

GW-73

Questionnaire

DATE:

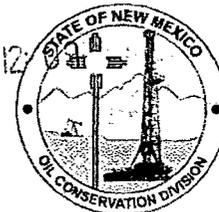
10.2011

Susana Martinez
Governor

John H. Bemis
Cabinet Secretary-Designate

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

Jami Bailey
Division Director
Oil Conservation Division



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2011 OCT -4 P 12

May 12, 2011

**Oil & Gas Facilities Questionnaire for Determination of a
WQCC Discharge Permit**

SCANNED

Only Water Quality Control Commission- regulated systems will be incorporated into the OCD's WQCC Permits, while OCD regulated systems will be handled under separate permit(s). A current discharge permit is valid until its normal expiration date or November 15, 2012, whichever is later. All facilities with processes subject to the Water Quality Act must have permits in place by November 16, 2012. H2S Contingency Plans; pits, ponds, above and/or below-grade tanks; waste treatment, storage and disposal; and landfarms and landfills may require separate permitting under the OCD Oil, Gas, and Geothermal regulations.

Proper completion and timely submission of this questionnaire is requested for all facilities with discharge permit expiration dates before November 15, 2012. Please complete and submit a separate questionnaire for each facility before July 15, 2011.

• Name of the owner or operator of the facility

SCHLUMBERGER TECHNOLOGY CORPORATION

• Point of contact

Name DOUGLAS REED
 Telephone 432-685-9641
 Email DREED@SLB.COM
 Mailing address 1105 WEST BENDER AVENUE
HOBBS N.M. 88240

• Facility name HOBBS PRESSURE PUMPING SERVICES

• Facility location

Unit Letter, Section, Township, Range UNIT B, SECTION 28, TOWNSHIP 18, RANGE 38
 Street address (if any) 1105 WEST BENDER AVENUE
HOBBS N.M. 88240

- Facility type
- | | | |
|---|---|---|
| <input type="checkbox"/> Refinery | <input type="checkbox"/> Gas Plant | <input type="checkbox"/> Compressor |
| <input type="checkbox"/> Crude Oil Pump Station | <input type="checkbox"/> Injection Well | <input checked="" type="checkbox"/> Service Company |
| <input type="checkbox"/> Geothermal | <input type="checkbox"/> Abatement | |
| <input type="checkbox"/> Other (describe) _____ | | |

• Current and Past Operations (please check all that apply)

- | | | |
|--|--|--|
| <input type="checkbox"/> Impoundments | <input type="checkbox"/> Treatment Plant | <input type="checkbox"/> Waterflood |
| <input type="checkbox"/> Disposal Well | <input type="checkbox"/> Brine Well | <input checked="" type="checkbox"/> Wash Bay |

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Steam Cleaning Groundwater Remediation

• Facility Status Active Idle Closed

• Does this facility currently have a discharge permit? Yes No

If so, what is the permit number? GW-073

• Are there any routine activities at the facility which intentionally result in materials other than potable water being released either onto the ground or directly into surface or ground water?

(This includes process activities, equipment maintenance, or the cleanup of historic spills.)

Yes No

If so, describe those activities including the materials involved, the frequency of discharge, and the estimated volume per discharge event.

• What is the depth below surface to shallowest ground water in the area? 85 FT

• Are there any water supply, groundwater monitoring, or recovery wells at the facility?

Water supply Monitoring Recovery

If these wells are registered with the Office of the State Engineer (OSE), what are the OSE well numbers? _____

• Are abatement actions ongoing? _____

• Are there any active or inactive UIC wells present as part of the federal Underground Injection Control program associated with this facility? Yes No

If so, what are the API numbers assigned to those wells?

• Are there any sumps at the facility? Yes No

Number of sumps with volume less than 500 gallons 1

Use and contents DRAINAGE OF PRESSURE TEST PIT

Is secondary containment incorporated into the design? Yes No

Number of sumps with volume greater than 500 gallons 1

Use and contents WABHAY SLUDGE COLLECTION

Is secondary containment incorporated into the design? Yes No

- Does the facility incorporate any underground lines other than electrical conduits, freshwater, natural gas for heating, or sanitary sewers? Yes No
If so, what do those buried lines contain?

THIS FORM IS DUE TO THE OIL CONSERVATION DIVISION BY JULY 15, 2011.

Questions? Please contact Glenn VonGonten at 505-476-3488 or Carl Chavez at 505-476-3490.

Thank you for your cooperation.

JAMI BAILEY
Director



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

December 11, 2006

Mr. Darwin Thompson
Schlumberger Technology Corporation
1105 West Bender Avenue
Hobbs, New Mexico 88240

COPY

Re: Discharge Plan Renewal Permit GW-073
Hobbs Service Facility
Lea County, New Mexico

Dear Mr. Thompson:

Pursuant to Water Quality Control Commission (WQCC) Regulations 20.6.2.3104 - 20.6.2.3114 NMAC, the Oil Conservation Division (OCD) hereby approves the discharge permit for the Schlumberger Technology Corporation (owner/operator) Hobbs Service Facility located in Unit Letter "B" (NWNE) of Section 28, Township 18 South, Range 38 East, NMPM, Lea County, New Mexico, under the conditions specified in the enclosed Attachment To The Discharge Permit. 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 including permit fees.

Please be advised that approval of this permit does not relieve the owner/operator of responsibility should operations result in pollution of surface water, ground water or the environment. Nor does approval of the permit relieve the owner/operator of its responsibility to comply with any other applicable governmental authority's rules and regulations.

Please note that in the Attachment to the Discharge Permit, permit fees are due and payable upon receipt of this discharge permit renewal approval.

If you have any questions, please contact Ben Stone of my staff at (505-476-3474) or email ben.stone@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,

Wayne Price

Environmental Bureau Chief

LWP/BES

Attachments-1

cc: OCD District Office

**ATTACHMENT TO THE DISCHARGE PERMIT
SCHLUMBERGER TECHNOLOGY CORPORATION
HOBBS SERVICE FACILITY (GW-073)
DISCHARGE PERMIT APPROVAL CONDITIONS
December 11, 2006**

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 and Renewal:** 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 December 10, 2011 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.
- 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 May 30, 2006 discharge permit 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.

5. Modifications: WQCC Regulation 20.6.2.3109.G NMAC addresses possible future modifications of a permit. Pursuant WQCC Regulation 20.6.2.3107.C NMAC, 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. Pursuant to WQCC Regulation 20.6.2.3109.E NMAC, 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 above-ground 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.

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, 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.

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 slicks 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.

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: The owner/operator shall notify the OCD prior to any transfer of ownership, control or possession of a facility with an approved discharge permit. The purchaser shall submit a written commitment to comply with the terms and conditions of the previously approved discharge permit and shall seek OCD approval prior to transfer.

22. Closure: The owner/operator shall notify the OCD when operations of the facility are to be discontinued for a period in excess of six months. Prior to closure of the facility, the operator shall submit a closure plan for approval. Closure and waste disposal shall be in accordance with the statutes, rules and regulations in effect at the time of closure.

Schlumberger Technology Corporation
Hobbs Service Facility
December 11, 2006
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23. **Certification: Schlumberger Technology Corporation.** by the officer whose signature appears below, accepts this permit and agrees to comply with all submitted commitments, including these terms and conditions contained herein. **Schlumberger Technology Corporation** 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.

Conditions accepted by:

Schlumberger Technology Corporation

Raul L. Martinez
Company Representative- print name

R.L. Martinez
Company Representative signature

Title Facility Manager

1-3-07
1-3-07
Date

REVISED OCD DISCHARGE PLAN PERMIT REQUIREMENTS

The Oil Conservation Division (OCD) has reviewed its authority to regulate the disposition of non-domestic waste from the activities described in NMSA 1978, Section 70-2-12(B)(22) under the Oil and Gas Act and the Water Quality Act, and has revised its permitting policies. These changes may affect the renewal of your discharge permit.

Previously, the OCD issued discharge permits under the Water Quality Act covering all processes at a facility that may impact ground water, even if those processes did not have intentional discharges, and were not designed or operated to allow discharges. The discharge permits often covered processes that would otherwise be subject to regulation under the Oil and Gas Act, such as pits, below-grade tanks, sumps, and surface waste management facilities, such as landfarms and landfills. In addition, discharge permits typically included requirements imposed under the Oil and Gas Act, such as the hydrogen sulfide contingency plans required by 19.15.11 NMAC.

Going forward, the OCD will issue new Water Quality Act discharge permits and renew existing Water Quality Act Discharge permits for the activities described in NMSA 1978, Section 70-2-12(B)(22) to cover the following:

- Processes that intentionally discharge or allow the discharge of a water contaminant in the form of effluent or leachate so that it may move directly or indirectly into ground water. OCD-regulated processes that intentionally discharge water contaminants are rare. An example of a process that allows the discharge of a water contaminant would be a compressor station that steam-cleans its machinery and allows the contaminated run-off to reach the ground. However, if the compressor station designed its facility to contain the run-off and properly dispose of the contaminated fluids at a commercial disposal facility, the steam-cleaning activity would not require a discharge permit.
- Class I non-hazardous waste wells, as defined in 20.6.2.5002(B)(1) NMAC. A well used at a refinery to inject non-hazardous, non-domestic waste would be an example of a Class I well regulated by the OCD under the Water Quality Act.
- Class III wells, as defined in 20.6.2.5002(B)(3) NMAC. A solution mining well for the production of brine is an example of a Class III well regulated by the OCD under the Water Quality Act.
- Class V wells, as defined in 20.6.2.5002(B)(5) NMAC. A ground water remediation injection well used to inject contaminated ground water that has been treated to ground water quality standards is an example of a Class V well regulated by the OCD under the Water Quality Act.
- Abatement. An operator may abate contamination pursuant to an abatement plan, provided that the abatement is consistent with the abatement requirements set out in the Water Quality Control Commission rules. See 20.6.2.4105(A)(6) NMAC.

Water Quality Act discharge permits and discharge permit renewals issued by the OCD will not cover the following:

- Pits, below-grade tanks, sumps, surface waste management facilities, such as landfarms and landfills associated with the facility, unless those processes intentionally discharge or allow the discharge of a water contaminant. This means that operators who hold Water Quality Act discharge permits may also be subject to permit requirements under the Oil and Gas Act for pits and below-grade tanks (*see* 19.15.17 NMAC) and surface waste management facilities, such as landfarms and landfills (*see* 19.15.36 NMAC).
- Hydrogen sulfide contingency plans, and other requirements imposed under the Oil and Gas Act. If the facility requires a hydrogen sulfide contingency plan pursuant to 19.15.11 NMAC, that plan will be addressed separately from the discharge permit.

As discharge permits come up for renewal, the OCD will review the permit with the operator to determine which processes must be covered by a discharge plan and which processes must be covered by a permit or plan issued pursuant to the Oil and Gas Act. If your current discharge permit covers processes subject to Oil and Gas Act permit requirements, such as pits, below-grade tanks, and surface waste management facilities (landfarms or landfills), you may continue to operate under your current discharge permit until its normal expiration date or November 15, 2012, whichever is later. By November 16, 2012 you must have a Water Quality Act discharge permit for processes subject to the Water Quality Act, Oil and Gas Act permits for processes subject to permitting under the Oil and Gas Act, and an approved hydrogen sulfide contingency plan if your facility requires a plan pursuant to 19.15.11 NMAC.

Currently, many discharge plans are awaiting renewal and others will reach their renewal date within the next six months. So that we can address the backlog in an orderly manner, we are asking permittees of these discharge plans to respond by July 15, 2011 to a questionnaire designed to determine if a facility may be required to have a WQCC discharge permit, based on this announcement. After review, we will rescind or modify many discharge permits and may require plans and permits, based on Oil and Gas Act and OCD regulations, such as Part 11 (hydrogen sulfide contingency plans), Part 17 (pits, below-grade tanks, and sumps), and Part 36 (surface waste management facilities).