. THIS NEW PIT WILL ALLOW ROWLAND TRUCKING TO DEAL WITH A LARGER VOLUME BEFORE HAVING TO DISPOSE. IT WILL ALSO BE MORE SAFE TO TRANSPORT DRIED SOLIDS RATHER THAN LIQUID.

X. ROUTINE INSPECTION AND MAINTENANCE PLAN

VISUAL CHECKS ARE MADE DAILY BY DRIVERS AND SUPERVISORY PERSONNEL. A FACILITY SAFETY/ENVIRONMENTAL INSPECTION IS MADE ON A MONTHLY BASIS AND KEPT ON FILE. (SEE EXHIBIT VI)

XI. CONTINGENCY PLAN FOR REPORTING AND CLEAN-UP OF SPILLS OR RELEASES

1. SPILL REPORTING FORM (SEE EXHIBIT VII)
2. LOCAL RESPONSE PERSONNEL AND EMERGENCY PHONE NUMBERS (SEE EXHIBIT VIII)

XII. GEOLOGICAL/HYDROLOGICAL EVIDENCE

1. NO BODIES OF WATER, STREAMS, OR CANALS ARE LOCATED WITHIN A ONE MILE RADIUS OF THIS FACILITY. THERE ARE FOUR DOMESTIC WATER WELLS IN SEC.26, TWP.21, RGE. 27 THAT RANGE IN DEPTH FROM 58 FEET TO 80 FEET.

TDS ≈ 1,500 mg/l

(DISCHARGE PLAN--PAGE 4)

2. TOTAL DEPTH TO THE GROUND WATER IS APPROXIMATELY 50 FEET. THIS WATER IS USED PRIMARILY FOR DOMESTIC AND MINING USE.

3. SOIL TYPE:

0' TO 4'--CAP ROCK

4' TO 38'--CALICHE

38' TO 50'--YELLOW CONGLOMERATE

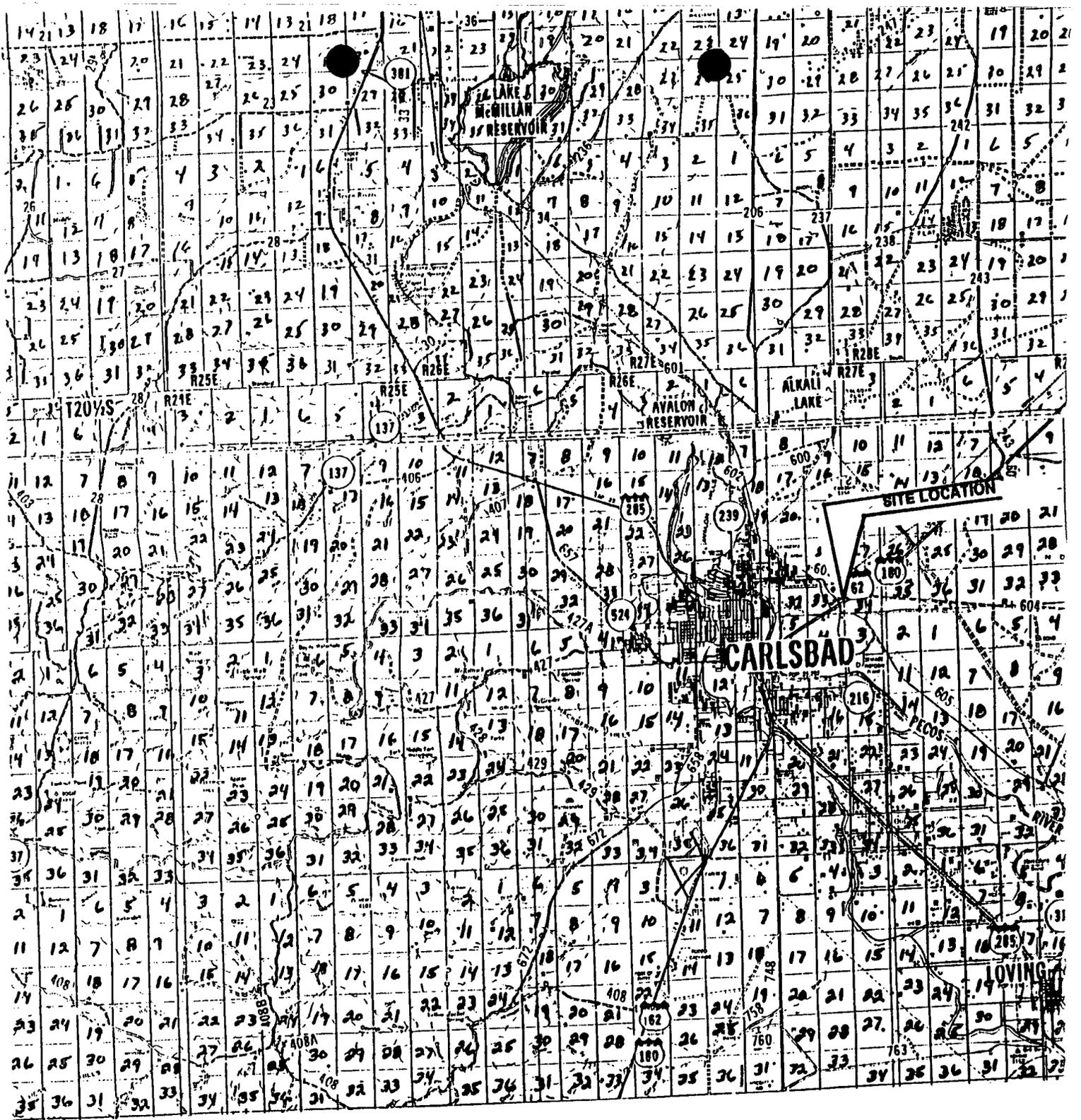
50' TO 120'--WHITE LIME

120' TO 130'--YELLOW LIME

XIII OTHER INFORMATION THAT DEMONSTRATES COMPLIANCE

1. ALL HYDROCARBON TRANSPORTATION SUCH AS TANK CLEANINGS ARE PERMITTED ON OCD FORM C-117.

2. PROPOSED EXPANSION OF CLEAN-OUT PIT IN ORDER TO SEPARATE LIQUIDS AND SOLIDS MORE EFFICIENTLY.



SITE LOCATION MAP

CARLSBAD TERMINAL
1609 EAST GREEN

LOT 4 IN PARTS OF
SEC. 33&34, T21S, R27E.

ROWLAND TRUCKING CO. INC.
CARLSBAD TERMINAL

MATERIAL STORAGE DESCRIPTION

PRODUCT NAME	MAXIMUM AMT. GALLONS	AVERAGE AMT. GALLONS	DAYS ON SITE	CONTAINER TYPE	LOCATION ID BY MAP
CHEVRON MOTOR OIL	250	125	365	STEEL	C
DIESEL MOTOR FUEL	11,300	3000	365	STEEL	K
PROPANE	2000	1000	365	STEEL	L
USED MOTOR OIL	1150	250	365	STEEL	H
USED OIL FILTERS	110	50	365	STEEL	D
UNICHEM PRODUCTS					
TH-370	400	100	365	FIBERGLASS	M
TC-420	400	100	365	FIBERGLASS	M
TS-255	400	100	365	FIBERGLASS	M
TH-377	400	100	365	FIBERGLASS	M
ANTIFREEZE II	400	100	365	FIBERGLASS	M
AGRI-EMPRESA PRODUCTS					
KCL (POWDERED)	35000 LBS.	20000 LBS.	365	BAGS/BULK	A
ZEP PRODUCTS					
DYNA-143	40	30	365	STEEL	C
ECCO PRODUCTS					
BROWN TRUCK WASH	40 LBS	20 LBS	365	CARDBOARD	C
BAKER CHEMICAL PRODUCTS					
EB-8100	100	50	365	FIBERGLASS	M
PT-2072	100	25	365	FIBERGLASS	M
TRUCK & FRAC TANK WASTE					
PIT WATER	400 BBL.	25 BBL.	365	STEEL	R
SOLIDS	12 CU. YDS.	5 CU. YDS.	365	CONCRETE PIT	O

DISTRICT II
P.O. Drawer DD, Araza, NM 88211-07

OIL CONSERVATION DIVISION

Revised 4-1-91

DISTRICT III
1000 Rio Brazos Rd. Aztec, NM 87410

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

PERMIT NO. A-9928

TANK CLEANING, SEDIMENT OIL REMOVAL, TRANSPORTATION OF MISCELLANEOUS HYDROCARBONS AND DISPOSAL PERMIT

Operator or Owner Rowland Trucking Address PO Box 127 Carlisle NM
Lease or Facility Name CARLISLE YARD Location _____

U.L. - Sec. - Twp. - Rge.

OPERATION TO BE PERFORMED:

- Tank Cleaning
- Sediment Oil Removal
- Transportation of Miscellaneous Hydrocarbons

DEC 20 '96

Operator or Owner Representative authorizing work H-T-C-L

Date Work to be Performed 12-18-96

TANK CLEANING DATA Tank Number _____ Volume _____

Tank Type _____ Volume Below Load Line _____

SEDIMENT OIL OR MISCELLANEOUS HYDROCARBON DATA

Sediment Oil from: Pit Cellar Other

MISCELLANEOUS OIL

Tank Bottoms From: Pipeline Station Crude Terminal Refinery Other

Catchings From: Gasoline Plant Gathering Lines Salt Water Disposal System Other

Pipeline Break Oil or Spill

*Other (Explain) Rowland yard P.O. CARLISLE

VOLUME AND DESTINATION:

Estimated Volume 7 YARDS Bbls.

Field use volume of good oil _____ Bbls.
(Must be reported prior to Division approval)

Destination (Name and Location of treating plant or other facility) _____

DESTRUCTION OF SEDIMENT OIL BY:

- Burning
- Pit Disposal
- Use on Roads or firewalls
- Other

(Explain) _____

Location of Destruction URI

Justification of Destruction _____

CERTIFICATION: (APPLICATION MAY BE MADE BY EITHER OF THE FOLLOWING)

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

Owner _____

Transporter ROTTEND WILSON

By _____

Address PO BOX 127

Title _____

Signature Rowland Trucking

Date _____

Title DISPATCH Date 12-18-96

OIL CONSERVATION DIVISION

Approved By BETTY ROLLINS ORIGINAL SIGNED BY _____ Title _____ Date DEC 31 1996

A COPY OF THIS FORM MUST BE ON LOCATION DURING TANK CLEANING, REMOVAL OF SEDIMENT OIL OR MISCELLANEOUS HYDROCARBONS, AND MUST BE PRESENTED WITH TANK BOTTOMS, SEDIMENT OIL OR MISCELLANEOUS HYDROCARBONS AT THE TREATING PLANT TO WHICH IT IS DELIVERED.

DISTRIBUTION BY OCS	
_____	Recs Pp
_____	PII
<input checked="" type="checkbox"/>	Operator
_____	Transporter (S)

PROPOSED SOLIDS DRAINING AREA - 4" CONCRETE
WITH SINGLE LINER ATTACHED TO DETECTION SYSTEM
40' W X 71' L

SLOPE ↑

PROPOSED CLEAN-OUT PIT WITH LEAK
DETECTION SYSTEM 30' W X 71' L X
7' DEEP

EXITING CLEAN-OUT
PIT WITH LEAK
DETECTION SYSTEM
13'0" X 47'0"

SLOPE →

SLOPE ↑

CONCRETE APRON

FACILITY SAFETY/ ENVIRONMENTAL INSPECTION CHECKLIST				
MONTH				
LOCATION				
INSPECTOR				
PERSON ACCOMPANYING INSP.				
		DATE	DATE	DATE
ITEM	COMMENTS			
Fire extinguishers	Inspected monthly, charged and in place			
First Aid Kits	Maintain contents, & eye wash solution			
Eye Washes	Sterile, current date			
MSDS	All chemicals, accessible, including reaq.			
Signs	Appropriate and legible			
Security	Locks, lights, etc.			
Bulk Tanks	No leaks, trucks using bonding cables			
a. Dikes	No standing water, intact, sump empty			
b. Hazcom labels	Appropriate, legible			
c. Valves & Plugs	Closed, no leaks			
d. Spill buckets	Carried on truck & under valves if inside			
Drums				
a. Dikes	No standing water, no leaks			
b. Empties	Horizontal, no holes, bunged, chocked			
c. Concrete	Not on dirt			
d. Labels	Hazcom, DOT, appropriate and legible			
Spill Kits	Available and full of pigs, tyvek, labels			
Salvage drum	Available, labeled			
Hazardous waste storage	Properly labeled, log sheet, location, leaks			
Monthly hazardous waste rep	Reports monthly			
Personal protective equip.	Available and being used			
Housekeeping	Neat, no trash, no chemicals,			
Eye wash and shower	Eye wash in all locations, and operable			
Trucks	Inspected daily, in good repair,			
Sewers/Drains/Sinks	No chemicals down sewer, sign on sink			
Electrical	GFCI 6' of sinks, grounded plugs, to code			
SCBA	Inspected monthly, charged and clean			
Forklifts	Condition, backup alarm			
DOT	Trucks placarded, driver files OK			
SARA records	LEPC notified of chemical stored			
Safety meetings	Held monthly, documented			
H2S Monitors	Monthly calibration, and recorded			
Containers (all sizes)	Tops on and labeled			
Field Samples	No accumulation, proper disposal			
Facility Inspections	Being performed and documented			
Soil spots (Are there any?)	Loading area, yard, warehouse			
Inventory	Not over 6 mo.			
Place a checkmark in the column if the inspected item is OK.				
Place an X in the column if the inspected item is unacceptable.				
Correct it if you can. Report it to your supervisor if you cannot.				
COMMENTS (Use back if necessary)				

SPILL REPORT FORM

DIRECTIONS ON REVERSE SIDE

No.:

Substance Trade Name: _____

Date Spill Occurred/Discovered: _____ Time: _____ Time to cleanup: _____

Location (Be Specific): _____

Location Address: _____ County: _____ St: _____

Size/Type of Container: _____ Physical State: _____

Volume or Weight of Spill: _____ Qty. Material Collected: _____

Describe all persons and events leading to the spill: _____

Describe methods, tools, equipment, and materials used in containment & cleanup: _____

List of all persons participating in cleanup and containment: _____

Reported by: _____ Reported to: _____

Date Reported: _____ Time Reported: _____

FOR OFFICE USE ONLY

Constituents	Percent	RO Value

Lab Tests by: _____ pH: _____ Flash Point: _____

Disposal Procedures: _____

ADDITIONAL REPORTS

Agency Name(s): _____ Phone #: _____

Individuals Contacted: _____ Ext. Report#: _____

Reported By: _____ Date: _____ Time: _____

Comments: _____

Dollars assigned to spill: _____

ROWLAND TRUCKING CO., INC.
CARLSBAD TERMINAL

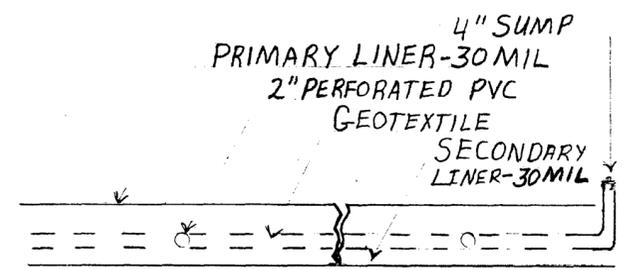
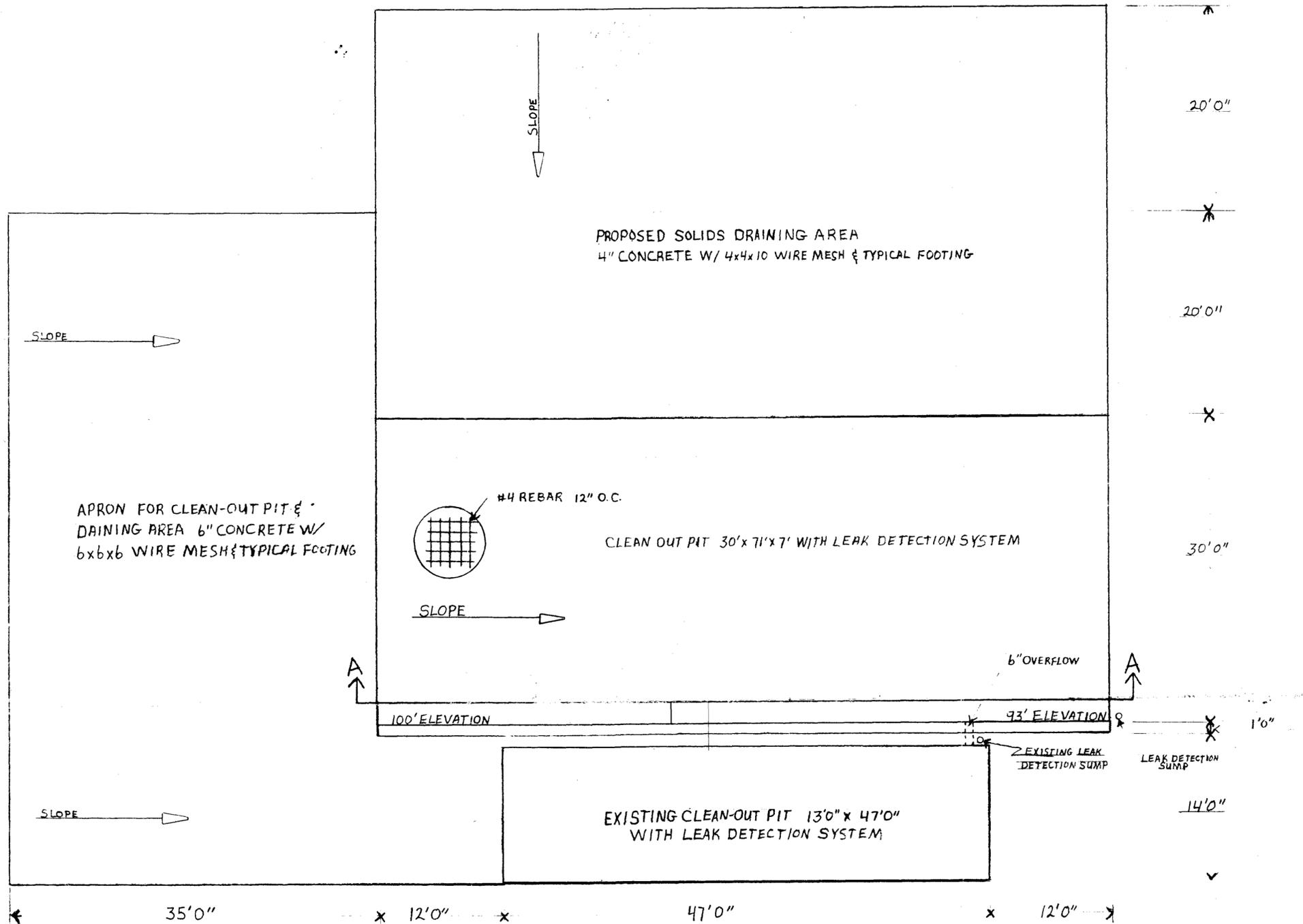
EMERGENCY TELEPHONE NUMBERS

24 HOURS A DAY TELEPHONE NUMBER
(505) 885-2053

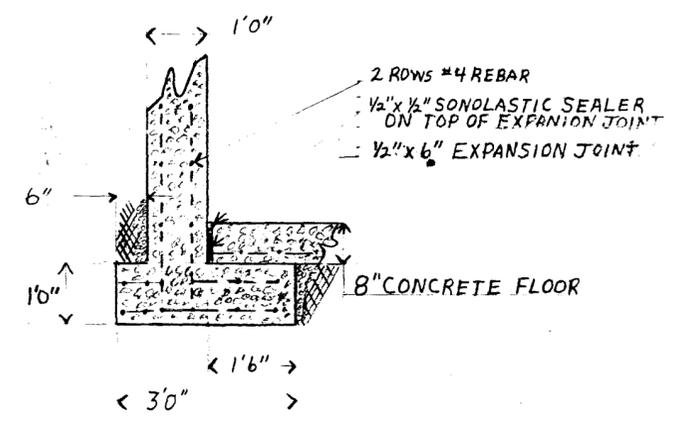
ALL EMERGENCIES--911

EMERGENCY CONTACT PERSONNEL
ROWLAND TRUCKING

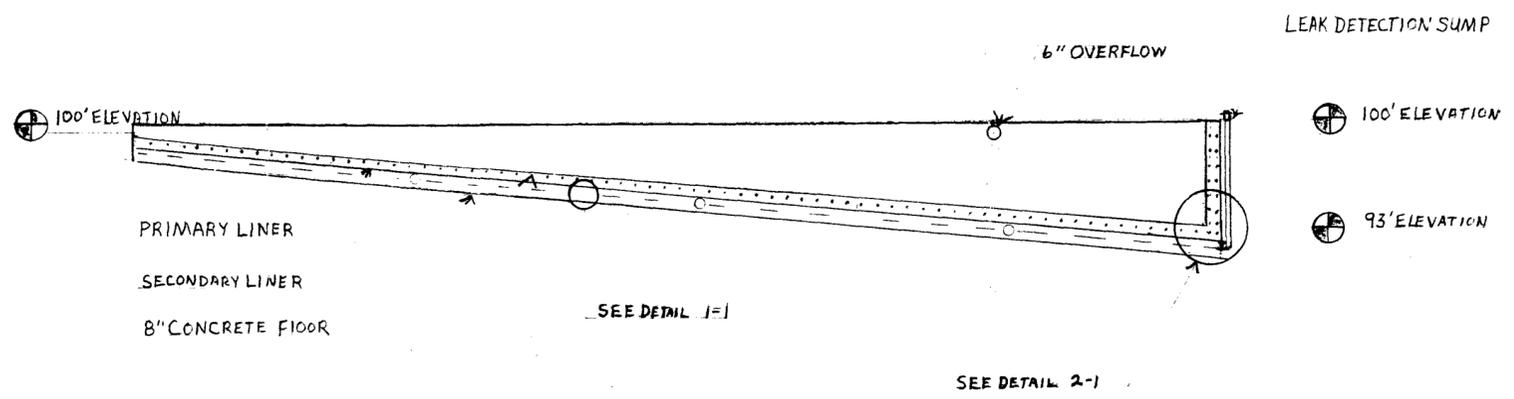
NAME	TITLE	PHONE NUMBER
PETE M. TURNER	MANAGER	392-5005
JOHN (HUTCH) HUTCHESON	ASST. MANAGER	885-1095
GARY MICHAEL	SUPERVISOR	885-0230
MARK PERRY	SUPERVISOR	887-4932
C.W. WILLIAMS	SUPERVISOR	885-4842
JAMES PARKER	SUPERVISOR	885-8755
GENE BUTLER	SAFETY DIRECTOR	392-4721
MEDICAL FACILITY		
COLUMBIA MEDICAL CENTER		887-4100
LAW ENFORCEMENT AGENCIES		
CARLSBAD POLICE		885-2111
STATE POLICE		885-3137
SHERIFF DEPARTMENT		887-7551
FIRE DEPARTMENT AND AMBULANCE		
FIRE DEPARTMENT		885-2111
AMBULANCE		885-2111
NEW MEXICO O.C.D.		
ARTESIA OFFICE		748-1283



DETAIL 1-1
LEAK DETECTION SYSTEM
NOT TO SCALE



DETAIL 2-1
TYPICAL FOOTING & WALL DETAIL
SCALE 1/2" = 1'0"



Mark, Some changes since this drawing - instead of a separate footing, the total pit will be in a monolithic fashion - therefore there will not be any expansion joints. One solid pour will eliminate possible leakage.

If you need more information or detail please call me @ (505) 394-2581

SECTION A-A

ROWLAND TRUCKING CO., INC.
 DATE: 10-1-96 Carlsbad Terminal-Clean Out Pit
 SCALE: 1/8" = 1'0"
 DRAWN BY: BOB PATTERSON