

GW - 300

**GENERAL
CORRESPONDENCE**

YEAR(S):

1999 — 1998



**NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT**

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

August 31, 1999

CERTIFIED MAIL

RETURN RECEIPT NO. Z-274-520-528

Mr. Terry Christian
Compressor Systems, Inc.
P.O. Box 60760
Midland, Texas 79711-0760

**RE: Inspection Report
GW-300 Reed Canyon Compressor Station
San Juan County, New Mexico**

Dear Mr. Christian:

The New Mexico Oil Conservation Division (OCD) conducted an inspection of the Reed Canyon Compressor station, GW-300, on July 8, 1999. Present for the inspection were Mr. James Smith and Mr. Danny Rael, Compressor Systems, Inc., Mr. Denny Foust, OCD Aztec District Office, Ms. Martyne Keiling and Mr. Jack Ford, OCD Santa Fe office. OCD would like to thank Mr. Smith and Mr. Rael for their cooperation during the inspection.

Compressor Systems, Inc. applied for discharge plans for the above captioned compressor station and this application was approved on June 8, 1998 for a term of five years. Inspection of the site revealed that several discrepencies need to be addressed. The following observations were made and discussed with Compressor Systems, Inc.'s personnel at the time of inspection.

1. There was no visible sign identifying the site. A sign showing the name of the operator, compressor station name and location must be erected. The lettering must be large enough to be readable from a distance of 50 feet.
2. Slop oil tank facility displayed signs of overflow and spillage. Hydrocarbon staining was observed on the ground surfaces around the tank site. (Photo #1) Remediation of the soils must be undertaken and the site restored to a clean condition, including berms.

Mr. Terry Christian
August 31, 1999
Inspection, GW-300
Page 2

3. The ground surface was stained and showed hydrocarbon contamination around a tank, valves and lines to a loading facility. (Photo #1) It is the OCD's understanding that Burlington Resources is the owner of this equipment within the boundaries of the permitted site. Please be advised this does not relieve Compressor Systems, Inc. from liability resulting from leaks or spills from this equipment or its useage.
4. Waste water containment for the engine and compressor was observed to be full. The condition of the containment would not be adequate during a significant rain event. Drainage of this containment into a waste water collecting tank is required.
5. Oil spills onto the ground surface from around leaking seals on comprssor unit were observed. Adequate protection of the ground surface must be taken. (Photo #3)
6. Overflow waste water tank requires containment (berming) and soil requires remediation around this tank. (Photo #4)

On behalf of the staff of the OCD, I wish to thank you and your staff for your cooperation during the inspection of the Reed Canyon Compressor Station (GW-300).

Sincerely,



W. Jack Ford, C.P.G.
Environmental Bureau
Oil Conservation Division

Attachments

xc: OCD Aztec Office

Z 274 520 528 *QCD*

US Postal Service

Receipt for Certified Mail

No Insurance Coverage Provided.

Do not use for International Mail (See reverse)

Sent to	<i>T. Christian</i>
Street & Number	<i>C. S. FEE NM 875024</i>
Post Office, State, & ZIP Code	<i>Portland ME 04101</i>
Postage	<i>\$ 3.20</i>
Certified Fee	<i>SEP 02 1999</i>
Special Delivery Fee	
Restricted Delivery Fee	<i>USPS</i>
Return Receipt Showing to Whom & Date Delivered	<i>1.25</i>
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$ 3.20
Postmark or Date	<i>GW - 300</i>

PS Form 3800, April 1995

Hold at inc. over 100 lbs. or 100 in. for
the post of the return address.

Photo #1



GW-300 COMPRESSOR SYSTEMS, INC. REED CANYON COMPRESSOR STATION
Slop oil tank and berm with visible ground surface oil staining.

THERE IS NO PHOTO #2

Photo #3



GW-300 COMPRESSOR SYSTEMS, INC. REED CANYON COMPRESSOR STATION
Compressor unit

Photo #4



GW-300 COMPRESSOR SYSTEMS, INC. REED CANYON COMPRESSOR STATION
Open top waste water tank with visible oil stained surface soils.



October 2, 1998



Mr. Roger Anderson
Oil Conservation Division
2040 S. Pacheo
Santa Fe, NM 87505

Subject: Correction to CSI's Reed Canyon Discharge Plan

Dear Roger

Upon recent inspection of the Reed Canyon Compressor Station, it was discovered that the current discharge plan for the site did not exactly reflect the actual site setup. Therefore, Environmental Services, Inc. (ESI) on behalf of Compressor Systems, Inc. is submitting the attached corrections for the Reed Canyon Discharge Plan.

If you have any questions regarding these corrections, please feel free to contact me at (505) 266-6611 or Terry Christian at (915) 495-3155.

Sincerely

A handwritten signature in black ink, reading 'Cale E. Swanson', is written below the word 'Sincerely'.

Cale E. Swanson
Environmental Scientist I

A red handwritten mark, possibly a signature or initials, is located in the lower right quadrant of the page.

4665 INDIAN SCHOOL NE

SUITE 106

ALBUQUERQUE

NEW MEXICO

87110

PHO 505 266 6611

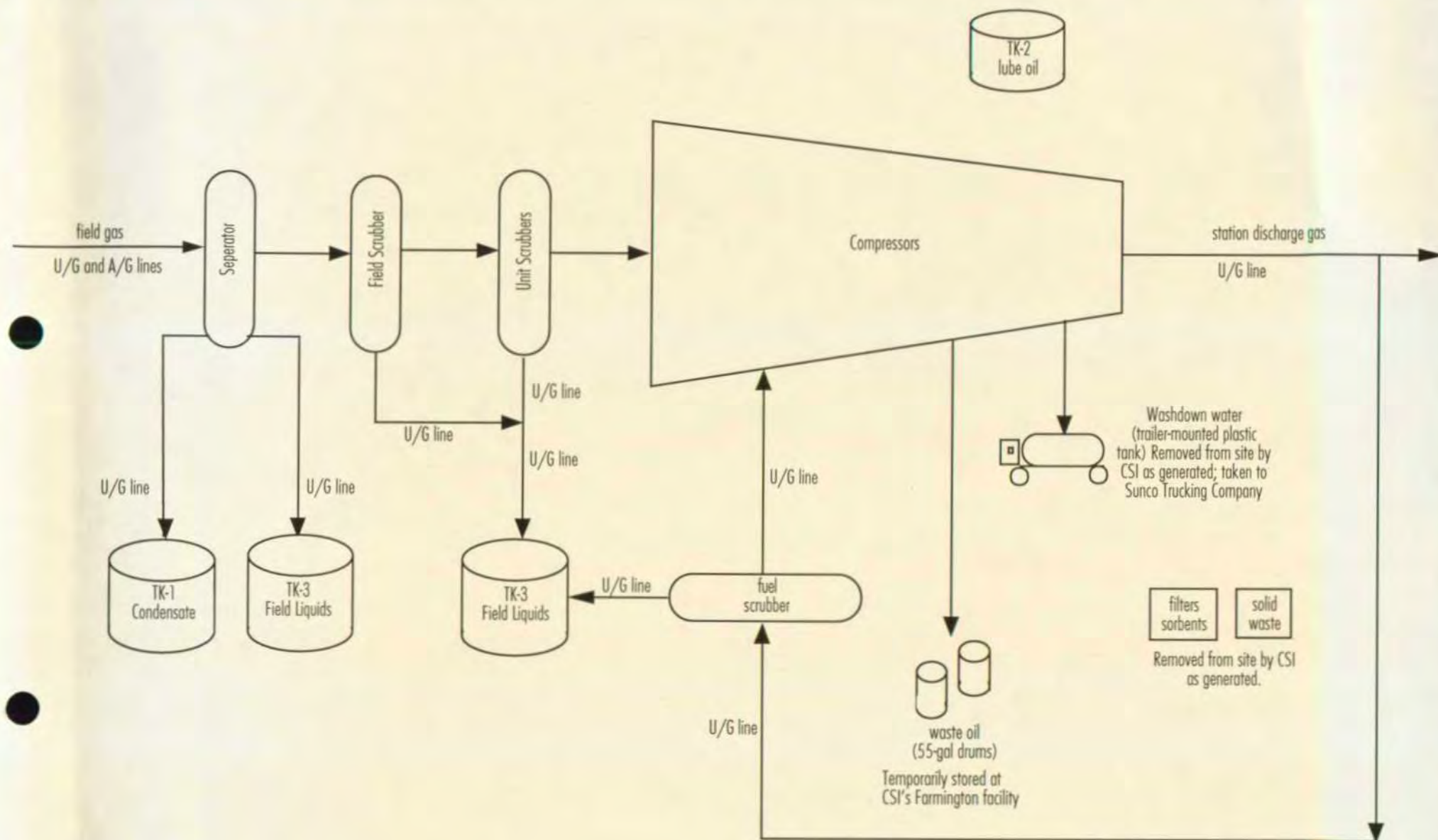


Figure 2
Reed Canyon Compressor Site
Effluent and Solid Waste Production Diagram

Item 5

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

A simplified process flow diagram (figure 2) and survey of the compressor station property (figure 3) are attached in appendix 1.

Natural gas will enter the station from EPFS's lateral line via both underground and aboveground piping. The gas will pass through a three phase separator. The condensate and waste water from the three phase separator will be piped underground to storage tanks. The gas will then pass through a field scrubber and unit scrubber (inlet and interstage scrubbers). The field liquids from the scrubbers will be piped underground to a third storage tank. The gas will then pass into the compressor which is driven by a Caterpillar G3516-TALE engine. The gas will then be discharged back into EPFS's pipeline. The Caterpillar G3516-TALE is fueled by pipeline natural gas that flows from the pipeline through a fuel scrubber and into the compressor. The field liquid from the fuel scrubber are piped underground to the third storage tank.

Item 6

Attach a description of all materials stored or used at the facility.

Container	ID	Material	Form	Volume	Location	Containment
Steel AGT	1	Condensate	Liquid	210 bbl	Near compressor	Impermeable barrier surrounded by gravel, secondary containment dirt berm
Steel AGT-elev	2	Lube oil	Liquid	500 gal	Near compressor	Steel containment basin (stock tank)
Drums (not stored on site)		Waste oil	Liquid	55 gal	Removed to CSI's Farmington Facility	Curbed concrete pad
Trailer-mounted plastic tank (not stored on site)		Washdown water	Liquid	325 gal	Removed as generated to Sunco Trucking Co.	

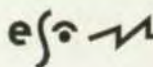
AGT—above ground tank (non-pressurized)

AGT-elev—above ground tank elevated or on saddle rack

Drum—55-gallon drum

All tanks will be installed on an impermeable layer and contained in berms constructed to contain 1.33 times the volume of the tank. Drums will be used to store waste oil but will not be stored at the facility. Any aboveground saddle tanks will be installed on an impermeable containment such as curbed concrete or a metal pan or fiberglass containment.

MSD sheets for the site are maintained in CSI's corporate office and are available upon request.



Item 7

Attach a description of present sources of effluent and waste solids. Average quality and daily volume of waste water must be included.

Source	Type of waste	Volume	Quality
Compressor Engine	Used engine oil	80 gal/month	Used motor oil with no additives
	Used filters	1 bbl/3 mo	No additives
	Washdown water	100 gal/3 mo	Water with detergents and lube oil
	Sorbent material and rags	1 bbl/yr	No additives
Field Scrubber Unit Scrubber Fuel Scrubber	Field liquids	2 bbl/month	No additives
Three phase separator	Condensate	28 bbl/day	No additives
	Field liquids	2 bbl/day	No additives
Miscellaneous	Solid Waste	varies	Paper and other solid waste

Item 8

Attach a description of current liquid and solid waste collection/treatment/disposal procedures.

Type of Waste	Collection	Storage	Hauler	Disposal
Used oil and filters	Drained in 55-gal. drums	Steel drum (not stored on site)	Removed as generated by CSI to CSI's corporate office, Farmington, NM	Used oil-Mesa Oil & Saftey-Kleen; Used filters-Waste Management
Wastewater	Collected during washing event	Skid-mounted plastic tank (not stored on site)	Removed as generated by CSI	Sunco Trucking
Solid Waste	None on site	Trash receptacle	Removed as generated by CSI to CSI's corporate office, Farmington, NM	Waste Management
Condensate and field liquids	Underground steel pipes	TK-1	Water—Dawn Trucking; Hydrocarbons—Giant Refinery, Inc.	Water—Basin Disposal; Hydrocarbons—Giant Refinery

Receiving Facilities

Saftey-Kleen Corp., 4210A Hawkins Road, Farmington, NM 87401 (505) 327-9070

Mesa Oil, Inc., 7239 Bradburn Blvd., Denver, CO (303) 426-4777

Waste Management of Four Corners, 101 Spruce St., Farmington, NM (505) 327-6284

Dawn Trucking Company, 318 E. Highway 64, Farmington, NM (505) 327-6314

Sunco Trucking Company, 708 S. Tucker Ave., NM (505) 326-2266

Giant Refinery Inc., 5746 US Highway 64, Bloomfield, NM (505) 632-8024

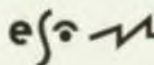
Exempt Waste

Only exempt wastes such as field liquids will be disposed down Class II injection wells (Basin Disposal).

Used filters will be put into 55 gallon drums, drained of all free liquids and removed as needed by Waste Management of Four Corners.

Non-Exempt, Non-Hazardous Waste

Waste oil will be collected as generated from the compressor unit and removed from the site. The waste oil will be temporarily stored in 55-gallon drums at CSI's Farmington facility. New lube oil will be brought to the site by vendors as needed and stored in a day tank. Washdown water from the compressor engines will be collected as generated. A portable steam unit will be brought in to wash the compressor engines. This unit will also collect the washdown water from the engine skids in a trailer-mounted plastic tank and



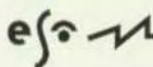
remove it from the site. Washdown water will be taken to Sunco Trucking Company for disposal.

Hazardous Waste

No RCRA-listed hazardous wastes will be generated at the facility.

Other Solid Waste

All solid waste and miscellaneous trash will be removed as generated from the facility, by Waste Management of Four Corners.



ACKNOWLEDGEMENT OF RECEIPT
OF CHECK/CASH

I hereby acknowledge receipt of check No. [REDACTED] dated 7/17/98,
or cash received on _____ in the amount of \$ 690.00
from CST

for Red Canyon GW-300
(Facility Name) (GDP No.)

Submitted by: _____ Date: _____

Submitted to ASD by: RC Anderson Date: 8/10/98

Received in ASD by: _____ Date: _____

Filing Fee _____ New Facility X Renewal _____

Modification _____ Other _____

Organization Code 521.07 Applicable FY 98

To be deposited in the Water Quality Management Fund.

Full Payment X or Annual Increment _____



Compressor Systems, Inc.

P.O. BOX 60760 MIDLAND, TEXAS 79711-0760
915-563-1170

NationsBank Customer Connection 64-1278/61 [REDACTED]
NationsBank, N.A.
Atlanta, Dekalb County, Georgia

CHECK NO.	CHECK DATE	VENDOR NO.
267041	07/17/98	526650

PAY

SIX HUNDRED NINETY AND 00/100 DOLLARS

AMOUNT
\$*****690.00

TO THE
ORDER
OF

NMED-WATER QUALITY MANAGEMENT

2040 S. PACHERCO
SANTA FE NM 87505

Johnny R. Wanner
Richard D. Folger
VOID IF NOT CASHED IN 60 DAYS

*COMPRESSOR SYSTEMS, INC.

VENDOR: 526650

CHECK NO. [REDACTED]

DATE 07/10/98

VENDOR NO. 526650

VOUCHER NO.	INVOICE NO.	INVOICE DATE	INVOICE AMOUNT	AMOUNT PAID	DISCOUNT TAKEN	NET CHECK AMOUNT
211080	071498	07/14/98	690.00	690.00	.00	690.00
					Check Total	690.00

GW-300
[Signature]
Reel Canyon

COMPRESSOR SYSTEMS, INC.
VENDOR: 526650

DATE 07/17/98 VENDOR NO. 526650

267041

DUCHER NO.	INVOICE NO.	INVOICE DATE	INVOICE AMOUNT	AMOUNT PAID	DISCOUNT TAKEN	NET CHECK AMOUNT
11080	071498	07/14/98	690.00	690.00	.00	690.00
					Check Total	690.00

GW-300
[Signature]

FORM# MAC-APCHK TRANS-MICRO, INC., FT. PIERCE, FL (407) 464-5335



Compressor Systems, Inc.

P.O. BOX 60760 MIDLAND, TEXAS 79711-0760
915-563-1170

NationsBank Customer Connection 64-1278/61
NationsBank, N.A.
Atlanta, Dekalb County, Georgia

CHECK NO.	CHECK DATE	VENDOR NO.
267041	07/17/98	526650

PAY

AMOUNT

\$*****690.00

TO THE
ORDER
OF

NMED-WATER QUALITY MANAGEMENT

2040 S. PACHERCO
SANTA FE NM 87505

Johnny Wanner

Richard D. Folger

VOID IF NOT CASHED IN 60 DAYS

[Redacted]

ACKNOWLEDGEMENT OF RECEIPT
OF CHECK/CASH

I hereby acknowledge receipt of check No. [REDACTED] dated 4/6/98,
or cash received on _____ in the amount of \$ 50.00
from ESI for CSI
for Reed Canyon CS GW-300
(Facility Name) (OP No.)


Submitted by: _____ Date: _____
Submitted to ASD by: [Signature] Date: _____
Received in ASD by: _____ Date: _____

Filing Fee _____ New Facility _____ Renewal _____
Modification X Other _____
Legend

Organization Code 521.07 Applicable FY 98

To be deposited in the Water Quality Management Fund.

Full Payment _____ or Annual Increment _____

ENVIRONMENTAL SERVICES, INC. 4665 INDIAN SCHOOL RD. NE, STE. 106 PH. 266-6611 ALBUQUERQUE, NM 87110		DATE <u>4/6/98</u>	95-32/1070 0109676338
PAY TO THE ORDER OF	<u>NM Water Quality Management Fund</u> \$ <u>50.00</u>		
<u>Fifty & No 100</u>	DOLLARS 		
SUNWEST SUNWEST BANK OF ALBUQUERQUE, N.A. ALBUQUERQUE, NEW MEXICO 87125-0500 (505) 785-2800			
MEMO	<u>CS1017 Reed Canyon Comp.</u> <u>Sally TP</u>		



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

April 28, 1998

The New Mexican
Attention: Betsy Perner
202 East Marcy
Santa Fe, New Mexico 87501

Re: Notice of Publication
PO # 98-199-00257

Dear Ms. Perner:

Please publish the attached notice one time immediately on receipt of this request. Please proofread carefully, as any error in a land description or in a key word or phrase can invalidate the entire notice.

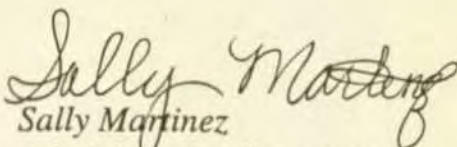
Immediately upon completion of publication, please send the following to this office:

- 1. Publisher's affidavit.**
- 2. Invoices for prompt payment.**

We should have these immediately after publication in order that the legal notice will be available for the hearing which it advertises, and also so that there will be no delay in your receiving payment.

Please publish the notice no later than Friday, May 1, 1998.

Sincerely,


Sally Martinez
Administrative Secretary

Attachment



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

April 28, 1998

Farmington Daily Times
Attention: Advertising Manager
Post Office Box 450
Farmington, New Mexico 87401

Re: Notice of Publication

Dear Sir/Madam:

Please publish the attached notice one time immediately on receipt of this request. Please proofread carefully, as any error in a land description or in a key word or phrase can invalidate the entire notice.

Immediately upon completion of publication, please send the following to this office:

1. Publisher's affidavit in duplicate.
2. Statement of cost (also in duplicate).
3. Certified invoices for prompt payment.

We should have these immediately after publication in order that the legal notice will be available for the hearing which it advertises, and also so that there will be no delay in your receiving payment.

Please publish the notice no later than May 4, 1998.

Sincerely,

Sally Martinez
Sally Martinez
Administrative Secretary

Attachment

P 269 262 725

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
	Farmington Daily Times	P.O. Box 450							\$	Jack
		Farmington, NM 87401								

PS Form 3800, April 1995

NOTICE OF PUBLICATION

STATE OF NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT OIL CONSERVATION DIVISION

Notice is hereby given that pursuant to New Mexico Water Quality Control Commission Regulations, the following discharge plan application(s) have been submitted to the Director of the Oil Conservation Division, 2040 South Pacheco, Santa Fe, New Mexico 87505, Telephone (505) 827-7131:

(GW-300) - COMPRESSOR SYSTEMS, INC., P.O. Box 60760, Midland, Texas 79711-0760 has submitted an application for their Reed Canyon Compressor Station located in the SE/4 NE/4 of Section 14, Township 26 North, Range 9 West, San Juan County, New Mexico. Approximately 33 gallons per month of waste water with a dissolved solids concentration of 10,000 mg/l is collected in a closed skid-mounted tank and transported off-site to an OCD approved disposal facility. Ground water most likely to be affected in the event of an accidental discharge at the surface is at a depth of approximately 235 feet with a total dissolved solids concentration of approximately 700 mg/l. The discharge plan addresses how spills, leaks, and other accidental discharges to the surface will be managed.

(GW-301) - EL PASO FIELD SERVICES COMPANY, David Bays, (505) 599-2256, 614 Reilly Avenue, Farmington, New Mexico 87401-2634, has submitted a discharge application for the Manzanares Compressor Station (Trunk A-R) located in the SW/4 NW/4 of Section 16 and NE/4 NE/4 of Section 17, Township 29 North, Range 9 West, NMPM, San Juan County, New Mexico. Approximately 75 barrels per month of produced water, with a dissolved solids concentration ranging from 8,000 to 76,000 mg/l, is collected in closed steel tanks prior to transport off-site to an OCD approved disposal facility. Approximately 10 barrels per year of waste water from equipment washdown is collected in a double-walled underground sump prior to transport off-site to an OCD approved disposal facility. Ground water most likely to be affected in the event of an accidental discharge is at a depth of approximately 50 feet with a total dissolved solids concentration ranging from 300 mg/l to 3000 mg/l. The discharge plan addresses how spills, leaks, and other accidental discharges to the surface will be managed.

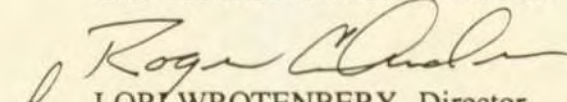
Any interested person may obtain further information from the Oil Conservation Division and may submit written comments to the Director of the Oil Conservation Division at the address given above. The discharge plan application(s) may be viewed at the above address between 8:00 a.m. and 4:00 p.m., Monday through Friday. Prior to ruling on any proposed discharge plan application(s), the Director of the Oil Conservation Division shall allow at least thirty (30) days after the date of publication of this notice during which comments may be submitted and a public hearing may be requested by any interested person. Requests for a public hearing shall set forth the reasons why a hearing should be held. A hearing will be held if the Director determines there is significant public interest.

If no public hearing is held, the Director will approve or disapprove the proposed plan(s) based on information available. If a public hearing is held, the Director will approve or disapprove the proposed plan(s) based on the information in the discharge plan application(s) and information submitted at the hearing.

GIVEN under the Seal of New Mexico Oil Conservation Commission at Santa Fe, New Mexico,
on this 24th day of April 1998.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

S E A L


for LORI WROTENBERY, Director

AFFIDAVIT OF PUBLICATION

No. 39491

STATE OF NEW MEXICO

County of San Juan:

DENISE H. HENSON-WOODALL, being duly sworn says: That she is the Classified Manager of THE DAILY TIMES, a daily newspaper of general circulation published in English at Farmington, said county and state, and that the hereto attached Legal Notice was published in a regular and entire issue of the said DAILY TIMES, a daily newspaper duly qualified for the purpose within the meaning of Chapter 167 of the 1937 Session Laws of the State of New Mexico for publication on the following day(s):

Wednesday, May 6, 1998

and the cost of publication is: \$82.63

Denise H. Henson-Woodall

On 5-7-98 DENISE H. HENSON WOODALL appeared before me, whom I know personally to be the person who signed the above document.

Roger C. Anderson

My Commission Expires November 1, 2000

COPY OF PUBLICATION

Legals

NOTICE OF PUBLICATION

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(GW-301) - EL PASO FIELD SERVICES COMPANY, David Bays, (505) 599-2256, 614 Reilly Avenue, Farmington, New Mexico 87401-2634, has submitted a discharge application for the Manzaneros Compressor Station (Trunk A-R) located in the SW/4 NW/4 of Section 16 and NE/4 NE/4 of Section 17, Township 29 North, Range 9 West, NMPM, San Juan County, New Mexico. Approximately 75 barrels per month of produced water, with a dissolved solids concentration ranging from 8,000 to 76,000 mg/l, is collected in closed steel tanks prior to transport off-site to an OCD approved facility. Approximately 10 barrels per year of waste water from equipment washdown is collected in a double-walled underground sump prior to transport off-site to an OCD approved disposal facility. Ground water most likely to be affected in the event of an accidental discharge is at a depth of approximately 50 feet with a total dissolved solids concentration ranging from 300 mg/l to 3000mg/l. The discharge plan addresses how spills, leaks, and other accidental discharges to the surface will be managed.

Any interested person may obtain further information from the Oil Conservation Division and may submit written comments to the Director of the Oil Conservation Division at the address given above. The discharge plan application(s) may be viewed at the above address between 8:00 a.m. and 4:00 p.m., Monday through Friday. Prior to ruling on any proposed discharge plan application(s), the Director of the Oil Conservation Division shall allow at least thirty (30) days after the date of publication of this notice during which comments may be submitted and a public hearing may be requested by any interested person. Requests for a public hearing shall set forth the reasons why a hearing should be held. A hearing will be held if the Director determines there is significant public interest.

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GIVEN under the Seal of New Mexico Oil Conservation Commission at Santa Fe, New Mexico, on this 24th day of April 1998.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

/s/Roger C. Anderson
for LORI WROTENBERY,

Director

SEAL

Legal No. 39491, published in The Daily Times, Farmington, New Mexico, on Wednesday, May 6, 1998.

The Santa Fe New Mexican

Since 1849. We Read You.

NM OCD
ATTN: SALLY MARTINEZ
2040 S. PACHECO ST.
SANTA FE, NM 87505

AD NUMBER: 23227

ACCOUNT: 56689

LEGAL NO: 63433

P.O. #: 98-199-000257

NOTICE OF PUBLICATION

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rels per year of waste water from equipment washdown is collected in a double-walled underground sump prior to transport off-site to an OCD approved disposal facility. Ground water most likely to be affected in the event of an accidental discharge is at a depth of approximately 50 feet with a total dissolved solids concentration ranging from 300 mg/l to 3000 mg/l. The discharge plan addresses how spills, leaks, and other accidental discharges to the surface will be managed.

Any interested person may obtain further information from the Oil Conservation Division and may submit written comments to the Director of the Oil Conservation Division at the address given above. The discharge plan application(s) may be viewed at the above address between 8:00 a.m. and 4:00 p.m., Monday through Friday. Prior to ruling on any proposed discharge plan application(s), the Director of the Oil Conservation Division shall allow at least thirty (30) days after the date of publication of this notice during which comments may be submitted and a public hearing may be requested by any interested person. Requests for a public hearing shall set forth the reasons why a hearing should be held. A hearing will be held if the Director determines there is significant public interest.

If no public hearing is held, the Director will approve or disapprove the proposed plan(s) based on information available. If a public hearing is held, the Director will approve the proposed plan(s) based on the information in the discharge plan application(s) and information submitted at the hearing.

GIVEN under the Seal of New Mexico Oil Conservation Commission at Santa Fe, New Mexico, on this 24th day of April 1998.

STATE OF NEW MEXICO
OIL CONSERVATION
DIVISION
LORI WROTENBERY,
Director

Legal #63433
Pub. May 1, 1998

230	LINES	ONCE	at	\$ 92.00
Affidavits:				5.25
Tax:				6.08
Total:				\$ 103.33

AFFIDAVIT OF PUBLICATION

STATE OF NEW MEXICO
COUNTY OF SANTA FE

I, BETSY PERNER being first duly sworn declare and say that I am Legal Advertising Representative of THE SANTA FE NEW MEXICAN, a daily news paper published in the English language, and having a general circulation in the Counties of Santa Fe and Los Alamos, State of New Mexico and being a Newspaper duly qualified to publish legal notices and advertisements under the provisions of Chapter 167 on Session Laws of 1937; that the publication # 63433 a copy of which is hereto attached was published in said newspaper once each WEEK for ONE consecutive week(s) and that the notice was published in the newspaper proper and not in any supplement; the first publication being on the 1 day of MAY 1998 and that the undersigned has personal knowledge of the matter and things set forth in this affidavit.

/S/ Betsy Perner
LEGAL ADVERTISEMENT REPRESENTATIVE

Subscribed and sworn to before me on this
1 day of MAY A.D., 1998

Notary B. Mathie
Commission Expires 3-13-2001



• P.O. Box 2048 • Santa Fe, New Mexico 87501

505-983-3303

NOTICE OF PUBLICATION

STATE OF NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT OIL CONSERVATION DIVISION

Notice is hereby given that pursuant to New Mexico Water Quality Control Commission Regulations, the following discharge plan application(s) have been submitted to the Director of the Oil Conservation Division, 2040 South Pacheco, Santa Fe, New Mexico 87505, Telephone (505) 827-7131:

✓(GW-300) - COMPRESSOR SYSTEMS, INC., P.O. Box 60760, Midland, Texas 79711-0760 has submitted an application for their Reed Canyon Compressor Station located in the SE/4 NE/4 of Section 14, Township 26 North, Range 9 West, San Juan County, New Mexico. Approximately 33 gallons per month of waste water with a dissolved solids concentration of 10,000 mg/l is collected in a closed skid-mounted tank and transported off-site to an OCD approved disposal facility. Ground water most likely to be affected in the event of an accidental discharge at the surface is at a depth of approximately 235 feet with a total dissolved solids concentration of approximately 700 mg/l. The discharge plan addresses how spills, leaks, and other accidental discharges to the surface will be managed.

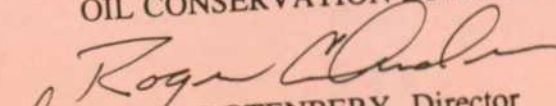
(GW-301) - EL PASO FIELD SERVICES COMPANY, David Bays, (505) 599-2256, 614 Reilly Avenue, Farmington, New Mexico 87401-2634, has submitted a discharge application for the Manzanares Compressor Station (Trunk A-R) located in the SW/4 NW/4 of Section 16 and NE/4 NE/4 of Section 17, Township 29 North, Range 9 West, NMPM, San Juan County, New Mexico. Approximately 75 barrels per month of produced water, with a dissolved solids concentration ranging from 8,000 to 76,000 mg/l, is collected in closed steel tanks prior to transport off-site to an OCD approved disposal facility. Approximately 10 barrels per year of waste water from equipment washdown is collected in a double-walled underground sump prior to transport off-site to an OCD approved disposal facility. Ground water most likely to be affected in the event of an accidental discharge is at a depth of approximately 50 feet with a total dissolved solids concentration ranging from 300 mg/l to 3000 mg/l. The discharge plan addresses how spills, leaks, and other accidental discharges to the surface will be managed.

Any interested person may obtain further information from the Oil Conservation Division and may submit written comments to the Director of the Oil Conservation Division at the address given above. The discharge plan application(s) may be viewed at the above address between 8:00 a.m. and 4:00 p.m., Monday through Friday. Prior to ruling on any proposed discharge plan application(s), the Director of the Oil Conservation Division shall allow at least thirty (30) days after the date of publication of this notice during which comments may be submitted and a public hearing may be requested by any interested person. Requests for a public hearing shall set forth the reasons why a hearing should be held. A hearing will be held if the Director determines there is significant public interest.

If no public hearing is held, the Director will approve or disapprove the proposed plan(s) based on information available. If a public hearing is held, the Director will approve or disapprove the proposed plan(s) based on the information in the discharge plan application(s) and information submitted at the hearing.

GIVEN under the Seal of New Mexico Oil Conservation Commission at Santa Fe, New Mexico,
on this 24th day of April 1998.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


LORI WROTENBERY, Director

SEAL



April 7, 1998

Mr. Roger Anderson
Oil Conservation Division
2040 S. Pacheco
Santa Fe, NM 87505

GW-300

Subject: Discharge Plan Application, Reed Canyon Compressor Station, San Juan
County, NM

Dear Mr. Anderson

On behalf of Compressor Systems, Inc. (CSI), I am enclosing two copies of a discharge plan application for the Reed Canyon Compressor Station. You will note that the document meets all the criteria for submission as a discharge plan. We believe with the strong artesian pressure combined with the dominant mudstone lithology of the Nacimiento Formation effectively prevents any discharge of leachate from entering groundwater from the compressor site. We believe a discharge plan is not required for the Reed Canyon Compressor Station, however this document has been prepared as a conservative measure.

Please note that the facility will be constructed, owned, and operated by CSI. It will be located on El Paso Field Services Company's right-of-way.

The \$50.00 application fee is also enclosed. If you have any question, please don't hesitate to contact me or Terry Christian at (915) 495-3155.

Sincerely

Melinda G. Hunt

cc: Terry Christian, CSI, Midland TX
Butch Fortenberry, CSI, Farmington NM
Dale Ballard, CSI, Farmington, NM
Denny Foust, OCD Aztec office

ENVIRONMENTAL SERVICES, INC.
4665 INDIAN SCHOOL RD. NE, STE. 106 PH. 266-6611
ALBUQUERQUE, NM 87110


DATE 4/6/98

95-32/1070
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MEMO

CS1017 Reed Canyon Comp.

Sally T

MP

**Application for
Groundwater Discharge Plan**

Reed Canyon Compressor Station

prepared for

**Compressor Systems, Inc.
CSI 017
April 1998**



4665 INDIAN SCHOOL NE
SUITE 106
ALBUQUERQUE
NEW MEXICO
87110

District I - (505) 393-6161
P. O. Box 1980
Hobbs, NM 88241-1980
District II - (505) 748-1283
811 S. First
Artesia, NM 88210
District III - (505) 334-6178
1000 Rio Brazos Road
Aztec, NM 87410
District IV - (505) 827-7131

New Mexico
Energy Minerals and Natural Resources Department
Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

Revised 12/1/95

Submit Original
Plus 1 Copies
to Santa Fe
1 Copy to appropriate
District Office

DISCHARGE PLAN APPLICATION FOR SERVICE COMPANIES,
GAS PLANTS, REFINERIES, COMPRESSOR, AND CRUDE OIL PUMP STATIONS
(Refer to the OCD Guidelines for assistance in completing the application)

☒ New

☐ Renewal

☐ Modification

1. Type: Reed Canyon Compressor Site
2. Operator: Compressor Systems, Inc.
Address: P.O. Box 60760, Midland, TX 79711-0760
Contact Person: Terry Christian Phone: (915) 495-3155
3. Location: SF /4 NF /4 Section 14 Township 26N Range 9W
Submit large scale topographic map showing exact location. (See figure 1)
4. Attach the name, telephone number and address of the landowner of the facility site. (See Item 4)
5. Attach the description of the facility with a diagram indicating location of fences, pits, dikes and tanks on the facility. (See Item 5)
6. Attach a description of all materials stored or used at the facility. (See Item 6)
7. Attach a description of present sources of effluent and waste solids. Average quality and daily volume of waste water must be included. (See Item 7)
8. Attach a description of current liquid and solid waste collection/treatment/disposal procedures. (See Item 8)
9. Attach a description of proposed modifications to existing collection/treatment/disposal systems. (See Item 9)
10. Attach a routine inspection and maintenance plan to ensure permit compliance. (See Item 10)
11. Attach a contingency plan for reporting and clean-up of spills or releases. (See Item 11)
12. Attach geological/hydrological information for the facility. Depth to and quality of ground water must be included. (See Item 12)
13. Attach a facility closure plan, and other information as is necessary to demonstrate compliance with any other OCD rules, regulations and/or orders. (See Item 13)
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: Terry Christian Title: Environmental Director

Signature: Terry Christian Date: April 3, 1998

Item 1

Indicate the major operational purpose of the facility. If the facility is a compressor station include the total combined site rated horsepower.

The Reed Canyon Compressor Site, owned and operated by Compressor Systems, Inc. (CSI), is a compressor station and will include one portable skid-mounted Caterpillar G3516-TALE engine and compressor package and associated storage tanks. The site rated horsepower will be 1085. The facility will be located on El Paso Field Services (EPFS) Company's right-of way.

The auxiliary equipment and tanks at the compressor station will be installed, maintained, and operated by CSI. CSI will be responsible for the hauling and disposal of the waste oil, used oil filters, and washdown water. EPFS will be responsible for the hauling and disposal of the condensate and field liquids.

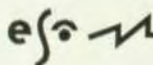
Item 2

Name of operator or legally responsible party and local representative.

Legally Responsible Party Butch Fortenberry
Compressor Systems, Inc.
P.O. Box 2144
Farmington, NM 87499
(505) 327-6943

Local Representative Dale Ballard
Compressor Systems, Inc.
P.O. Box 2144
Farmington, NM 87499
(505) 327-6943

Operator Terry Christian
Compressor Systems, Inc.
P.O. Box 60760
Midland, TX 79711-0760
(915) 495-3155



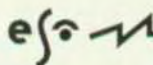
Item 3

Give a legal description of the location and county. Attach a large scale topographic map.

San Juan County, New Mexico

Township 26 North, Range 9 West, NE/4, SE/4, Section 14

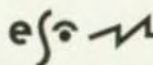
The topographic map, figure 1, is attached in appendix 1.



Item 4

Attach the name, telephone number and address of the landowner of the facility site.

Bureau of Land Management
1235 N. La Plata Highway
Farmington, NM 87401
(505) 599-6332



Item 5

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

A simplified process flow diagram (figure 2) and survey of the compressor station property (figure 3) are attached in appendix 1.

Natural gas will enter the station from EPFS's lateral line via both underground and aboveground piping. The gas will pass through an inlet field scrubber and unit scrubber and then to the compressor which is driven by a Caterpillar G3516-TALE engine. Condensate and field liquids from the field scrubber and unit scrubber will be piped underground to a storage tank. The gas will then be discharged back into EPFS's line.

Item 6

Attach a description of all materials stored or used at the facility.

Container	ID	Material	Form	Volume	Location	Containment
Steel AGT	1	Condensate	Liquid	210 bbl	Near compressor	Impermeable barrier surrounded by gravel, secondary containment dirt berm
Steel AGT-elev	2	Lube oil	Liquid	500 gal	Near compressor	Steel containment basin (stock tank)
Drums (not stored on site)		Waste oil	Liquid	55 gal	Removed to CSI's Farmington Facility	Curbed concrete pad
Trailer-mounted plastic tank (not stored on site)		Washdown water	Liquid	325 gal	Removed as generated to Basin Disposal, Inc.	

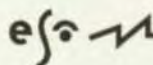
AGT—above ground tank (non-pressurized)

AGT-elev—above ground tank elevated or on saddle rack

Drum—55-gallon drum

All tanks will be installed on an impermeable layer and contained in berms constructed to contain 1.33 times the volume of the tank. Drums will be used to store waste oil but will not be stored at the facility. Any aboveground saddle tanks will be installed on an impermeable containment such as curbed concrete or a metal pan or fiberglass containment.

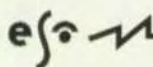
MSD sheets for the site are maintained in CSI's corporate office and are available upon request.



Item 7

Attach a description of present sources of effluent and waste solids. Average quality and daily volume of waste water must be included.

Source	Type of waste	Volume	Quality
Compressor Engine	Used engine oil	80 gal/month	Used motor oil with no additives
	Used filters	1 bbl/3 mo	No additives
	Washdown water	100 gal/3 mo	Water with detergents and lube oil
	Sorbent material and rags	1 bbl/yr	No additives
Field Scrubber Unit Scrubber	Condensate and field liquids	30 bbl/day	No additives
Miscellaneous	Solid Waste	varies	Paper and other solid waste



Item 8

Attach a description of current liquid and solid waste collection/treatment/disposal procedures.

Type of Waste	Collection	Storage	Hauler	Disposal
Used oil and filters	Drained in 55-gal. drums	Steel drum (not stored on site)	Removed as generated by CSI to CSI's corporate office, Farmington, NM	Used oil-Mesa Oil & Saftey-Kleen; Used filters-Waste Management
Wastewater	Collected during washing event	Skid-mounted plastic tank (not stored on site)	Removed as generated by CSI to Basin Disposal, Inc.	Basin Disposal, Inc.
Solid Waste	None on site	Trash receptacle	Removed as generated by CSI to CSI's corporate office, Farmington, NM	Waste Management
Condensate and field liquids	Underground steel pipes	TK-1	Water—Dawn Trucking; Hydrocarbons-Giant Refinery, Inc.	Water—Basin Disposal; Hydrocarbons—Giant Refinery

Receiving Facilities

Saftey-Kleen Corp., 4210A Hawkins Road, Farmington, NM 87401 (505) 327-9070

Mesa Oil, Inc., 7239 Bradburn Blvd., Denver, CO (303) 426-4777

Waste Management of Four Corners, 101 Spruce St., Farmington, NM (505) 327-6284

Dawn Trucking Company, 318 E. Highway 64, Farmington, NM (505) 327-6314

Basin Disposal, Inc., 6 County Road 5046, Bloomfield, NM (505) 632-8936

Giant Refinery Inc., 5746 US Highway 64, Bloomfield, NM (505) 632-8024

Exempt Waste

Only exempt wastes such as water from condensate and field liquids, and produced water will be disposed down Class II injection wells (Basin Disposal).

Used filters will be put into 55 gallon drums, drained of all free liquids and removed as needed by Waste Management of Four Corners.

Non-Exempt, Non-Hazardous Waste

Waste oil will be collected as generated from the compressor unit and removed from the site. The waste oil will be temporarily stored in 55-gallon drums at CSI's Farmington facility. New lube oil will be brought to the site by vendors as needed and stored in a day tank. Washdown water from the compressor engines will be collected as generated. A portable steam unit will be brought in to wash the compressor engines. This unit will also

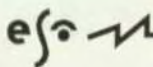
collect the washdown water from the engine skids in a trailer-mounted plastic tank and remove it from the site. Washdown water will be taken to Basin Disposal Inc. for disposal.

Hazardous Waste

No RCRA-listed hazardous wastes will be generated at the facility.

Other Solid Waste

All solid waste and miscellaneous trash will be removed as generated from the facility, by Waste Management of Four Corners.



Item 9

Attach a description of proposed modifications to existing collection/treatment/disposal systems.

No modifications to the facility are necessary to meet NMOCD requirements.

Item 10

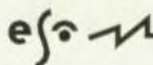
Attach a routine inspection and maintenance plan to ensure permit compliance.

The facility will be inspected daily by the operator. Maintenance will be performed and records will be kept according to CSI procedures. The integrity of any buried piping installed at the facility will be tested prior to commencement of operation and then re-tested once every five years.

Item 11

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

CSI will handle all spills and leaks immediately as required by CSI procedures and will report all spills and leaks according to the requirements of the State of New Mexico as found in NMOCD Rule 116 and WQCC Section 1203. Copies of these regulations can be found in appendix 2. CSI will notify El Paso Field Services of any and all spills and/or releases.



Item 12

Attach geological/hydrological information for the facility. Depth to and quality of groundwater must be included.

The Reed Canyon Compressor Station site is about 1 mile west of Blanco Wash and about 5 miles northeast of Huerfano Mesa. Figure 1 shows the exact location of the site at an elevation of 6308 feet above sea level (asl). The site is on a gently sloping tableland that drains to Reed Canyon and thence to Blanco Wash. About 2 miles north of the site, the 6140-foot contour defines the channel of Reed Canyon. Any precipitation runoff from the station drains to Reed Canyon via ill-defined arroyos north of the site. The USGS Thompson Mesa and Huerfano Trading Post, New Mexico 7.5-minute quadrangle shows all of these drainages but shows only one ephemeral stream within one mile of the site, an unnamed tributary of Reed Canyon.

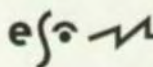
Quaternary pediment deposits underlie the compressor station site. In the area of the site, the pediment deposits are fine-grained sand and silt derived from the erosion of the overlying San Jose Formation. These thin pediment deposits overlie the upper portion of the Paleocene Nacimiento Formation as shown in figure 4. The Nacimiento Formation is a sequence of interbedded mudstones and thin, fine- to coarse-grained sandstones. However, mudstone is the dominant lithology. According to data presented in Stone and others (1983), the Nacimiento is about 900 feet thick near the site.

Other mapped units include unconsolidated Quaternary eolian sands, Quaternary Alluvium and the overlying San Jose Formation. Pediment and eolian deposits are widespread throughout this area of the San Juan Basin. Figure 4 shows these deposits in all directions from the compressor station site. With the exception of some slope wash from Huerfano Mesa, alluvium is restricted to the major drainages and figure 4 shows alluvium in Blanco Wash and some of the larger tributaries. The overlying San Jose Formation crops out on Huerfano Mesa and in a band about six miles east of the station site.

Stone and others (1983) provide water level data for only one well within 3 miles from the site. This well is located at the Ballard Pumping Station in Section 26, about 2 miles south of the station site. The well terminates in the Nacimiento Formation at a depth of 481 feet deep and exhibits a water level of 233 ft. Based upon specific conductance data in Stone and others (1983) for the Ballard Pumping Station water system (3 wells), the total dissolved solids content for this artesian water is about 700 mg/l.

This strong artesian pressure combined with the dominant mudstone lithology of the Nacimiento Formation effectively prevents any discharge or leachate from entering groundwater from the compressor site. We also conclude that the pediment is not an aquifer. No wells are completed within these fine-grained units and field observations show they are relatively thin. For any catastrophic release to enter groundwater within

the Quaternary Alluvium of Reed Canyon or Blanco Wash, the discharge must flow overland for more than 1 mile. We maintain a discharge plan is not required for this facility; however this document has been prepared as a conservative measure.



Item 13

Attach a facility closure plan, and other information as is necessary to demonstrate compliance with any other OCD rules, regulations and/or orders.

All reasonable and necessary measures will be taken to prevent the exceedance of 20 NMAC 6.2.3103 water quality standards should CSI choose to permanently close the facility. Closure measures will include removal or closure in place of all underground piping and equipment. All tanks will be emptied. No potentially toxic materials or effluents will remain on site. All potential sources of toxic pollutants will be inspected. Should contaminated soil be discovered, any necessary reporting under NMOCD Rule 116 and 20 NMAC 6.2.1203 will be made, and clean-up activities will commence. Post-closure maintenance and monitoring plans would not be necessary unless contamination is encountered.

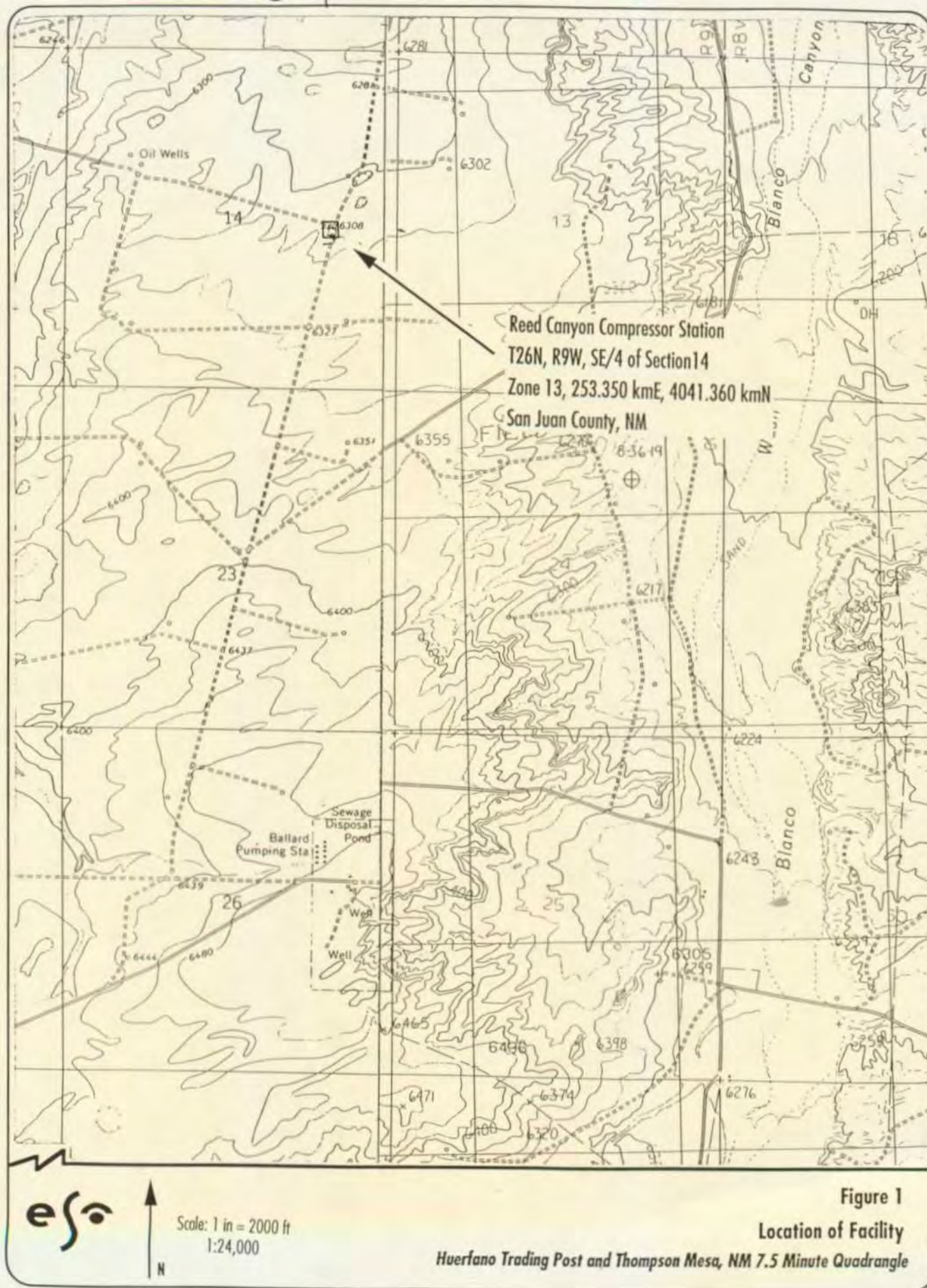


Figure 1

Location of Facility

Huerfano Trading Post and Thompson Mesa, NM 7.5 Minute Quadrangle

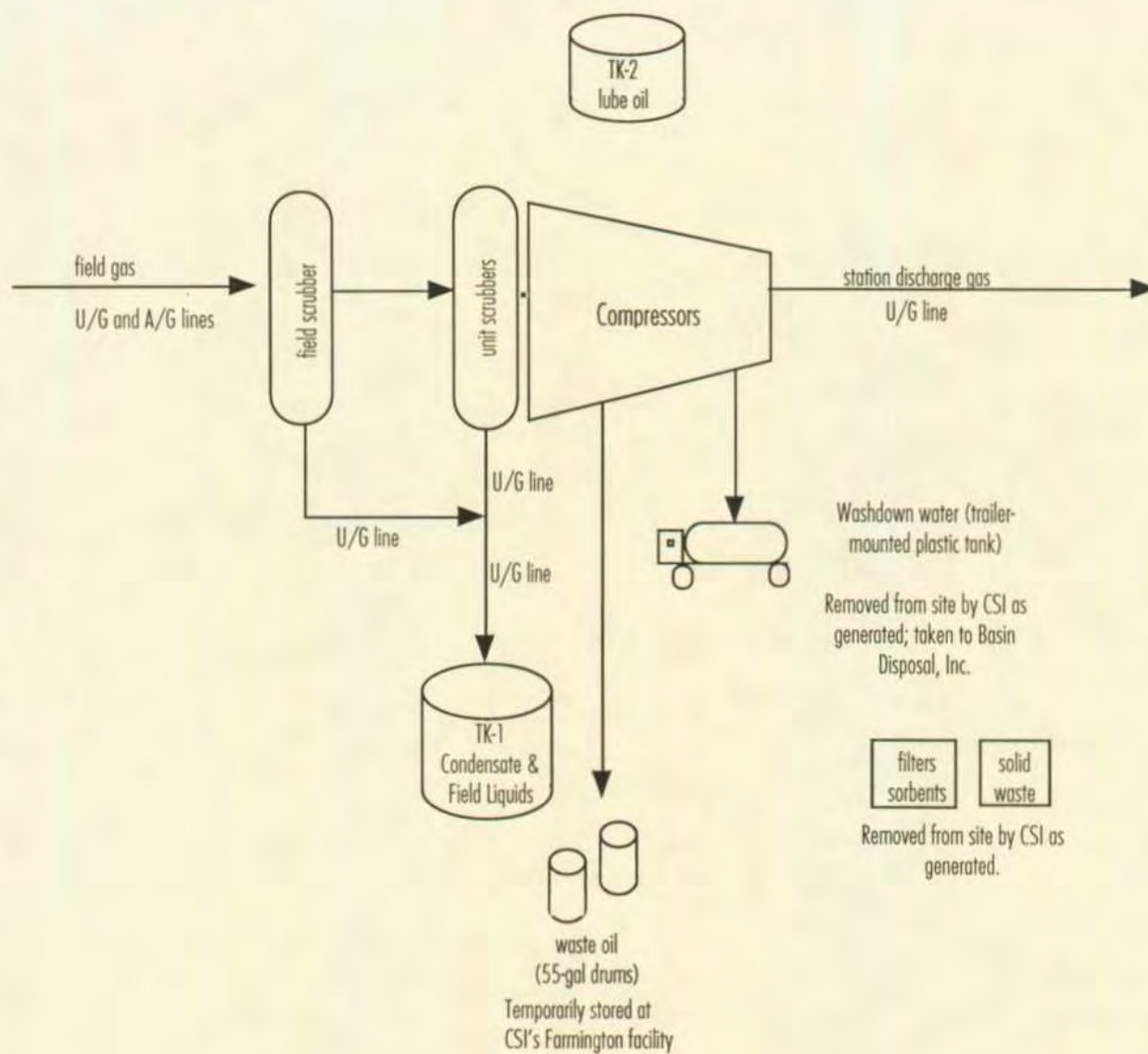
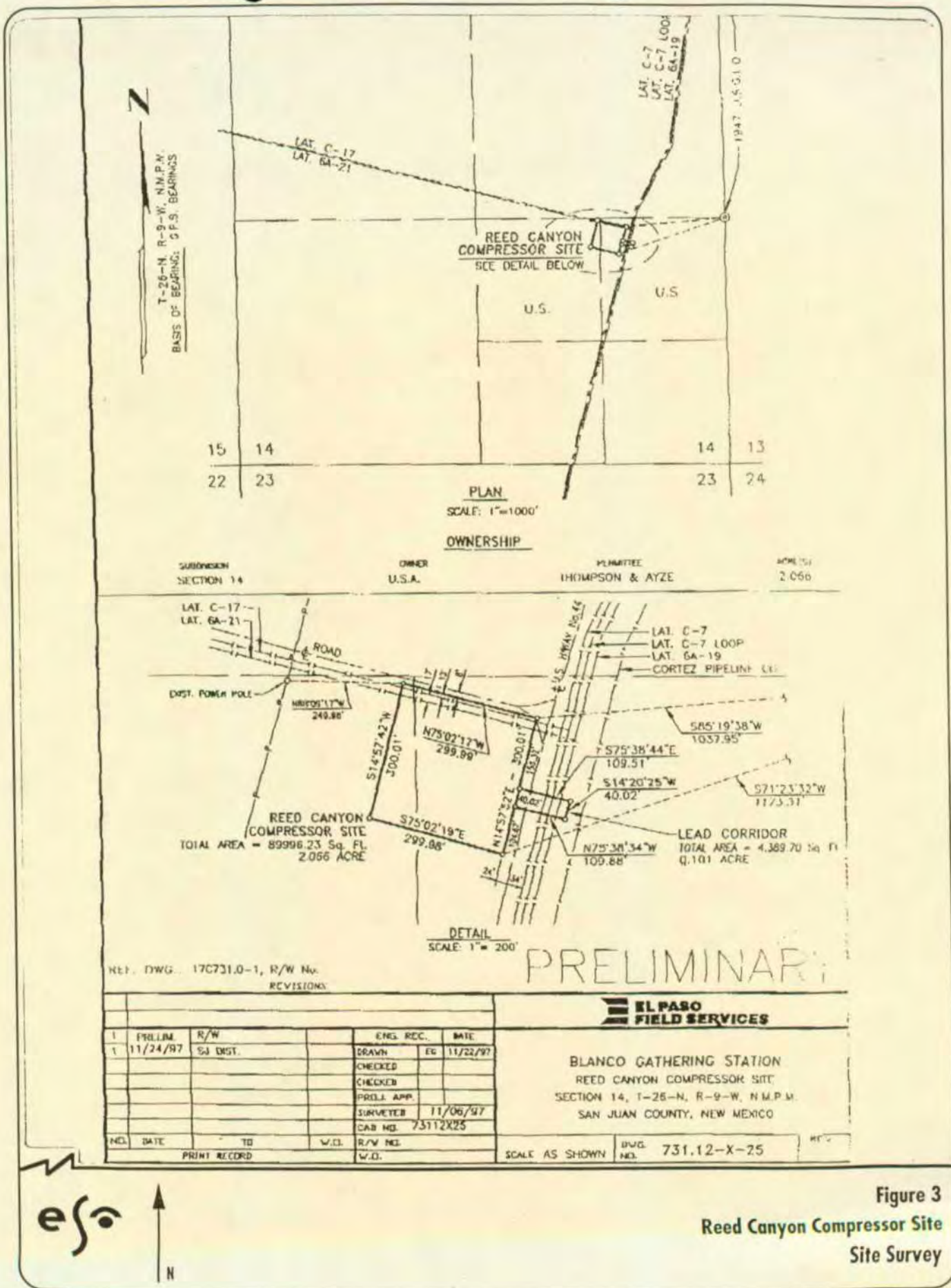
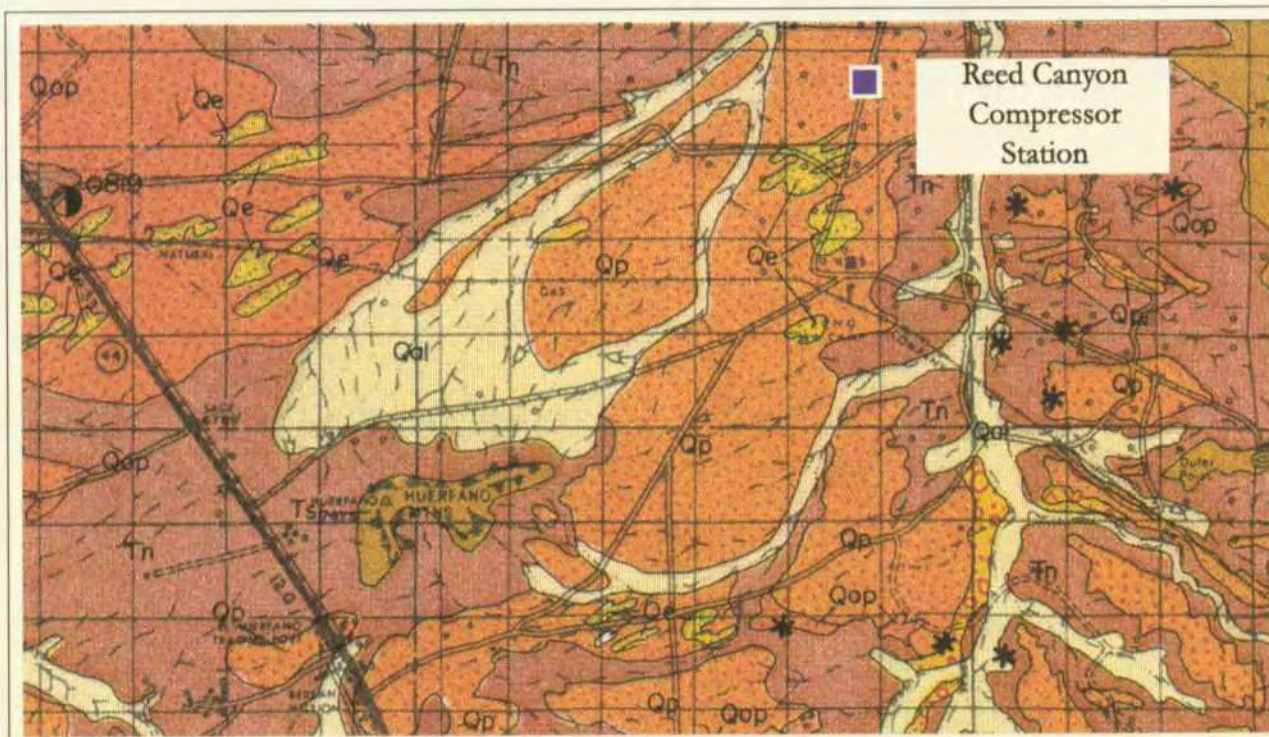


Figure 2
 Reed Canyon Compressor Site
 Effluent and Solid Waste Production Diagram





(Map source: New Mexico Highway Dept. Chaco Canyon Quadrangle)

Explantion:

- Qal Alluvium
- Qe Eolian deposits
- Qp Pediment deposits
- Qop Older Pediment deposits
- Tsj San Jose Formation
- Tn Nacimiento Formation



es

Figure 4
Geologic Map

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION FOR THE PURPOSE
OF CONSIDERING:

CASE NO. 11352
ORDER NO. R-10766

APPLICATION OF THE NEW MEXICO
OIL CONSERVATION DIVISION TO
AMEND RULE 116 OF ITS GENERAL
RULES AND REGULATIONS PERTAINING
TO THE NOTIFICATION OF FIRES, BREAKS,
LEAKS, SPILLS AND BLOWOUTS.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on October 29, 1996 and November 14, 1996 at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission".

NOW, on this 13th day of February, 1997, the Commission, a quorum being present, having considered the record and being fully advised in the premises,

FINDS THAT:

- (1) Due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.
- (2) On August 3, 1995, the Commission commenced a public hearing to consider revisions to current Oil Conservation Division (OCD) Rule 116 which deals with spill/release reporting requirements.
- (3) On August 25, 1995, the Chairman of the Commission appointed a Rule 116 Committee (Committee) to study this matter and to report to the Chairman of the Commission by February 1, 1996.
- (4) On October 29, 1996, the Commission commenced a public hearing to hear testimony on Rule 116 revisions. The appointed chairman of the Committee and other witnesses presented the Committee report containing recommended rule changes in the form of a draft rule. The Committee draft rule was made a part of the public record and distributed to all those requesting a copy.
- (5) On November 14, 1996 the Commission continued the public hearing and received additional testimony from Marathon Oil Company, the U.S. Bureau of Land Management (BLM), Public Service Company of New Mexico (PNM), Southwest Research and Information Center, and New Mexico Citizens for Clean Air and Water on the Committee draft rule.

The record was then left open for an additional two weeks for additional comment. Written comment was received from Giant Industries, El Paso Natural Gas Company, Mack Energy, Yates Petroleum, Marathon Oil Company, OCD, Amerada Hess, Texaco Exploration and Production Company and PNM.

- (6) The Committee unanimously recommended additional definitions for incorporation in Rule 116 which were generally noncontroversial. The new definitions should be incorporated

(7) The Committee unanimously recommended the adoption of a new reporting form which was noncontroversial and should be incorporated into the new rule.

(8) Much of the testimony and many of the written comments concerned whether releases of natural gas should be reportable releases under Rule 116. El Paso, Amerada Hess and others make the argument that a requirement to report small volumes of released gas is impractical because such releases are impossible to quantify and that this reporting requirement would be extremely difficult to enforce since natural gas releases to the atmosphere do not leave evidence of the occurrence as oil does.

Those advancing the argument to require reporting of natural gas releases (OCD, BLM and others) argue that reporting is necessary for public safety and waste-of-resource reasons. Also since the BLM already requires gas release reporting, this requirement would not further burden industry.

The Commission believes that a "best guess" is better than "no guess" in estimating and reporting natural gas releases and as long as the BLM requires these releases to be reported, industry will not be further burdened by similar reporting to the OCD. Also by limiting the reporting to "unauthorized" releases of natural gas there are many categories of "authorized" releases such as permitted flares and drill stem test releases which do not require reporting.

(9) The Commission should adopt the simplified version of classifying volumes of released fluid and gas into "major" and "minor" releases with different reporting requirements for each release; this was a noncontroversial recommendation.

(10) The lack of a requirement in OCD's current rules for remediation of spills is the main reason for the proposed revisions to current Rule 116. The Committee unanimously agreed on the language requiring that a remediation plan or abatement plan be submitted to the OCD for approval. The Commission concurs.

(11) The witness for the New Mexico Citizens for Clean Air and Water recommended adding provisions for the reporting of cumulative effects of spills. Although in principle this proposal has merit, the Commission believes that it would be extremely difficult to quantify and relate volumes, timeframes and acreage into a usable and understandable rule which would not cause confusion.

(12) The Commission concurs with the recommendation to incorporate into Rule 116 the notification requirements formerly contained in Section N of the Committee draft Rule 19. This consolidates reporting requirements and eliminates confusion.

(13) Adoption of the Committee proposed Rule 116, as amended, and shown on Exhibit "A" attached hereto, will prevent waste of valuable hydrocarbons and protect human health and the environment.

IT IS THEREFORE ORDERED THAT:

(1) OCD Rule 116 is hereby amended, compiled, recodified and adopted as shown in Exhibit "A", attached hereto and made a part of this order.

(2) Rule 116 as amended shall be effective as of the date said order is filed with the State Records Center.

(3) OCD Form C-141, entitled "Release Notification and Corrective Action", shown as Exhibit "B" attached hereto, is hereby adopted for industry use in filing timely written notification to the OCD District Offices.

(4) Jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinafter designated.

**STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION**

signed by
JAMI BAILEY, Member

signed by
WILLIAM W. WEISS, Member

signed by
WILLIAM J. LEMAY, Chairman

S E A L

EXHIBIT A

116 RELEASE NOTIFICATION AND CORRECTIVE ACTION

116.A. NOTIFICATION:

(1) The Division shall be notified of any **unauthorized** release occurring during the drilling, producing, storing, disposing, injecting, transporting, servicing or processing of crude oil, natural gases, produced water, condensate or oil field waste including Regulated NORM, or other oil field related chemicals, contaminants or mixture thereof, in the State of New Mexico in accordance with the requirements of this Rule. [1-1-50... - - 97]

(2) The Division shall be notified in accordance with this Rule with respect to **any** release from any facility of oil or other water contaminant, in such quantity as may with reasonable probability be detrimental to water or cause an exceedance of the standards in 19 NMAC 15.A.19. B(1), B(2) or B(3). [- 97]

116.B. REPORTING REQUIREMENTS: Notification of the above releases shall be made by the person operating or controlling either the release or the location of the release in accordance with the following requirements:

(1) A **Major Release** shall be reported by giving **both** immediate verbal notice and timely written notice pursuant to Paragraphs C(1) and C(2) of this Rule. A Major Release is:

(a) an unauthorized release of a volume, excluding natural gases, in excess of 25 barrels;

(b) an unauthorized release of any volume which:

(i) results in a fire;

(ii) will reach a water course;

(iii) may with reasonable probability endanger public health; or

(iv) results in substantial damage to property or the environment;

(c) an unauthorized release of natural gases in excess of 500 mcf; or

(d) a release of any volume which may with reasonable probability be detrimental to water or cause an exceedance of the standards in 19 NMAC 15.A.19. B(1), B(2) or B(3). [- 97]

(2) A **Minor Release** shall be reported by giving timely written notice pursuant to Paragraph C(2) of this Rule. A Minor Release is an unauthorized release of a volume, greater than 5 barrels but not more than 25 barrels; or greater than 50 mcf but less than 500 mcf of natural gases. [- 97]

116.C. CONTENTS OF NOTIFICATION:

(1) **Immediate verbal notification** required pursuant to Paragraph B shall be reported within twenty-four (24) hours of discovery to the Division District Office for the area within which the release takes place. In addition, **immediate verbal notification** pursuant to Subparagraph B.(1).(d). shall be reported to the Division's Environmental Bureau Chief. This notification shall provide the information required on Division Form C-141. [5-22-73... - - 97]

(2) **Timely written notification** is required to be reported pursuant to Paragraph B within fifteen (15) days to the Division District Office for the area within which the release takes place by completing and filing Division Form C-141. In addition, timely written notification required pursuant to Subparagraph B.(1).(d). shall also be reported to the Division's Environmental Bureau Chief within fifteen (15) days after the release is discovered. The written notification shall verify the prior verbal notification and provide any appropriate

additions or corrections to the information contained in the prior verbal notification. [5-22-73... - -97]

116.D. CORRECTIVE ACTION: The responsible person must complete Division approved corrective action for releases which endanger public health or the environment. Releases will be addressed in accordance with a remediation plan submitted to and approved by the Division or with an abatement plan submitted in accordance with Rule 19 (19 NMAC 15.A.19). [- -97].

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B. Plans, specifications and reports required by this Section, if related to facilities for the production, refinement and pipeline transmission of oil and gas, or products thereof, shall be filed instead with the Oil Conservation Division. [1-4-68, 12-1-95]

C. Plans and specifications required to be filed under this Section must be filed prior to the commencement of construction. [9-3-72]

1203. NOTIFICATION OF DISCHARGE--REMOVAL.

A. With respect to any discharge from any facility of oil or other water contaminant, in such quantity as may with reasonable probability injure or be detrimental to human health, animal or plant life, or property, or unreasonably interfere with the public welfare or the use of property, the following notifications and corrective actions are required: [2-17-74, 12-24-87]

1. As soon as possible after learning of such a discharge, but in no event more than twenty-four (24) hours thereafter, any person in charge of the facility shall orally notify the Chief of the Ground Water Protection and Remediation Bureau of the department, or his counterpart in any constituent agency delegated responsibility for enforcement of these rules as to any facility subject to such delegation. To the best of that person's knowledge, the following items of information shall be provided:

a. the name, address, and telephone number of the person or persons in charge of the facility, as well as of the owner and/or operator of the facility;

b. the name and address of the facility;

c. the date, time, location, and duration of the discharge;

d. the source and cause of discharge;

e. a description of the discharge, including its chemical composition;

f. the estimated volume of the discharge; and

g. any actions taken to mitigate immediate damage from the discharge.

[2-17-74, 2-20-81, 12-24-87, 12-1-95]

2. When in doubt as to which agency to notify, the

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person in charge of the facility shall notify the Chief of the Ground Water Protection and Remediation Bureau of the department. If that department does not have authority pursuant to commission delegation, the department shall notify the appropriate constituent agency. [12-24-87, 12-1-95]

3. Within one week after the discharger has learned of the discharge, the facility owner and/or operator shall send written notification to the same department official, verifying the prior oral notification as to each of the foregoing items and providing any appropriate additions or corrections to the information contained in the prior oral notification. [12-24-87]

4. The oral and written notification and reporting requirements contained in this Subsection A are not intended to be duplicative of discharge notification and reporting requirements promulgated by the Oil Conservation Commission (OCC) or by the Oil Conservation Division (OCD); therefore, any facility which is subject to OCC or OCD discharge notification and reporting requirements need not additionally comply with the notification and reporting requirements herein. [2-17-74, 12-24-87]

5. As soon as possible after learning of such a discharge, the owner/operator of the facility shall take such corrective actions as are necessary or appropriate to contain and remove or mitigate the damage caused by the discharge. [2-17-74, 12-24-87]

6. If it is possible to do so without unduly delaying needed corrective actions, the facility owner/operator shall endeavor to contact and consult with the Chief of the Ground Water Protection and Remediation Bureau of the department or appropriate counterpart in a delegated agency, in an effort to determine the department's views as to what further corrective actions may be necessary or appropriate to the discharge in question. In any event, no later than fifteen (15) days after the discharger learns of the discharge, the facility owner/operator shall send to said Bureau Chief a written report describing any corrective actions taken and/or to be taken relative to the discharge. Upon a written request and for good cause shown, the Bureau Chief may extend the time limit beyond fifteen (15) days. [12-24-87, 12-1-95]

7. The Bureau Chief shall approve or disapprove in writing the foregoing corrective action report within thirty (30) days of its receipt by the department. In the event that the report is not satisfactory to the department, the Bureau Chief shall specify in writing to the facility owner/operator any shortcomings in the report or in the corrective actions already taken or proposed to be taken relative to the discharge, and shall give the facility owner/operator a reasonable and clearly specified

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time within which to submit a modified corrective action report. The Bureau Chief shall approve or disapprove in writing the modified corrective action report within fifteen (15) days of its receipt by the department. [12-24-87]

8. In the event that the modified corrective action report also is unsatisfactory to the department, the facility owner/operator has five (5) days from the notification by the Bureau Chief that it is unsatisfactory to appeal to the department secretary. The department secretary shall approve or disapprove the modified corrective action report within five (5) days of receipt of the appeal from the Bureau Chief's decision. In the absence of either corrective action consistent with the approved corrective action report or with the decision of the secretary concerning the shortcomings of the modified corrective action report, the department may take whatever enforcement or legal action it deems necessary or appropriate. [12-24-87, 12-1-95]

9. If the secretary determines that the discharge causes or may with reasonable probability cause water pollution in excess of the standards and requirements of Section 4103 of this Part, and the water pollution will not be abated within one hundred and eighty (180) days after notice is required to be given pursuant to Section 1203.A.1 of this Part, the secretary may notify the facility owner/operator that he is a responsible person and that an abatement plan may be required pursuant to Sections 4104 and 4106.A of this Part. [12-1-95]

B. Exempt from the requirements of this Section are continuous or periodic discharges which are made: [2-17-74]

1. in conformance with regulations of the commission and rules, regulations or orders of other state or federal agencies; or [2-17-74]

2. in violation of regulations of the commission, but pursuant to an assurance of discontinuance or schedule of compliance approved by the commission or one of its duly authorized constituent agencies. [2-17-74]

C. As used in this Section and in Sections 4100 through 4115, but not in other Sections of this Part: [2-17-74, 12-1-95]

1. "discharge" means spilling, leaking, pumping, pouring, emitting, emptying, or dumping into water or in a location and manner where there is a reasonable probability that the discharged substance will reach surface or subsurface water; [2-17-74]

2. "facility" means any structure, installation, operation, storage tank, transmission line, motor vehicle, rolling

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stock, or activity of any kind, whether stationary or mobile;
[2-17-74]

3. "oil" means oil of any kind or in any form including petroleum, fuel oil, sludge, oil refuse and oil mixed with wastes; [2-17-74]

4. "operator" means the person or persons responsible for the overall operations of a facility; and
[12-24-87]

5. "owner" means the person or persons who own a facility, or part of a facility. [12-24-87]

D. Notification of discharge received pursuant to this Part or information obtained by the exploitation of such notification shall not be used against any such person in any criminal case, except for perjury or for giving a false statement.
[2-17-74]

E. Any person who has any information relating to any discharge from any facility of oil or other water contaminant, in such quantity as may with reasonable probability injure or be detrimental to human health, animal or plant life, or property, or unreasonably interfere with the public welfare or the use of property, is urged to notify the Chief of the Ground Water Protection and Remediation Bureau of the department. Upon such notification, the secretary may require an owner/operator or a responsible person to perform corrective actions pursuant to Sections 1203.A.5 or 1203.A.9 of this Part. [12-1-95]

[1204-1209] Reserved

1210. VARIANCE PETITIONS.

A. Any person seeking a variance pursuant to Section 74-6-4 (G) NMSA 1978, shall do so by filing a written petition with the commission. The petitioner may submit with his petition any relevant documents or material which the petitioner believes would support his petition. Petitions shall: [7-19-68, 11-27-70, 9-3-72]

1. state the petitioner's name and address;
[7-19-68, 11-27-70]

2. state the date of the petition; [7-19-68]

3. describe the facility or activity for which the variance is sought; [7-19-68, 11-27-70]

4. state the address or description of the property upon which the facility is located; [11-27-70]