GW - 126

INSPECTION
&
DATA

Permit Condition 16. OCD Inspection

16. OCD Inspections: The NMOCD conducted an inspection of this facility on January, 15th, 2008. Brandon Powell and Leonard Lowe, NMOCD, were guided by Mr. CB Jacobson and facility personnel. Please address the following. Photos are identified on the attached Inspection Sheet.

1. (No photo): Sump underground pipe from outside to building One needs to be tested. See Condition 12.
2. (Photo 1 – 10): Drums, full or empty need to be properly placed. See condition 7 of permit conditions. The majority of drums located on the west side of facility grounds need to be placed within secondary containment and proper curbing. Leaking fluids may leave facility grounds on to adjacent public road.
3. Sump in second building needs to be annually inspected and fluids need to be properly drained. See condition 11.

These findings shall be addressed accordingly. The NMOCD requires that Weatherford U.S., L.P. address these concerns within ONE year upon signature of this permit. Weatherford shall correspond to the NMOCD, in writing, their initial intend to resolve these issues, in six months the progress of resolution and then a final report upon completion of these tasks.

Weatherford®

December 16, 2008

Mr. Leonard Lowe
Oil Conservation Division, EMNRD
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Re: OCD Discharge Plan # GW-126----OCD Inspection Items Requiring Attention----Discharge Plan Renewal Inspection 1-15-08----GW-126 for Weatherford U.S., L.P. CPD Located at 5432 Highway 64, Farmington, New Mexico

Dear Mr. Lowe,

This letter report is to satisfy the OCD Discharge Permit conditions included in Item 16. During the OCD Inspection conducted January 15th, 2008, three items were identified and corrective actions were required for these items in the permit renewal. Please see attached photos and proposed corrections for the three items in this report below.

Item 1. *Sump underground pipe from outside building One needs to be tested, See condition 12.*

As discussed with Mr. Lowe and Mr. Powell during the OCD Site Inspection, Weatherford installed a valve in the pipe line within building One's wash water containment area to tests the integrity of the buried pipe (See Photo 1). The test method includes closing this valve and filling the outdoor sump to a level two inches above the outlet pipe, marking the water level in the sump, and letting the sump stand overnight. The water level in the sump is inspected in the morning to determine if the level has dropped. The underground pipe was last tested following this procedure on September 19th, 2008. No drop in the sump water level was observed and the pipe and sump were determined to be sound with no leak. This test procedure will be conducted once every year and documented on the Facility Weekly Inspection Log.

Item 2. *Drums, full or empty need to be properly placed. See condition 7 of permit conditions. The majority of drums located on the west side of facility grounds need to be placed within secondary containment and proper curbing. Leaking fluids may leave facility grounds on to adjacent road.*

First, Weatherford addressed the empty drum storage area (See Photo 2). All empty drums are stored on their sides with the bunds aligned horizontally (See Photo 3). The empty drum storage area is contained within a 4 inch steel curb on three sides which drains into a secondary containment bin (See Photos 4 and 5). The containment structure will be blocked to slant toward the curbed side thus completing the containment of the empty drums. A valve is located on the back corner of the skid to allow removal of accumulated precipitation.

Second, Weatherford plans to alter the curbing around the three field drum containment skids to satisfy the OCD secondary containment volume. The skids will be modified to have an 8 inch curb around the entire skid. This will be completed before June, 2009, or the skids will not be used to store chemicals at the facility (See Photo 6).

Third, Weatherford has relocated the majority of the chemical containers stored on the west side of the property to contained storage areas within building Two and under the awning at the north end of building One (See Photos 7,8,9, and 10). The remaining chemicals stored on the west side will be moved into the two storage areas after additional space is made available by more efficient chemical inventory and space usage modifications. All chemicals will be stored in secondary containment by Jun, 2009, as required by condition 7 of the permit.

Item 3. *Sump in second building needs to be annually inspected and fluids need to be properly drained. See condition 11.*

Weatherford has drained all fluids from both sections of the small sump in the second building. The sump was pressure washed to clean the walls and floor for inspection. The sump pump located in the second section has been disabled and the sump will not be used. The attached photos of the sump were taken on December 10, 2008 as part of the sump inspection (See Photos 11 and 12). The sump was found to be in sound condition and the inspection was recorded on the Facility Weekly Inspection Log. Weatherford will inspect the sump once every year and will record this inspection on the inspection log.

In addition to inspecting the sump in building Two, Weatherford also inspected the three large sumps in building One on December 10, 2008 (See Photos 13, 14, and 15). No conditions that could be expected to compromise the integrity of the sumps were observed. During the inspection, Weatherford located the monitoring well that was installed when the sumps and wash area were built. The monitoring well was opened and found to be free of accumulated leachate. The bottom of the monitoring well is 24 inches below the bottom of the sumps. Weatherford has been looking for the monitoring well for the past year in preparation for the renewal of the

OCD Discharge Permit. The monitoring well was mentioned in prior OCD plans for the facility. The flowing excerpt was included in the facility Discharge Plan filed in April of 1997.

The wash water collection sumps and separator in the Rental Tools building is underlain by a leachate detection/collection system. This system consists of a gravel layer and slotted PVC well pipe immediately beneath the drains and separator. Underlying the leachate collection system is a 2.2 foot thick layer of compacted clay which serves as secondary containment in case of a release from the wash water collection system. The leachate collection system will be checked monthly for the presence of liquids. At the present time, no release from the collection system has been observed.

Weatherford will continue to check the monitoring well monthly and will document the inspection on the Facility Weekly Inspection Log. See attached photo 17 for the monitoring well.

Weatherford has appreciated the timely assistance received from NM OCD personnel in preparing this permit report and plan renewal. If there are any questions or comments regarding this report please contact CB Jacobson at (801) 491-0527.

Sincerely,
Weatherford International, Inc.

CB Jacobson
Senior Environmental Project Manager HSSE

Attm.

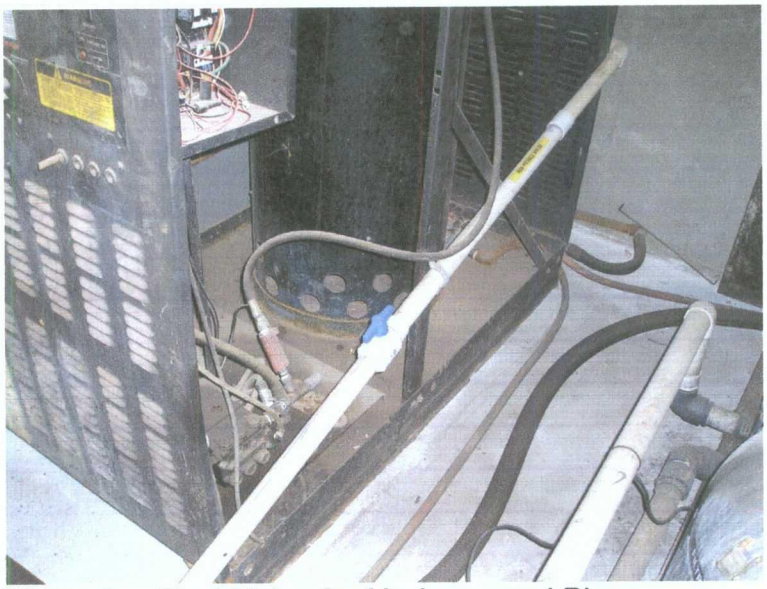

Photo 1. Test Valve for Underground Pipe

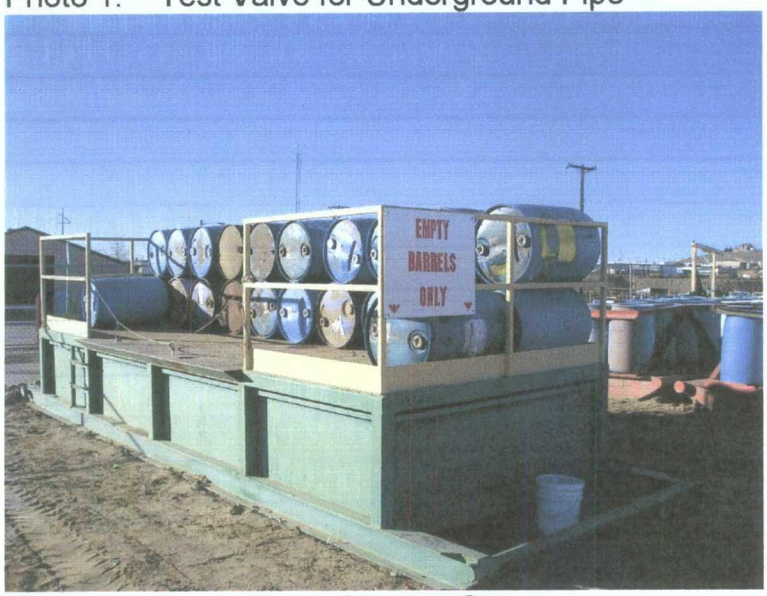

Photo 2. Empty Drum Storage Structure

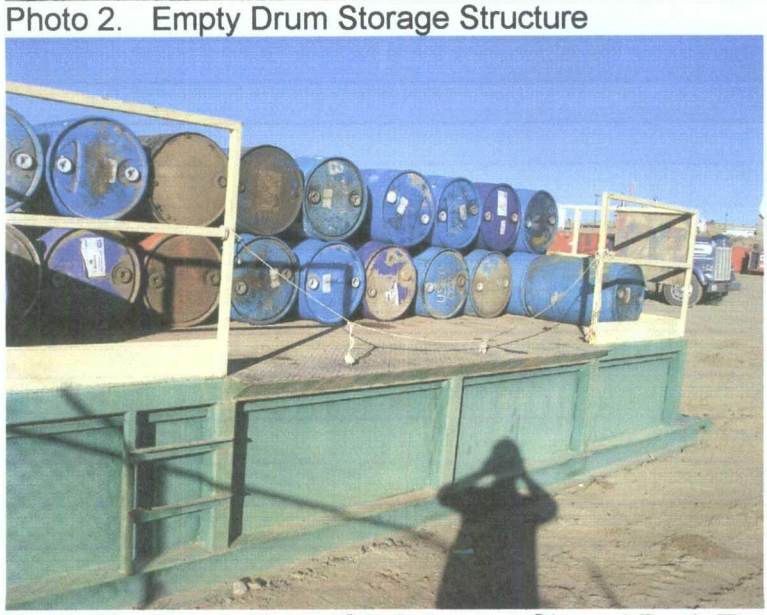

Photo 3. Empty Drum Containment Sloped Back Toward Drums

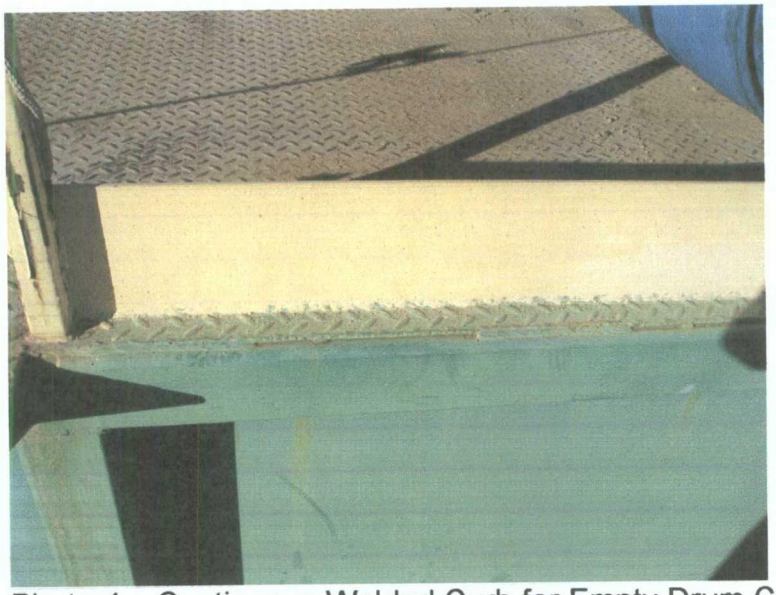

Photo 4. Continuous Welded Curb for Empty Drum Containment

Photo 5. Valve to Drain Containment Bin for Empty Drums

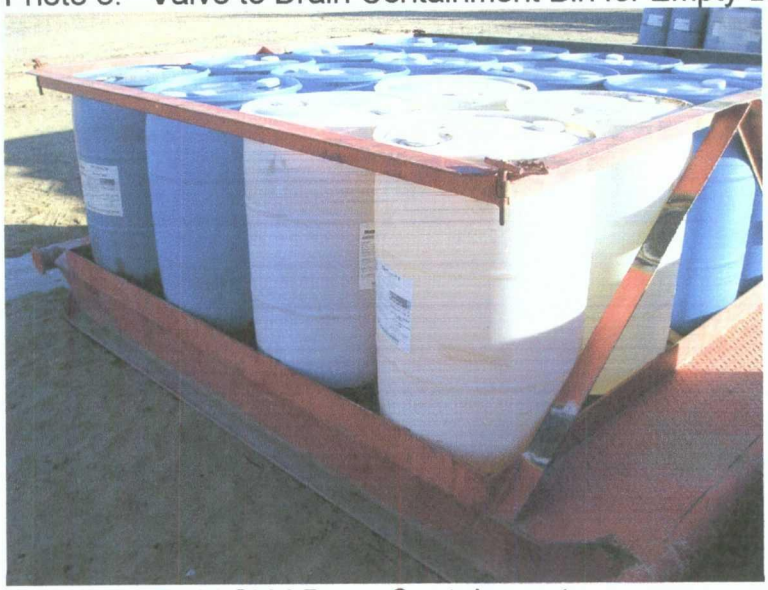

Photo 6. Field Skid Drum Containment

Photo 7. Chemical Containment Area at North End of Building One

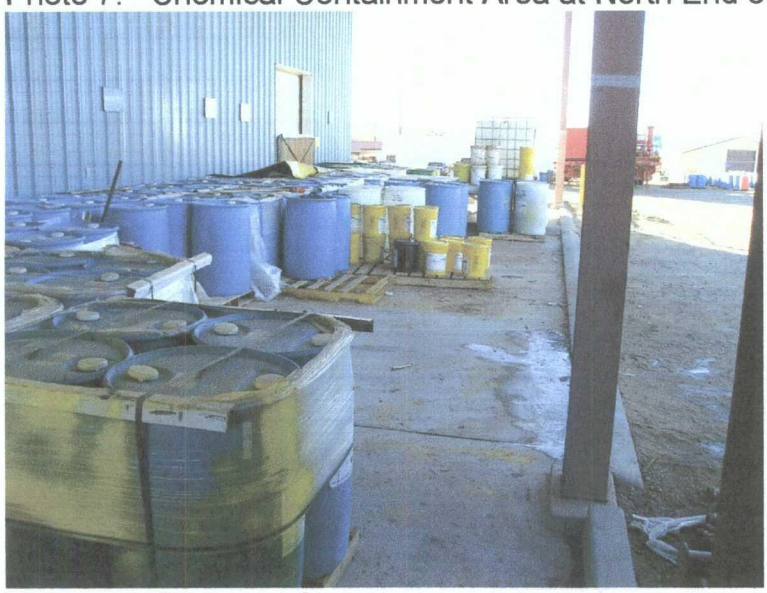

Photo 8. Chemical Containment Area at North End of Building One

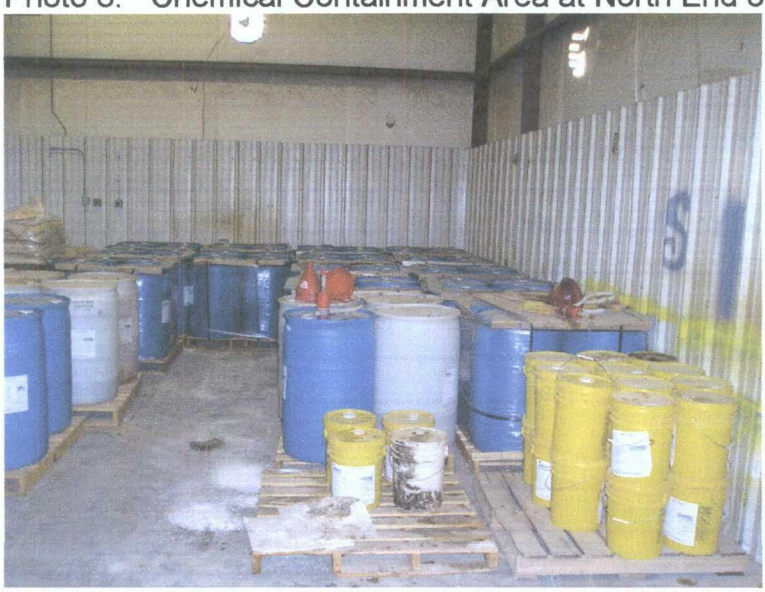

Photo 9. Chemical Containment Area in Building Two

Photo 10. Chemical Containment Area in Building Two

Photo 11. Small Sump in Building Two

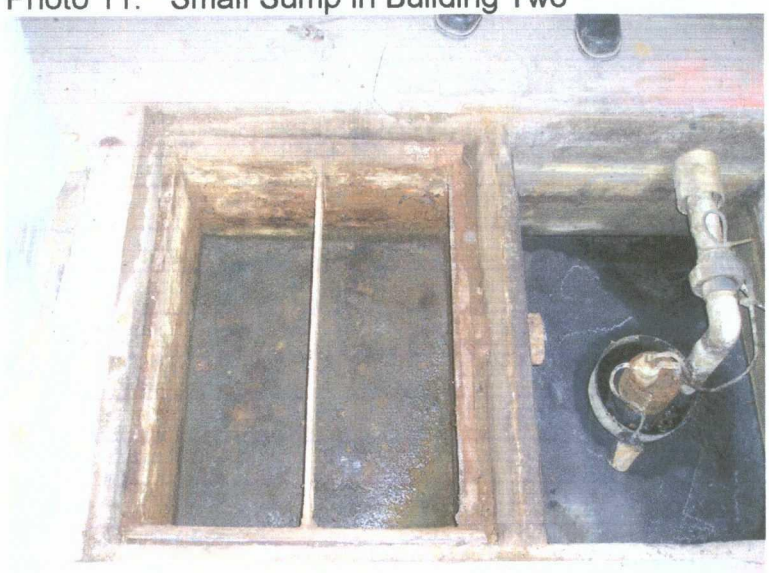

Photo 12. Small Sump in Building Two

Photo 13. East Section of North Sump in Building One

Photo 14. Pump Out Sump in Building One

Photo 15. Second Section of South Sump in Building One

Photo 16. Monitoring Well, East End of South Sump