

GW-315

**General
Correspondence**

YEAR(S): 2009 - 2014



New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson

Governor

Jon Goldstein

Cabinet Secretary

Jim Noel

Deputy Cabinet Secretary

Mark Fesmire

Division Director

Oil Conservation Division



APRIL 23, 2010

CERTIFIED MAIL

RETURN RECEIPT NO: 3341 0314

Mr. Aaron Dailey
Environmental Specialist
Williams Four Corners, LLC
188 County Road 4900
Bloomfield, NM 87413

**RE: REVISED DRAFT DISCHARGE PERMITS FOR THE
HONOLULU COMPRESSOR STATION (GW-315)
OJITO COMPRESSOR STATION (GW-400)
TRUNK L COMPRESSOR STATION (GW-181)
TRUNK M COMPRESSOR STATION (GW-180)**

Mr. Dailey:

Pursuant to Water Quality Control Commission (WQCC) Regulations 20.6.2.3108K NMAC, the Oil Conservation Division (OCD) has considered all comments made by Williams Four Corners (Williams) on the draft discharge permit listed above in its comment letter of December 2, 2009. OCD also considered other recent comments made by other Owner/Operators on similar discharge permits. OCD provided Williams with a written Response to Comments on April 22, 2010. OCD has made all appropriate revisions to the discharge permits (see attachments). OCD will allow Williams 30 calendar days from the date that its receives its revised draft discharge permit to make additional comments or to request a hearing on the revised draft discharge permits.

Oil Conservation Division * 1220 South St. Francis Drive

* Santa Fe, New Mexico 87505

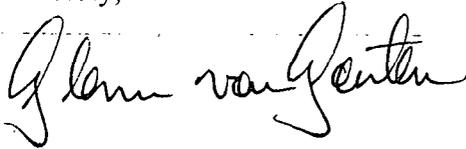
* Phone: (505) 476-3440 * Fax (505) 476-3462* <http://www.emnrd.state.nm.us>



Ruth Lang
April 23, 2009
Page 2

If you have any questions, please contact me at 505-476-3488 or by E-mail (glenn.vongonten@state.nm.us). On behalf of the staff of the OCD, I wish to thank you and your staff for your cooperation and patience during this discharge permit review.

Sincerely,

A handwritten signature in cursive script that reads "Glenn von Gonten". The signature is written in black ink and is positioned above the typed name and title.

Glenn von Gonten
Acting Environmental Bureau Chief

Attachments (4)

Copy: Daniel Sanchez, Compliance and Enforcement Manager
Gail MacQuesten, Assistant General Counsel
Leonard Lowe, Environmental Engineer, Senior

DISCHARGE PERMIT GW-180

1. GENERAL PROVISIONS.

A. PERMITTEE AND PERMITTED FACILITY: The Oil Conservation Division (OCD) of the Energy, Minerals and Natural Resources Department issues discharge permit GW-181 (Discharge Permit) to Williams Four Corners (Owner/Operator), located 188 CR 4900, Bloomfield NM 87413, to operate Trunk M Gas Compressor Station located in the NE/4 NE/4 of Section 29, Township 30 North, Range 6 West, NMPM, Rio Arriba County (Facility).

The facility provides metering and compression to various producers for the gathering of natural gas. The facility operates at total horsepower of 2756 HP. Approximately 600-8000 bbl/yr of produced water, 500-8000 bbl/year of condensate and 500 - 2000 gal/year/engine of used oil are generated and stored in onsite. Ground water that may be affected by a spill, leak or accidental discharge occurs at a depth of approximately 20 feet below ground surface, with a total dissolved solids concentration of approximately 1000 - 2000 mg/L.

B. SCOPE OF PERMIT: The Division regulates the disposition of nondomestic wastes resulting from the oil field service industry, the transportation of crude oil or natural gas, the treatment of natural gas or the refinement of crude oil to protect public health and the environment pursuant to authority granted in the Oil and Gas Act (Chapter 70, Article 2 NMSA 1978) at Section 70-2-12(B)(22) NMSA 1978. Transportation and treatment of natural gas occurs at compressor stations. The Division has been granted authority to administer the Water Quality Act (Chapter 74, Article 6 NMSA 1978) as it applies to gas compressor stations by statute, Section 70-2-12(B)(22) NMSA 1978, and by delegation from the Water Quality Control Commission pursuant to Section 74-6-4(E) NMSA 1978.

In 2006, the New Mexico Court of Appeals held that the plain language of Section 74-6-5(D) NMSA 1978 allows an agency to grant a permit "subject to conditions." (see *Phelps Dodge Tyrone, Inc. v. New Mexico Water Quality Control Commission, et al.*, 2006 - NMCA-115, 140 N.M. 464, *cert. denied*, 2006-NMCERT-9, 140 N.M. 542, *cert. denied*, 2006 - NMCERT-9). The court's decision clearly confirms that the Division has the authority to impose reasonable permit conditions and to impose permit conditions that specify the means of compliance. In setting those conditions the Division is not required to mirror federal law and may impose stricter requirements. The Division need only show that each condition is reasonable and necessary to ensure compliance with the Water Quality Act, the Oil and Gas Act, and applicable regulations.

The Water Quality Act and the rules issued under that Act protect ground water and surface water of the State of New Mexico by providing that, unless otherwise allowed by rule, no person shall cause or allow effluent or leachate to discharge so that it may move directly or indirectly into ground water unless such discharge is pursuant to an approved discharge plan. See 20.6.2.3104 NMAC and 20.6.2.3106 NMAC. A facility having no intentional liquid discharges is required to operate under a discharge plan because inadvertent discharges of liquids (e.g.,

leaks and spills, or any type of accidental discharge of contaminants) or improper disposal of waste solids have the potential to cause ground water contamination or threaten public health and the environment.

The Owner/Operator did not identify any intentional discharges that will occur at its Facility; therefore, this Discharge Permit does not authorize any intentional discharge. This Discharge Permit addresses the protection of public health and the environment, and the prevention of water pollution, by preventing and mitigating unintentional discharges.

Except as specifically provided by a permit condition, this Discharge Permit does not authorize any other treatment of, or on-site disposal of, any materials, product, by-product, or oil field waste, including, but not limited to the on-site disposal of lube oil, glycol, antifreeze, filters, elemental sulfur, washdown water, contaminated soil, and cooling tower blowdown water.

This Discharge Permit does not convey any property rights of any sort nor any exclusive privilege, and does not authorize any injury to persons or property, any invasion of other private rights, or any infringement of state, federal or local laws, rules or regulations.

C. DISCHARGE PERMIT CONDITIONS: By signing this Discharge Permit, the Owner/Operator agrees to the specific provisions set out in this document, and the commitments made in the approved Discharge Plan Application and the attachments to that application, which are incorporated into the Discharge Permit by reference.

If this Discharge Permit is a permit renewal, it replaces the permit being renewed. Replacement of a prior permit does not relieve the Owner/Operator of its responsibility to comply with the terms of that prior permit while that permit was in effect.

D. DEFINITIONS: Terms not specifically defined in this Discharge Permit shall have the same meanings as those in the Water Quality Act, the Oil and Gas Act, or the rules adopted pursuant to those Acts, as the context requires.

E. GENERAL PERFORMANCE STANDARDS: The Owner/Operator shall operate in accordance with the Discharge Permit conditions to comply with the Water Quality Act, the Oil and Gas Act, and the rules issued pursuant to those Acts, so that neither a hazard to public health nor undue risk to property will result (see 20.6.2.3109C NMAC); so that no discharge will cause or may cause any stream standard to be violated (see 20.6.2.3109H(2) NMAC); so that no discharge of any water contaminant will result in a hazard to public health, (see 20.6.2.3109H(3) NMAC); so that the numerical standards specified of 20.6.2.3103 NMAC are not exceeded; to protect public health and the environment (see Section 70-2-12(B)(22) NMSA 1978); and to prevent the waste of oil and gas, prevent the contamination of fresh waters, and so that oil and gas are not used wastefully, nor allowed to leak or escape from a natural reservoir or from wells, tanks, containers, pipe or other storage conduit or operating equipment. See 19.15.2.8 NMAC.

The Owner/Operator shall not allow or cause water pollution, discharge or release of any water contaminant that exceeds the WQCC standards specified at 20.6.2.3101 NMAC and 20.6.2.3103 NMAC or 20.6.4 NMAC (Water Quality Standards for Interstate and Intrastate Streams).

F. FILING FEES AND PERMIT FEES: Pursuant to 20.6.2.3114 NMAC, every facility that submits a discharge permit application for initial approval or renewal shall pay the permit fees specified in Table 1 and the filing fee specified in Table 2 of 20.6.2.3114 NMAC. The Division has already received the required \$100.00 filing fee for this application. The flat fee for a gas compressor station of greater than 1001 horsepower is \$1,700.00. The Owner/Operator shall submit this amount along with the signed Discharge Permit. Checks should be payable to the **“New Mexico Water Quality Management Fund,”** not the Oil Conservation Division.

G. EFFECTIVE DATE, EXPIRATION, RENEWAL CONDITIONS, AND PENALTIES FOR OPERATING WITHOUT A DISCHARGE PERMIT: This Discharge Permit is effective when the Division’s Environmental Bureau receives the signed Discharge Permit from the Owner/Operator and the \$1,700.00 fee. This Discharge Permit will expire on **January 3, 2015**. The Owner/Operator shall submit an application for renewal no later than 120 calendar days before that expiration date, pursuant to 20.6.2.3106F NMAC. If an Owner/Operator submits a renewal application at least 120 calendar days before the Discharge Permit expires and is in compliance with the approved Discharge Permit, then the existing Discharge Permit will not expire until the Division’s Environmental Bureau has either approved or disapproved the permit renewal application. Operating with an expired Discharge Permit may subject the Owner/Operator to civil and/or criminal penalties. See Section 74-6-10.1 NMSA 1978 and Section 74-6-10.2 NMSA 1978.

H. MODIFICATIONS: The Owner/Operator shall notify the Division’s Environmental Bureau of any facility expansion, production increase, or process modification that would result in any significant modification in the discharge of water contaminants. See 20.6.2.3107C NMAC. The Division’s Environmental Bureau may require the Owner/Operator to submit a permit modification pursuant to 20.6.2.3109E NMAC and may modify or terminate a permit pursuant to Section 74-6-5(M) through (N) NMSA 1978.

I. TRANSFER OF DISCHARGE PERMIT: Prior to any transfer of ownership, control, or possession (whether by lease, conveyance or otherwise) of the Facility, the transferor shall notify the transferee in writing of the existence of the Discharge Permit, and shall deliver or send by certified mail to the Division’s Environmental Bureau a copy of such written notification, together with a certification or other proof that such notification has been received by the transferee pursuant to 20.6.2.3111 NMAC. Upon receipt of such notification, the transferee shall inquire into all of the provisions and requirements contained in the Discharge Permit, and the transferee shall be charged with notice of all such provisions and requirements as they appear of record in the Division’s file or files concerning the Discharge Permit. Upon assuming either ownership or possession of the Facility the transferee shall have the same rights and responsibilities under the Discharge Permit as were applicable to the transferor. See 20.6.2.3111 NMAC.

Transfer of the ownership, control, or possession of the Facility does not relieve the transferor of responsibility or liability for any act or omission which occurred while the transferor owned, controlled or was in possession of the Facility. See 20.6.2.3111E NMAC.

J. CLOSURE PLAN AND FINANCIAL ASSURANCE: The Owner/Operator shall notify the Division's Environmental Bureau in writing when any operations of its Facility are to be discontinued for a period in excess of six months. Prior to closure, or as a condition of this Discharge Permit, or upon request from the Division, the Owner/Operator shall submit a closure plan, modified closure plan, and/or provide adequate financial assurance. See 20.6.2.3107 NMAC.

K. COMPLIANCE AND ENFORCEMENT: If the Owner/Operator violates or is violating a condition of this Discharge Permit, the Division's Environmental Bureau may issue a compliance order requiring compliance immediately or within a specified time period, suspending or terminating this Discharge Permit, and/or assessing a civil penalty. See Section 74-6-10 NMSA 1978. The Division's Environmental Bureau may also commence a civil action in district court for appropriate relief, including injunctive relief. See Section 74-6-10(A)(2) NMSA 1978 and Section 74-6-11 NMSA 1978. The Owner/Operator may be subject to criminal penalties for discharging a water contaminant without a discharge permit or in violation of a condition of a discharge permit; making any false material statement, representation, certification or omission of material fact in an application, record, report, plan or other document filed, submitted or required to be maintained under the Water Quality Act; falsifying, tampering with or rendering inaccurate any monitoring device, method or record required to be maintained under the Water Quality Act; or failing to monitor, sample or report as required by a permit issued pursuant to a state or federal law or regulation. See Section 74-6-10.2 NMSA 1978.

2. GENERAL FACILITY OPERATIONS

A. LABELING: The Owner/Operator shall clearly label all tanks, drums, and containers to identify the contents and provide other emergency notification information.

B. INSPECTIONS AND MAINTENANCE OF SECONDARY CONTAINMENT SYSTEMS: The Owner/Operator shall inspect all secondary containment systems and sumps designed for spill collection/prevention and leak detection at least weekly to ensure proper operation and to prevent over topping or a system failure. The Owner/Operator shall maintain a written record of the results of its inspection.

The Owner/Operator shall empty all spill collection and/or secondary containment devices of fluids within 72 hours of discovery. The Owner/Operator shall report any leak or failure of a secondary containment system to the Division's Environmental Bureau as a release, in accordance with Permit Condition 2.E. The Owner/Operator shall repair any leak or failure of a secondary containment system as provided in its approved Contingency Plan or as required by the Division.

C. RECORD KEEPING: The Owner/Operator shall maintain records of all inspections required by this Discharge Permit at its offices located at 188 County Road 4900, Bloomfield, New Mexico 87413, for a minimum of five years and shall make those records available for inspection by the Division's Environmental Bureau.

D. TESTING: The Owner/Operator shall provide the Division's Environmental Bureau with notice at least one week prior to conducting any test required under this Discharge Permit, so that the Division may witness the test. The Owner/Operator shall maintain the results of all tests conducted pursuant to this Discharge Permit at its offices located at 188 County Road 4900, Bloomfield, New Mexico 87413, and make those records available for inspection by the Division's Environmental Bureau. The Owner/Operator shall give verbal notice of a test failure to the Division's Environmental Bureau within 24 hours and file a written report of the failure with the Division's Environmental Bureau within 15 days. The Owner/Operator shall complete repairs to correct the failure as provided in its approved Contingency Plan or as required by the Division's Environmental Bureau.

E. RELEASE REPORTING: The Owner/Operator shall report unauthorized releases of water contaminants, oil, gases, produced water, condensate, or oil field waste including regulated NORM, or other oil field related chemicals, contaminants or mixtures of those chemicals or contaminants, pursuant to 19.15.29 NMAC and in accordance with any additional commitments made in its approved Contingency Plan. For the purposes of this Discharge Permit, "releases" includes fires, breaks, leaks, spills, failures of a primary or secondary containment system, and the movement of storm water from a "contact area" to a "non-contact area." At a minimum, the Owner/Operator shall file a written report of the release with both the Division's Environmental Bureau and the appropriate Division's District Office within 15 days for both "major releases" and "minor releases" as defined in 19.15.29.7 NMAC and give verbal notice to both the Division's Environmental Bureau and the appropriate Division District Office within 24 hours of discovering a "major release."

F. CORRECTIVE ACTION FOR RELEASES: The Owner/Operator shall take appropriate corrective action as specified in its approved Contingency Plan for all releases of contaminants whether or not the release qualifies as a "major" or "minor" release as defined in 19.15.29.7 NMAC.

The Owner/Operator shall address any contamination through the discharge permit process or pursuant to 20.6.2.4000 NMAC through 20.6.2.4116 NMAC (Prevention and Abatement of Water Pollution). The Division's Environmental Bureau may require the Owner/Operator to modify its Discharge Permit to provide for investigation, remediation, abatement, and monitoring for any vadose zone or water pollution.

G. DETERMINATION OF HYDROGEN SULFIDE CONCENTRATION: The Owner/Operator shall determine the hydrogen sulfide concentration at its Facility within 90 days of the issuance of this Discharge Permit pursuant to 19.15.11.8A NMAC and at least annually thereafter. The Owner/Operator shall submit the results of its determination of the hydrogen sulfide concentration at its Facility to the Division's Environmental Bureau within 30 days of its

determination. If the Owner/Operator determines that the hydrogen sulfide concentration at its Facility exceeds the regulatory threshold specified at 19.15.11.8A NMAC, then it shall comply with 19.15.11.8C NMAC and shall submit a hydrogen sulfide contingency plan to the Division's Environmental Bureau, pursuant to 19.15.11.9 NMAC. The Owner/Operator shall include the results of its determinations with its Annual Report.

The Owner/Operator shall chain each stair or ladder leading to the top of a tank or vessel containing 300 ppm or more of hydrogen sulfide in the gaseous mixture or mark it to restrict entry, pursuant to 19.15.11.12E NMAC.

H. ANNUAL REPORT: The Owner/Operator shall submit its annual report to the Division's Environmental Bureau by March 15th of each year. The annual report shall include the following:

1. For each waste stream, the amount of liquid and waste solids generated and stored in the prior calendar year;
2. The amount of and final disposition of each waste stream;
3. A copy of all inspections conducted for secondary containment systems;
4. The nature and amount of any releases, with a description of the disposition of any contaminated soil or liquids;
5. The nature and amount of liquid and waste solids generated and stored in the prior calendar year that were disposed pursuant to the "simplified procedure for holders of discharge plans" specified at 19.15.35.8C(2) and (3) NMAC; and,
6. The results of the Owner/Operator's annual determination of the hydrogen sulfide concentration at its Facility in accordance with Permit Condition 9.C.

3. MATERIAL STORAGE.

A. DRUM AND CONTAINER STORAGE: The Owner/Operator shall store all drums and other containers, including empty drums and containers, on a curbed, impermeable pad when not in use. "Containers" include tote tanks, sacks, and buckets. The Owner/Operator shall store empty drums on their sides with the bungs in place and lined up on a horizontal plane. The Owner/Operator may store fresh water in containers that are clearly so labeled and that are located outside the drum and container, process, maintenance, material, and waste storage areas without having a curbed, impermeable pad, liner, pavement, or curbing.

B. PROCESS, MAINTENANCE, MATERIAL, AND WASTE STORAGE AREAS: Within one year from the issuance of this Discharge Permit, the Owner/Operator shall install and maintain appropriate secondary containment systems, including, but not limited to, pavement, liners, curbs, sumps, *etc.* at all process, maintenance, material and waste storage areas at its facility that lack secondary containment systems. (See 20:6.2.1203C(2) NMAC).

Process areas at compressor station include, but are not limited to, the following areas:

pigging chambers; slug catchers; natural gas liquid separators/natural gas liquid fractionation; oil and condensate separators; storage of natural gas liquids, oil, and condensate; station yard pipes and valves; scrubbers; heat exchangers/coolers; cooling tower blowdown; dehydrators; sulfur and carbon dioxide removal/gas sweetening; drip traps; compressors; engines; and, valves on main transmission pipelines inside the fenced compressor station.

Process areas do not include the area beneath the main transmission pipeline, except for areas beneath valves.

4. WASTE MANAGEMENT.

A. WASTE STREAMS: This Discharge Permit authorizes the Owner/Operator to handle the waste streams identified in its approved Discharge Plan Application. The Owner/Operator shall obtain approval from the Division's Environmental Bureau for disposal of any waste stream not identified in its approved Discharge Plan Application.

B. WASTE STORAGE: The Owner/Operator shall store waste at its Facility only in clearly marked waste storage areas that have been identified in its approved Discharge Plan Application, except that waste generated during emergency response operations may be stored elsewhere for no more than 72 hours. The Division's Environmental Bureau may approve additional waste storage areas on a case-by-case basis. The Owner/Operator shall not store oil field waste (see 19.15.2 NMAC) on-site for more than 180 calendar days from the date that the container is filled without approval from the Division's Environmental Bureau.

C. WASTE DISPOSAL: This Discharge Permit does not authorize on-site disposal of non-domestic wastes. The Owner/Operator shall dispose of the waste streams identified in its approved Discharge Plan Application at Division-permitted or approved facilities in accordance with the applicable rules for disposal at those facilities. The Owner/Operator is approved for the simplified procedure set out in 19.15.35.8B(4) NMAC for disposal of wastes specified in 19.15.35.8C(2) and (3) NMAC at solid waste facilities without prior written authorization from the Division's Environmental Bureau if that the waste stream has been identified in the approved Discharge Plan Application and existing process knowledge of the waste stream does not change.

D. CLASS V WELLS: Pursuant to 20.6.2.5002B NMAC, leach fields and other wastewater disposal systems at Division-regulated facilities that inject non-hazardous fluid into or above an underground source of drinking water are UIC Class V injection wells. This Discharge Permit does not authorize the use of a Class V injection well for the disposal of industrial waste at the Facility. Pursuant to 20.6.2.5005 NMAC, the Owner/Operator shall close any Class V industrial waste injection wells at its Facility that inject non-hazardous industrial wastes or a mixture of industrial wastes and domestic wastes (e.g., septic systems, leach fields, dry wells, etc.) within 90 calendar days of the issuance of this Discharge Permit. The Owner/Operator shall document the closure of any Class V wells used for the disposal of non-

hazardous industrial wastes or a mixture of industrial wastes and domestic wastes in its Annual Report.

Other Class V wells, including wells used only for the injection of domestic wastes, must be permitted by the New Mexico Environment Department.

5. BELOW-GRADE TANKS, PITS, PONDS, AND SUMPS.

A. EXISTING BELOW-GRADE TANKS, PITS, AND PONDS: The Owner/Operator shall ensure that all below-grade tanks, pits, and ponds have secondary containment systems with leak detection. The Owner/Operator shall retrofit existing below-grade tanks, pits, and ponds that lack secondary containment and leak detection systems to meet the design and construction specifications of 19.15.17.11 NMAC.

The Owner/Operator shall submit a retrofit plan to the Division's Environmental Bureau no later than the date for submitting an application for renewal of this Discharge Permit. The retrofit plan shall specify how the Owner/Operator shall address any releases discovered during the retrofit operation. The Division's Environmental Bureau shall review and approve, approve with conditions, or deny the Owner/Operator's retrofit plan. The approved plan for retrofitting existing below-grade tanks, pits and ponds shall be incorporated into any permit renewal.

The Owner/Operator shall test existing below-grade tanks, pits, and ponds that lack secondary containment and leak detection at least annually by pressure testing to 3 pounds per square inch greater than normal operating pressure and/or visual inspection or other methods approved by the Division's Environmental Bureau. The Owner/Operator shall maintain the test results for at least 5 years for inspection by the Division.

B. EXISTING SUMPS: A sump is any impermeable vessel or collection device incorporated within a secondary containment system, with a capacity less than 500 gallons, which remains predominantly empty, serves as a drain or receptacle for *de minimis* releases on an intermittent basis and is not used to store, treat, dispose of or evaporate products or wastes. See 19.15.17.7H NMAC. The Owner/Operator inspect all sumps at least weekly and shall remove all materials that it discovers and shall document this activity in its inspection log.

C. NEW BELOW-GRADE TANKS, PITS, PONDS AND SUMPS: The Owner/Operator shall obtain approval from the Division's Environmental Bureau before installing a new below-grade tank, pit, pond, or sump. The Owner/Operator shall submit its proposed design plan to the Division's Environmental Bureau to install a new below-grade tank, pit, pond, or sump at least 90 calendar days before it intends to install the new unit. The design plans for below-grade tanks, pits, and ponds shall incorporate secondary containment and leak detection. The design plan shall address the siting and design and construction standards for below-grade tanks, pits, and ponds specified at 19.15.17.10 NMAC and 19.15.17.11 NMAC. The Division's Environmental Bureau will review and approve, approve with conditions, or deny the Owner/Operator's proposed design for a new below-grade tank, pit, pond or sump.

D. ABOVE GROUND TANKS: The Owner/Operator shall place new above ground tanks on impermeable pads and surround the tanks with lined berms or other impermeable secondary containment system having a capacity at least equal to one and one-third times the capacity of the largest tank, or, if the tanks are interconnected, of all interconnected tanks. The Owner/Operator is not required to provide secondary containment for tanks that contain fresh water and that are clearly so labeled and that are located outside the drum and container, process, maintenance, material, and waste storage areas.

The Owner/Operator shall retrofit existing above ground tanks that do not meet the requirements described above. The Owner/Operator shall submit a plan for the retrofitting to the Division's Environmental Bureau no later than the date for submitting its application for renewal of this Permit. The Division's Environmental Bureau will review and approve, approve with conditions, or deny the Owner/Operator's plan. The approved plan for retrofitting existing above ground tanks shall be incorporated into any permit renewal.

E. FENCING: The Owner/Operator shall fence all below-grade tanks, pits, and ponds pursuant to 19.15.17.11D NMAC.

F. SCREENING AND NETTING: The Owner/Operator shall screen or net all open top tanks and all pits (including lined pits) and ponds, or otherwise render the tanks and pits non-hazardous to wildlife, including migratory birds, pursuant to 19.15.17.11E NMAC.

6. UNDERGROUND PROCESS AND WASTEWATER PIPELINES.

A. TESTING: The Owner/Operator shall test all underground process/wastewater pipelines at least once every five (5) years to demonstrate mechanical integrity except pipelines containing fresh water. The Owner/Operator shall test all pressure-rated pipelines to 150% of the normal operating pressure, if possible, or for atmospheric drain systems, to 3 pounds per square inch greater than normal operating pressure, held for a minimum of 30 minutes with no more than a 1% loss/gain in pressure. The Owner/Operator may propose other test methods for the Division's review and approval. The Owner/Operator shall maintain the test results for at least 5 years for inspection by the Division.

B. SCHEMATIC DIAGRAMS OR PLANS: The Owner/Operator shall maintain all underground process and wastewater pipeline schematic diagrams or plans showing all drains, vents, risers, valves, underground pipelines, pipe type, rating, size, and approximate location at its offices located at 188 County Road 4900, Bloomfield, New Mexico 87413.

C. NEW UNDERGROUND PIPELINES: The Owner/Operator shall notify the Division's Environmental Bureau prior to installing any new underground pipelines. The Owner/Operator shall submit a design plan with the information specified in Permit Condition 6.B to the Division's Environmental Bureau for new underground pipelines at least 90 calendar days before it intends to begin construction. The Division's Environmental Bureau shall

determine whether any modifications to this Discharge Permit are necessary and appropriate based on the new underground pipelines.

7. **STORM WATER:** The Owner/Operator shall implement and maintain storm water run-on and run-off plans and controls to separate chemical process areas and flow lines (contact areas) from storm water areas (non-contact areas) and shall comply with any additional commitments made in its approved Contingency Plan.

The movement of storm water from a contact area to a non-contact area is a release and the Owner/Operator shall report that release in accordance with Permit Condition 2.E and take corrective action as directed by the Division.

8. **ADDITIONAL SITE SPECIFIC CONDITIONS:** N/A

9. **SCHEDULE OF COMPLIANCE:**

A. **PERMIT CERTIFICATION:** The Owner/Operator shall sign and return this Permit to the Division's Environmental Bureau within 30 days of its receipt of this Permit.

B. **SUBMISSION OF THE PERMIT FEES:** As specified in Permit Condition 1.F, the Owner/Operator shall submit the permit fee of \$1,700.00 along with the signed Discharge Permit. Checks should be payable to the "New Mexico Water Quality Management Fund," not the Oil Conservation Division, within 30 days of the receipt of the Discharge Permit.

C. **DETERMINATION OF HYDROGEN SULFIDE CONCENTRATION:** As specified in Permit Condition 2.G, the Owner/Operator shall submit the results of its determination of the hydrogen sulfide concentration at its Facility to the Division's Environmental Bureau within 30 days of its determination.

The Owner/Operator shall include the results of its annual determination of the hydrogen sulfide concentration at its Facility in accordance with Permit Condition 2.G with its Annual Report.

D. **PLAN FOR RETROFITTING BELOW-GRADE TANKS AND SUMPS:** As specified in Permit Condition 5.A, the Owner/Operator shall submit its plan for the retrofitting of below-grade tanks and sumps to the Division's Environmental Bureau no later than the date for submitting an application for renewal of this Discharge Permit.

E. **ANNUAL REPORT:** As specified in Permit Condition 2.H, the Owner/Operator shall submit its annual report to the Division's Environmental Bureau by March 15th of each year.

10. **CERTIFICATION: (OWNER/OPERATOR)** by the officer whose signature appears below, acknowledges receipt of this Discharge Permit, and has reviewed its terms and conditions.

Company Name - print name above

Company Representative - print name

Company Representative - Signature

Title _____

Date: _____

DRAFT



New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson

Governor

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Cabinet Secretary

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Division Director

Oil Conservation Division



APRIL 23, 2010

CERTIFIED MAIL

RETURN RECEIPT NO: 3341 0314

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Environmental Specialist
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Mr. Dailey:

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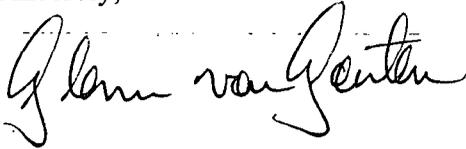
* Phone: (505) 476-3440 * Fax (505) 476-3462* <http://www.emnrd.state.nm.us>



Ruth Lang
April 23, 2009
Page 2

If you have any questions, please contact me at 505-476-3488 or by E-mail (glenn.vongonten@state.nm.us). On behalf of the staff of the OCD, I wish to thank you and your staff for your cooperation and patience during this discharge permit review.

Sincerely,

A handwritten signature in black ink that reads "Glenn von Gonten". The signature is written in a cursive style with a large initial 'G' and a long, sweeping underline.

Glenn von Gonten
Acting Environmental Bureau Chief

Attachments (4)

Copy: Daniel Sanchez, Compliance and Enforcement Manager
Gail MacQuesten, Assistant General Counsel
Leonard Lowe, Environmental Engineer, Senior



New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson

Governor

Jon Goldstein
Cabinet Secretary

Jim Noel
Deputy Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



APRIL 22, 2009

CERTIFIED MAIL
RETURN RECEIPT NO: 3341 0284

Mr. Aaron Dailey
Environmental Specialist
Williams Four Corners, LLC
188 County Road 4900
Bloomfield, NM 87413

**RE: OCD RESPONSE TO WILLIAMS FOUR CORNERS, LLC COMMENTS
OF DECEMBER 2, 2009 ON THE DRAFT DISCHARGE PERMITS FOR:
HONOLULU COMPRESSOR STATION (GW-315)
OJITO COMPRESSOR STATION (GW-400)
TRUNK L COMPRESSOR STATION (GW-181)
TRUNK M COMPRESSOR STATION (GW-180)**

Mr. Dailey:

Thank you for submitting Williams' comments on the draft discharge permits for the compressor stations identified above. Before responding to Williams' comments on specific permit terms, the Oil Conservation Division (OCD) would like to address a broader issue: the scope of OCD's authority to impose reasonable permit conditions. In some of its comments Williams argues that the OCD cannot impose conditions that are not specifically identified in the Water Quality Act or in WQCC regulations. Williams also argues that the OCD permit cannot be more stringent than certain federal requirements. OCD disagrees.

Williams' argument for limiting the authority of the OCD is similar to the argument raised by the plaintiff in *Phelps Dodge Tyrone, Inc. v. New Mexico Water Quality Control Commission, et al.*, 2006 – NMCA-115, 140 N.M. 464; 143 P.2d 502, *cert. denied*, 2006-NMCERT-9, 140 N.M. 542, 144 P.3d 101, *cert. denied*, 2006 – NMCERT-9, 140 N.M. 542, 144 P.3d 101. The plaintiff argued that the Water Quality Act does not authorize the administering agency (in that case, the New Mexico Environment Department) to impose permit conditions specifying the method to be used to prevent or abate water pollution, and instead only authorizes the agency to impose the permit conditions listed in NMSA 1978, Section 74-6-6(J). That section deals with monitoring, sampling, and reporting of water quality. The Court of Appeals rejected that argument.

Oil Conservation Division * 1220 South St. Francis Drive

* Santa Fe, New Mexico 87505

* Phone: (505) 476-3440 * Fax (505) 476-3462* <http://www.emnrd.state.nm.us>



The Court of Appeals held that the plain language of NMSA 1978, Section 74-6-5(D) allows an agency to grant a permit “*subject to conditions.*” *Id.* ¶ 14. Further, the court found that this statutory authority was not limited to the conditions listed in Section 74-6-5(J):

If the legislature intended that NMED have only the power to impose the conditions in Section 74-6-5(J), it knew how to clearly impose such a limitation. We believe that the failure to express such a limitation indicates the legislature’s intent that NMED should retain sufficient discretion to carry out its mission.

Id. ¶ 18.

The Court of Appeals read Section 74-6-5(J) as a grant of authority to regulate in certain areas – not as a limitation on the permitting process. The court drew a distinction between regulations and permit conditions: regulations set general requirements designed to apply to all situations, while permit conditions allow the agency to exercise its discretion to address specific situations. *See id.* ¶ 19. Finally, the court rejected the argument that the intent of the Water Quality Act was to allow industry to select the specific method of compliance:

Allowing industry to select the method of pollution control, and limiting NMED to granting or denying a permit, is one choice the legislature could have made. That choice, however, does not necessarily advance the Act’s purpose of protecting ground and surface water from pollution, and, from the language of Section 74-6-5(D), we do not believe that the legislature chose that path.

Id. ¶ 23.

Phelps Dodge Tyrone, Inc. clearly confirms that OCD has the authority to impose reasonable permit conditions and to impose permit conditions that specify the means of compliance. In setting those permit conditions OCD is not required to mirror federal law and may impose stricter requirements. *See, New Mexico Mining Association v. Water Quality Control Commission*, 2007-NMCA-084, 142 N.M. 200, 164 P.3d 81. OCD need only show that each permit condition is reasonable and necessary to ensure compliance with the Water Quality Act and applicable regulations, considering site-specific conditions. *See, NMSA 1978, § 74-6-5(D).*

The scope of the Water Quality Act is broad. The Water Quality Act and the regulations issued pursuant to that Act protect ground water and surface water of the State of New Mexico by providing that, unless otherwise allowed by rule, no person shall cause or allow effluent or leachate to discharge so that it may move directly or indirectly into ground water unless such discharge is pursuant to an approved discharge plan. *See* 20.6.2.3104 NMAC and 20.6.2.3106 NMAC. A facility having no intentional liquid discharges is still required to have a discharge plan. (See the definition of “source” which includes a facility from which there may be a discharge of water contaminants, NMSA 1978, Section 74-6-2(M) (emphasis added); the statutory mandate of the Water Quality Control Commission to “prevent” water pollution as stated in NMSA 1978, Section 74-6-4(E) and (K); and the authority of the Water Quality Control

Commission to adopt standards permitting no discharge of pollutants. NMSA 1978, § 74-6-4(E).)

Inadvertent discharges of liquids or improper disposal of waste solids still “*may move directly or indirectly into ground water*” (see the definition of “discharge permit” at 20.6.2.70 NMAC) and cause ground water or surface water contamination. The Water Quality Act clearly addresses prevention of ground water and surface water contamination as well as the abatement of contamination when it occurs. See NMSA 1978, § 74-6-9(D); NMSA 1978, § 74-6-4(E). The compressor station discharge permits at issue here address the prevention of water contamination by preventing unintentional discharges and mitigating discharges when they occur.

OCD’s response to Williams’ comments on specific permit terms follows:

WILLIAMS COMMENT ON PERMIT CONDITION 2.B.: *The permits require weekly inspections of secondary containment systems and sumps designed for spill collection/prevention and leak detection. There is no regulatory requirement for weekly inspections (ref. 20.6.2.3107 NMAC). Additionally, Williams believes that inspection records should be recorded but those records could be maintained electronically, not solely recorded and maintained in a log book as written in this condition. In our meeting with the Division on November 30, 2009, it was determined that the maintenance of electronic records meets the intent of this permit requirement. Finally, recent permits issued by the Division have included a requirement for monthly inspections of containment systems (e. g. GW-116 issued to 32-8 #3 CDP on November 26, 2007 and GW-155 issued to Aztec CDP on September 30, 2008). Given the lack of regulatory support for weekly inspections and the existing precedent for monthly inspections, Williams Four Corners believes this requirement is overly burdensome and requests that the inspection frequency be changed to monthly.*

OCD’S RESPONSE TO COMMENT ON PERMIT CONDITION 2.B: As noted above, OCD has the authority to impose reasonable permit conditions. Given that Williams and all other operators routinely visit compressor station several times per week, including remote, unmanned facilities, OCD has determined that weekly inspections are reasonable and do not pose an overly burdensome requirement. Therefore, OCD did not make the requested change in the inspection frequency. Please note that OCD made no commitments in its meeting with Williams. OCD did not commit or determine anything during its meeting with Williams on November 30, 2009. OCD met with Williams to discuss its concerns and gave Williams some feedback, but made no commitments. Certainly, Williams may also maintain an electronic copy of its inspections, but OCD will still require Williams to maintain a written inspection record at least weekly.

WILLIAMS COMMENT ON PERMIT CONDITION 2.C: *These draft permits require that records of all inspections be maintained at the Facility for a minimum of five (5) years available for OCD inspection. Williams believes that records could be maintained at the Four Corners Area office for a minimum of*

five years available for OCD inspection at this local area office. Williams respectfully requests that the permit language be changed to this effect. In our meeting with the Division on November 30, 2009, it was determined that the maintenance of records at the local area office meets the intent of this permit requirement.

OCD'S RESPONSE TO COMMENT ON PERMIT CONDITION 2.C: OCD agrees that Williams may maintain records at a location other than the facility. OCD has changed Williams' permit to specify that the weekly inspection records shall be maintained at Williams Four Corners Area Office. As noted above, OCD did not commit or determine anything during its meeting with Williams on November 30, 2009. OCD met with Williams to discuss its concerns and gave Williams some feedback, but made no commitments.

WILLIAMS COMMENT ON PERMIT CONDITION 2.D: *The draft permits require notification one week prior to conducting any required test under these permits, but it is not clear to whom Williams will notify, whether this is the District office in Aztec or Santa Fe office. Williams believes that notice to the Aztec District office is appropriate and requests that these notification requirements designate that office as the point of contact. This condition also states that records of all tests be maintained at the facility, available for OCD inspection. Since unmanned facilities do not have adequate file space to safely store records. Williams requests that the Division amend the permits to reflect that records be maintained at the local area office.*

OCD'S RESPONSE TO COMMENT ON PERMIT CONDITION 2.D: Discharge permits are administered through the Division's Environmental Bureau in Santa Fe. All filings and reports required by a Discharge Permit should be made to the Environmental Bureau in the Santa Fe office, unless otherwise specified. (For example, Section 2.E requires release reports to be filed with both the OCD District Office and the OCD Santa Fe Office.) To clarify the filing and reporting requirements, OCD has adjusted the language in the draft permits to specify that all notifications will be made to the Division's Environmental Bureau in Santa Fe.

WILLIAMS COMMENT ON PERMIT CONDITION 2.G: *The draft permits include language for the submission of an annual report to the OCD by March 15 of each year. Please clarify whether March 15 will be the deadline date for all newly issued permits. Additionally, this condition does not reference any regulation. Williams believes the recordkeeping and reporting requirements found at NMAC 2.6.2.3107 (sic) are intended to apply to those facilities which actually discharge onto the surface or into the vadose zone. Such recordkeeping and reporting is not necessary for those facilities which have only a potential for discharge due to incidental leaks or spillage. 2.6.2.3107.A clearly states that even for actual discharge, such records are discretionary, "Each discharge plan shall provide for the following as the secretary May require: (emphasis added)." If WQCC rule 1307 (sic) is not the regulatory justification for this permit condition, then Williams requests the Divisions to provide the correct citation.*

OCD'S RESPONSE TO COMMENT ON PERMIT CONDITION 2.G: March 15 will be the due date for Williams' annual reports; however, other discharge permits issued to other operators may specify a different date. As discussed above, Williams mistakenly believes that OCD can only specify in a permit what is specified in a regulations. This is incorrect. OCD may specify any reasonable permit condition that it finds to be appropriate. Certainly, specifying a date by which an operator must submit its annual report is reasonable.

WILLIAMS COMMENT ON PERMIT CONDITIONS 2.G.1-4: *These conditions require certain items to be included in the annual report. Williams respectfully requests that the Division provide Williams an example report, so that it is known what the Division's expectations are for submittal.*

OCD'S RESPONSE TO COMMENT ON PERMIT CONDITIONS 2.G.1-4: The permits clearly specify what items must be submitted; therefore, an example report is not necessary. Williams may craft its own annual report style.

WILLIAMS COMMENT ON PERMIT CONDITION 3.B: *The newly drafted permits require that Williams pave and curb all process, maintenance, material and waste storage areas at the facility or install another spill collection device for the areas, citing 20.6.2.1203C(2) NMAC. Williams does not believe that 20.6.2.1203.C(2) provides a regulatory basis for the curbing and paving requirement.*

OCD'S RESPONSE TO COMMENT ON PERMIT CONDITION 3.B: As discussed above, Williams mistakenly believes that OCD can only specify in a permit what is specified in the regulations. This is incorrect. OCD can specify any reasonable permit condition that it finds to be appropriate. Certainly, specifying that operators must pave and/or curb certain areas at which large volumes of liquid and solid products and oil field waste are stored to prevent a release from impacting soil, ground water, and surface water is a reasonable permit condition.

However, Williams did raise a valid point about what a "process area" is and whether all pipelines could be considered a part of a process area which must be paved and curbed. After review, OCD has determined for the purposes of discharge permits that "process areas" refers to areas at which processes unique to, or commonly found, at compressor station operations occur. Compressor station process areas include the following areas:

pigging chambers; slug catchers; natural gas liquid separators/natural gas liquid fractionation; oil and condensate separators; storage of natural gas liquids, oil, and condensate; station yard pipes and valves; scrubbers; heat exchangers/coolers; cooling tower blowdown; dehydrators; sulfur and carbon dioxide removal/gas sweetening; drip traps; compressors; engines; and, valves on main transmission pipelines in the fence compressor station.

Process areas do not include the main transmission pipeline, except for areas beneath valves at which liquids could be released from. OCD has revised Williams draft permits accordingly (see

Permit Condition 3.B). OCD has not changed the meaning of “*maintenance, material and waste storage areas*”; therefore, no changes were made for this section of Permit Condition 3.B. Of course, Williams may not actually perform all of the above specified processes at each of each compressor stations.

WILLIAMS COMMENT ON PERMIT CONDITION 4.B: *The draft permits state that oilfield waste should not be stored no longer than 180 days. During our recent meeting, the Division stated it was not their intent to require recordkeeping of storage dates. The example used for discussion mentioned that once a commercial waste dumpster is full. It should be emptied within 180 days, not 180 days from the date the first waste is placed in the dumpster. Williams believes that since this permit condition is vague in its meaning and intent. Condition 4.B should be removed from the permits.*

OCD’S RESPONSE TO COMMENT ON PERMIT CONDITION 4.B: When OCD met with Williams, we pointed out that we were there to listen, but not there to make a final decision on the issues. We did provide Williams with some feedback , but did not commit to any changes because the public comment period was still open and other persons could have made comments that OCD would be required to consider.

Williams did raise a relevant point about the date that the storage period begins - that is when the container is full, not when it is first used. However, although this permit condition is certainly not vague, it can be improved. OCD has changed this permit condition 4.B to specify that “*The Owner/Operator shall not store oil field waste (see 19.15.2 NMAC) on-site for more than 180 calendar days from the date that the container is filled without obtaining approval from OCD.*”

WILLIAMS COMMENT ON PERMIT CONDITION 5.C: *The draft permits require the Owner/Operator to submit a design plan to the Division at least 90 days prior to installing a new below grade tank, pit, or pond. Williams respectfully requests that the 90 day requirement be removed and that language is inserted that allows for more flexibility with respect to time.*

OCD’S RESPONSE TO COMMENT ON PERMIT CONDITION 5.C: OCD feels that the installing a new below grade tank, pit, or pond may constitute either a major or minor modification to the facilities scope of operations and that this amount of time is necessary for OCD to review the proposed changes and to determine whether the proposed changes can be approved after giving due consideration to the relevant siting criteria. OCD is also required to determine whether public notice is required. Therefore, OCD did not make the requested change. As we discussed during our meeting, Williams may always request a shorter review period, but OCD feels that in most cases, operators will be able to provide OCD with the required 90 days notice.

WILLIAMS COMMENT ON PERMIT CONDITION 6.A: *The draft permits require testing of all pressure-rated pipes to 150% of the normal operating pressure if possible. Williams believes that regulation of pressurized process*

pipng is under the sole jurisdiction of the New Mexico Department of Transportation. Therefore, Williams requests that all language referring to "process piping" be removed from the permits.

OCD'S RESPONSE TO COMMENT ON PERMIT CONDITION 6.A: The New Mexico Department of Transportation does not regulate either pipelines or compressor stations. The Pipeline Safety Bureau of the Transportation Division of the Public Regulation Commission regulates all natural gas pipelines that are connected to a compressor and has adopted by reference the Federal Department of Transportation's pipeline safety regulations specified at 49 CFR 191-192. The Pipeline Safety Bureau is responsible for inspecting, permitting, and regulating pipelines and Compressor Stations to ensure that operators meet the appropriate construction, operations, and safety requirements. Unlike OCD, the Pipeline Safety Bureau is concerned neither with the management of oil field waste nor the protection of ground water, nor the prevention of waste. Permit Condition 6.A is a reasonable requirement which will protect ground water and will also prevent waste by ensuring that operators test its pipelines routinely.

OCD has changed the draft permit to consistently refer to "pipelines" rather than "pipng."

WILLIAMS COMMENT ON PERMIT CONDITION 6.C: *The draft permits require that a design plan for new underground piping be submitted to the Bureau at least 90 calendar days prior to installation. Williams respectfully requests more flexibility be built into this permit language. In addition, the permit should be amended to indicate this condition applies only to waste water and drain piping, not process piping.*

OCD'S RESPONSE TO COMMENT ON PERMIT CONDITION 6.C: Williams has requested "more flexibility" in the permit language, but has not suggested how much time would be acceptable to it. For any "major modification" to the discharge permit as a result of the installation of new underground pipelines, Williams must comply with Permit Condition 1.H and 20.6.2.3107 and 20.6.2.3108 NMAC. In order to meet the notice deadlines specified in the regulations, OCD must require Owner/operators to submit at least 90 days prior to installation. That does not mean that OCD cannot work with Owner/operators to make the determination that the proposed changes are "minor" rather than "major" and, therefore, not subject to the notice requirements. However, changes to process pipelines are more likely constitute "major modifications" than waste water and drain pipelines. For "major modifications" Owner/operators must comply with the notice provisions.

WILLIAMS COMMENT ON PERMIT CONDITION 7: *The draft permits require the Owner/Operator to implement and maintain storm water run-off and run on plans and controls to separate chemical process areas and flow lines (contact areas) from storm water areas (non-contact areas). This permit condition conflicts with Federal law and does not correlate to State law. In the Federal program, oil and gas activities are exempt from storm water requirements unless a storm water discharge has resulted in a Reportable*

Quantity (RQ) of a substance for which notification is required or if the facility contributes to a water quality standard violation. Williams does not believe that a State issued permit can impose additional storm water requirements on exempt facilities without an authorized program. The OCD regulations regarding storm water apply solely to surface waste facilities: these facilities listed above are not surface waste facilities. Therefore, Williams respectfully requests that this permit condition be removed.

OCD'S RESPONSE TO COMMENT ON PERMIT CONDITION 7: Williams did not specify which federal law it is referring to. Perhaps Williams is referring to the federal National Pollutant Discharge Elimination System (NPDES) program which provides that its administrator cannot require, or directly or indirectly require a state to require, such a permit. New Mexico does not have primacy over the NPDES program, which is administered by the Environmental Protection Agency. However, Williams' assertion that this permit condition does not correlate to state law is incorrect. The storm water runoff provisions in Williams' discharge permits are imposed solely as a matter of state law and NPDES does not prohibit a state from choosing to regulate storm water runoff from oil and gas treatment operations. OCD can impose reasonable and more protective permit conditions than those that the federal government has set as the minimum national standard. Movement of storm water from a process area/contact area to a non-contact is a release which must be reported and addressed appropriately.

Given its statutory mandate to protect ground water and surface water, OCD may impose reasonable and necessary conditions on permits in order to fulfill its statutory mandates and those conditions do not need to mirror federal requirements. OCD requires Williams to implement and maintain storm water run-on and run-off plans and controls to separate process areas and flow lines (contact areas) from storm water areas (non-contact areas) and to report the movement of storm water from a contact area to a non-contact area as a release. This is a reasonable and necessary requirement, because storm water in contact areas may mix with materials, process wastes, toxic pollutants, hazardous substances, oil and grease, *etc.* Unless that storm water is handled correctly, it may discharge onto non-contact areas, and could therefore pollute surface water or ground water or adversely affect human health and the environment.

Although OCD takes the position that its regulation of storm water runoff is not limited to NPDES requirements, it is interesting to note that the provisions in the draft discharge permits are actually consistent with NPDES requirements [(1)(2) Storm water runoff from oil, gas, and mining operations] which states:

The Administrator shall not require a permit under this section, nor shall the Administrator directly or indirectly require any State to require a permit, for discharges of stormwater runoff from mining operations or oil and gas exploration, production, processing, or treatment operations or transmission facilities, composed entirely of flows which are from conveyances or systems of conveyances (including but not limited to pipes, conduits, ditches, and channels) used for collecting and conveying precipitation runoff and which are not contaminated by contact with, or do not come into contact with, any overburden,

raw material, intermediate products, finished product, byproduct, or waste products located on the site of such operations.

See 33 U.S.C. §1342(i). NPDES does allow permitting to cover storm water runoff from oil and gas operations that is contaminated with or has been in contact with waste products. That is what OCD is trying to accomplish by requiring Williams to keep runoff from contact areas and non-contact areas separate and to report the movement of storm water from a contact area to a non-contact area as a release. OCD has not removed this permit condition as requested for the reasons discussed above.

After reviewing the NPDES requirements OCD has determined that one additional change is appropriate to Williams' discharge permit. OCD realized that allowing operators to store fresh water in drums and containers at material storage areas without also meeting the same requirement that the fresh water be stored on a curbed, impermeable pad means that spilled fresh water could mix with materials and create a mixture that could be a potential water contaminate. Therefore, OCD has changed the permit by removing the phrase "These requirements do not apply to drums and containers that contain only fresh water and are clearly so labeled" and has replaced it with the following: "The Owner/Operator may store fresh water outside the drum and container, process, maintenance, material and waste storage areas without having a curbed, impermeable pad, liner, pavement, or curbing."

OCD has revised Agave's draft permits as discussed above. As a result of its detailed analysis of Agave's and other permittees' comments on recently issued draft permits, OCD has also made other changes to Agave's permits. OCD made several stylistic changes. The revised draft permits now refer to the "Division's Environmental Bureau" rather than OCD. In addition, the term "facility" is used rather than "compressor station."

OCD made several more substantive technical changes as follows:

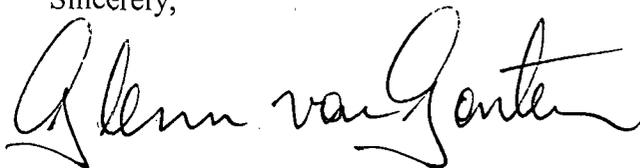
- Permit Condition 1.B: Added new text on *Tyrone* case.
- Permit Condition 1.B: Added new text to make clear that this permit only authorizes certain actions.
- Permit Condition 2.E: Added "oil, gases, produced water, condensate, or oil field waste including regulated NORM, or other oil field related chemicals, contaminants or mixtures of those chemicals or contaminants."
- Permit Condition 2.E: Added "fires" to releases in Permit Condition 2.E.
- Permit Condition 2.G: Added a new Permit Condition 2.G requirement that the Owner/Operator must determine the H₂S concentration at its compressor station.
- Permit Condition 2.H: Added two new requirements for the Annual Report.
- Permit Condition 3.C: Specifies that fresh water containers do not need to be surrounded by berms, *etc.*, as long as they are located outside a drum and container, process, maintenance, material, and waste storage area.
- Permit Condition 4.B: Specifies that "The Owner/Operator shall not store oil field waste (see 19.15.2 NMAC) on-site for more than 180 calendar days from the date that the container is filled without approval from the Division's Environmental Bureau."

- Permit Condition 5: Specifies that existing and new below-grade tanks, pits, ponds, and sumps must meet the siting and design and construction standards specified at 19.15.17.10 NMAC.
- Permit Condition 5.E: Specifies that all tanks must be screened or netted.
- Permit Condition 9: Added a new section that specifies the due dates for certain reports, *etc.*, that the permittee is required to submit elsewhere in the permit.

Please note that the above changes are those that OCD has identified as being substantive. Other less substantive changes were also made.

OCD will mail the revised draft permits to Williams under separate cover and will allow Williams 30 days to review and submit comments. If you have any questions, please contact me at 505-476-3488.

Sincerely,

A handwritten signature in cursive script that reads "Glenn von Gonten". The signature is written in black ink and is positioned above the printed name and title.

Glenn von Gonten
Acting Environmental Bureau Chief

copy: Daniel Sanchez, Compliance and Enforcement Manager
Gail MacQuesten, Assistant General Counsel
Leonard Lowe, Environmental Bureau

AFFIDAVIT OF PUBLICATION

Ad No. 292147 / Honolulu OCD

COPY OF PUBLICATION

STATE OF NEW MEXICO
County of San Juan:

CONNIE PRUITT, being duly sworn says:
That she is the ADVERTISING DIRECTOR 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 and
appeared in The Daily Times on the following

Date: Dec. 14, 2009

And the cost of the publication is \$ 456.89

Connie Pruitt

ON 12/17/09 CONNIE PRUITT

appeared before me, whom I know personally
to be the person who signed the above
document.

Christine Sellers
My Commission Expires 11/05/11

PUBLIC NOTICE

Williams Four Corners, LLC, 16
Bloomfield, New Mexico 87413;
ation in September 2009 to the
erals and Natural Resources De
Division for the previously appro
315 for their Honolulu Compress
NW/4 of Section 12 Township 26
Rio Arriba County, New Mexico. S
imately 42 miles southeast of Blo
gas compression and conditioning

Chile: Billionaire

— By Michael Warren —
The Associated Press

SANTIAGO, Chile —
Right-wing billionaire Sebas-
tian Pinera beat three leftists
in Sunday's presidential elec-
tion but failed to obtain a
majority, setting up a runoff
against a veteran of the coal-
ition that has ruled Chile for
two decades of democracy.
The quantity of wastewater generat-
ed per year per engine. The facility does
temporarily stored in tanks or contain-
ment to 30 percent for the run-
secondary containment. Waste shipped
or recycled at a facility permitted by
agency to receive such waste. The est-
depth at the site is expected to be grea
The total dissolved solids concentration
water is expected to be in the range of
million.

Any interested person or persons may o
submit comments or request to be place
cific mailing list for future notices by con
Lowe at the New Mexico OCD at 1220 S
School, Information: (505)
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regular school board meet-
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PUBLISHED IN

12/14/09 DAILY TIMES

PUBLIC NOTICE

Williams Four Corners, LLC, 188 County Road 4900, Bloomfield, New Mexico 87413, submitted a renewal application in September 2009 to the New Mexico Energy, Minerals and Natural Resources Department, Oil Conservation Division for the previously approved discharge plan GW-315 for their Honolulu Compressor Station located in the NW/4 of Section 12 Township 26 North, Range 5 West in Rio Arriba County, New Mexico. The facility, located approximately 42 miles southeast of Bloomfield, provides natural gas compression and conditioning services.

The discharge plan addresses how spills, leaks, and other accidental discharges to the surface will be managed. Typical materials generated or used at the facility include natural gas condensate/produced water, new and used lube oil, oily waste water from equipment wash down, and glycol. The quantity of wastewater generated is 100 - 5000 gallons per year per engine. The facility does not discharge to surface or subsurface waters. All wastes generated will be temporarily stored in tanks or containers equipped with secondary containment. Waste shipped offsite will be disposed or recycled at a facility permitted by state, federal, or tribal agency to receive such waste. The estimated ground water depth at the site is expected to be greater than 300 feet. The total dissolved solids concentration of area ground water is expected to be in the range of 200-2,000 parts per million.

Any interested person or persons may obtain information, submit comments or request to be placed on a facility-specific mailing list for future notices by contacting Leonard Lowe at the New Mexico OCD at 1220 South St. Francis Drive, Santa Fe, New Mexico 87505, Telephone (505) 476-3492. The OCD will accept comments and statements of interest regarding the renewal and will create a facility-specific mailing list for persons who wish to receive future notices.

ATENCIÓN PÚBLICA

Williams Four Corners, LLC, County Road 4900, Bloomfield, NM 87413, han presentado una aplicación de renovación en septiembre de 2009 a la New Mexico Energy, Minerals and Natural Resources Department, Oil Conservation Division para la descarga antes aprobada planean GW-315 para su Honolulu Compressor Station localizada en el NW/4 de la Sección 12, Municipio 26 Norte, Recorren 5 Oeste en Rio Arriba County, New Mexico. La instalación, sudeste de aproximadamente 42 millas localizado de Bloomfield, proporciona servicios de acondicionamiento y compresión de gas naturales.

El plan de descarga se dirige como las caídas, los agujeros, y otras descargas casuales a la superficie serán manejados. Los materiales típicos generados o usados en la instalación incluyen el echar agua condensado/producir de gas natural, el petróleo de lubricación nuevo y usado, echar agua de desecho aceitoso del equipo se lavan abajo, y glicol. La cantidad de wastewater generado es 100 - 5000 galones por año por motor. La instalación no descarga para revestir o subrevestir los echares agua. Toda la basura generada será temporalmente almacenada en tanques o contenedores equipados con la contención secundaria. La basura transportó offsite será dispuesto o reciclado en una instalación permitida por la agencia estatal, federal, o tribal recibir tal basura. Se espera que la profundidad de agua subterránea estimada en el sitio esté en la variedad de 300 pies. El total se disolvió se espera que la concentración de sólidos del agua subterránea de area esté en la variedad de 200-2,000 partes por millón.

Cualquier persona interesada o personas pueden obtener la información, presentar comentarios o solicitar para ser colocado en una lista de direcciones específica de instalación para futuros avisos por ponerse en contacto con Leonard Lowe en el Nuevo México OCD en 1220 Sur San. Francis Drive, Santa Fe, Nuevo México 87505, Teléfono (505) 476-3492. El OCD aceptará comentarios y declaraciones del interés en cuanto a la renovación y creará una lista de direcciones específica de instalación para personas que desean recibir futuros avisos.

PUBLISHED IN 12/14/09
DAILY TIMES

PUBLIC NOTICE

Williams Four Corners, LLC, 188 County Road 4900, Bloomfield, New Mexico 87413, submitted a renewal application in October 2009 to the New Mexico Energy, Minerals and Natural Resources Department, Oil Conservation Division for the previously approved discharge plan GW-181 for their Trunk L Compressor Station located in the SE/4, SE/4 Section 21, and SW/4, SW/4 Section 22, Township 28 North, Range 5 West in Rio Arriba County, New Mexico. The facility, located approximately 4 miles south-southeast of Gobernador, provides natural gas compression and conditioning services.

The discharge plan addresses how spills, leaks, and other accidental discharges to the surface will be managed. Typical materials generated or used at the facility include natural gas condensate/produced water, new and used lube oil, oily waste water from equipment wash down, and glycol. The quantity of wastewater generated is 100 - 5000 gallons per year per engine. The facility does not discharge to surface or subsurface waters. All wastes generated will be temporarily stored in tanks or containers equipped with secondary containment. Waste shipped offsite will be disposed or recycled at a facility permitted by state, federal, or tribal agency to receive such waste. The estimated ground water depth at the site is expected to be greater than 40 feet. The total dissolved solids concentration of area ground water is expected to be in the range of 200-2,000 parts per million.

Any interested person or persons may obtain information, submit comments or request to be placed on a facility-specific mailing list for future notices by contacting Leonard Lowe at the New Mexico OCD at 1220 South St. Francis Drive, Santa Fe, New Mexico 87505, Telephone (505) 476-3492. The OCD will accept comments and statements of interest regarding the renewal and will create a facility-specific mailing list for persons who wish to receive future notices.

ATENCIÓN PÚBLICA

Williams Four Corners, LLC, County Road 4900, Bloomfield, NM 87413, han presentado una aplicación de renovación en septiembre de 2009 a la New Mexico Energy, Minerals and Natural Resources Department, Oil Conservation Division para la descarga antes aprobada planean GW-180 para su Trunk L Compressor Station localizada en el SE/4, SE/4 de la Sección 21, SW/4, SW/4 de la Sección 22, Municipio 28 Norte, Recorren 5 Oeste en Rio Arriba County, New Mexico. La instalación, sur-sureste de aproximadamente 4 millas localizado de Gobernador, proporciona servicios de acondicionamiento y compresión de gas naturales.

El plan de descarga se dirige como las caldas, los agujeros, y otras descargas casuales a la superficie serán manejados. Los materiales típicos generados o usados en la instalación incluyen el echar agua condensado/producir de gas natural, el petróleo de lubricación nuevo y usado, echar agua de desecho aceitoso del equipo se lavan abajo, y glicol. La cantidad de wastewater generado es 100 - 5000 galones por año por motor. La instalación no descarga para revestir o subrevestir los echares agua. Toda la basura generada será temporalmente almacenada en tanques o contenedores equipados con la contención secundaria. La basura transportó offsite será dispuesto o reciclado en una instalación permitida por la agencia estatal, federal, o tribal recibir tal basura. Se espera que la profundidad de agua subterránea estimada en el sitio esté en la variedad de 40 pies. El total se disolvió se espera que la concentración de sólidos del agua subterránea de área esté en la variedad de 200-2,000 partes por millón.

Cualquier persona interesada o personas pueden obtener la información, presentar comentarios o solicitar para ser colocado en una lista de direcciones específica de instalación para futuros avisos por ponerse en contacto con Leonard Lowe en el Nuevo México OCD en 1220 Sur San. Francis Drive, Santa Fe, Nuevo México 87505, Teléfono (505) 476-3492. El OCD aceptará comentarios y declaraciones del interés en cuanto a la renovación y creará una lista de direcciones específica de instalación para personas que desean recibir futuros avisos.



Four Corners Area
Environmental Department
#188 County Road 4900
Bloomfield, N.M. 87413
Phone: (505) 632-4708
Fax: (505) 632-4781

October 30, 2009

CERTIFIED MAIL – RETURN RECEIPT REQUESTED

Bureau of Indian Affairs
Jicarilla Apache Indian Agency
PO box 167
Dulce, New Mexico 87528

Dear Madam/Sir:

This letter is to advise you that Williams Four Corners, LLC submitted a Discharge Plan Renewal application to the Oil Conservation Division for the permitted Honolulu Compressor Station (GW-315) in September 2009. This notice is a requirement pursuant to New Mexico Water Quality Control Commission Regulations.

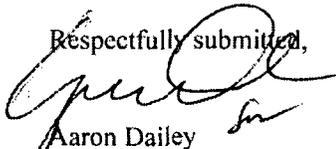
The facility, located in the NW/4 Section 12, Township 26 North, Range 5 West, Rio Arriba County, New Mexico, approximately 42 miles southeast of Bloomfield, provides natural gas compression and conditioning services.

The discharge plan addresses how spills, leaks, and other accidental discharges to the surface will be managed. Typical materials generated or used at the facility include natural gas condensate/produced water, new and used lube oil, oily waste water from equipment wash down, and glycol. The quantity of wastewater generated is 100–5000 gallons per year per engine. The facility does not discharge to surface or subsurface waters, and therefore the quantity and quality of the discharges is not applicable. All wastes generated will be temporarily stored in tanks or containers equipped with secondary containment. Waste shipped offsite will be disposed or recycled at a facility permitted by state, federal, or tribal agency to receive such waste. The estimated ground water depth at the site is expected to be greater than 300 feet. The total dissolved solids concentration of area ground water is expected to be in the range of 200-2,000 parts per million.

Comments or inquiries regarding this permit or the permitting process may be directed to:

Leonard Lowe
New Mexico Oil Conservation Division
1220 South Saint Francis Dr.
Santa Fe NM 87505
505-476-3492

Respectfully submitted,


Aaron Dailey
Environmental Specialist

7009 0620 0001 8564 J568

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only, No Insurance Coverage Provided)

For delivery information, visit our website at www.usps.com

DULCE NM 87528

OFFICIAL USE

Postage	\$	\$0.44
Certified Fee		\$2.80
Return Receipt Fee (Endorsement Required)		\$1.10
Restricted Delivery Fee (Endorsement Required)		\$0.00
Total Postage & Fees	\$	\$4.34



Sent To Bureau of Indian Affairs
 Street, Apt. No., or PO Box No. PO Box 167
 City, State, ZIP+4 Dulce, NM 87528

PS Form 3800, Sept. 2008 (Rev. 10-2008) See Reverse for Instructions

2009 DEC 21 PM 1:56

THE SANTA FE
NEW MEXICAN
Founded 1849

NM EMNRD OIL CONSERV
1220 S ST FRANCIS DR
SANTA FE NM 87505

ALTERNATE ACCOUNT: 56689
AD NUMBER: 00305457 ACCOUNT: 00002212
LEGAL NO: 88447 P.O. #: 52100-00000206
292 LINES 1 TIME(S) 292.39
AFFIDAVIT: 0.00
TAX: 23.57
TOTAL: 315.96

AFFIDAVIT OF PUBLICATION

STATE OF NEW MEXICO
COUNTY OF SANTA FE

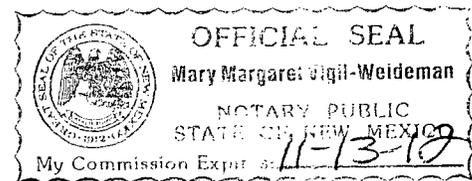
I, V. Wright, being first duly sworn declare and say that I am Legal Advertising Representative of THE SANTA FE NEW MEXICAN, a daily newspaper published in the English language, and having a general circulation in the Counties of Santa Fe and Los Alamos, State of New Mexico and being a newspaper duly qualified to publish legal notices and advertisements under the provisions of Chapter 167 on Session Laws of 1937; that the publication # 88447 a copy of which is hereto attached was published in said newspaper 1 day(s) between 12/18/2009 and 12/18/2009 and that the notice was published in the newspaper proper and not in any supplement; the first date of publication being on the 18th day of December, 2009 and that the undersigned has personal knowledge of the matter and things set forth in this affidavit.

ISI *V. Wright*
LEGAL ADVERTISEMENT REPRESENTATIVE

Subscribed and sworn to before me on this 18th day of December, 2009

Notary *Mary Margaret Vigil-Weideman*

Commission Expires: *11-13-2012*



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 (20.6.2.3106 NMAC),

the following discharge permit application(s) has been submitted to the Director of the New Mexico Oil Conservation Division ("NMOCD"), 1220 S. Saint Francis Drive, Santa Fe, New Mexico 87505, Telephone: (505) 476-3440:

Williams Four Corners, 188 CR 4900, Bloomfield NM, has submitted a renewal application for the previously approved discharge plan for their:
(GW-180) Trunk L compressor station, located in the SE/4 SE/4 of Section 21, SW/4 SW/4 of Section 22, Township 28 North, Range 5 West, NMPM, Rio Arriba County. The facility provides metering and compression to various producers for the gathering of natural gas. The facility operates at total horsepower of 15,834 HP. Approximately 600-8000 bbl/yr of produced water, 500-8000 bbl/year of condensate and 500 - 2000 gal/year/engine of used oil are generated and stored in on-site. Groundwater most likely to be affected by a spill, leak or accidental discharge is at a depth of approximately 40 feet, with a total dissolved solids concentration of approximately 1000 - 2000 mg/L.

(GW-181) Trunk M compressor station, located in the NE/4 NE/4 of Section 29, Township 30 North, Range 6 West, NMPM, Rio Arriba County. The facility provides metering and compression to various producers for the gathering of natural gas. The facility operates at total horsepower of 2756 HP. Approximately 600-8000 bbl/yr of produced water, 500-8000 bbl/year of condensate and 500 - 2000 gal/year/engine of used oil are generated and stored in on-site. Groundwater most likely to be affected by a spill, leak or accidental discharge is at a depth of approximately 20 feet, with a total dis-

solved solids concentration of approximately 1000 - 2000 mg/L.
(GW-315) Honolulu compressor station, located in the NW/4 of Section 12, Township 26 North, Range 5 West, NMPM, Rio Arriba County. The facility provides metering and compression to various producers for the gathering of natural gas. The facility operates at 775 horsepower. Approximately 600-8000 bbl/yr of condensate, 100-5000 gal/year/engine of waste water and 500 - 20000 gal/year/engine of used oil are generated and stored in on-site. Groundwater most likely to be affected by a spill, leak or accidental discharge is at a depth of approximately 385 feet, with a total dissolved solids concentration of approximately 200 - 2000 mg/L.

(GW-400) Ojito compressor station, located in the SW/4 SW/4 of Section 6, NW/4 NW/4 of Section 7, Township 26 North, Range 3 West, NMPM, Rio Arriba County. The facility provides metering and compression to various producers for the gathering of natural gas. The facility operates at total horsepower of 2400 HP. Approximately 600-8000 bbl/yr of produced water, 500-8000 bbl/year of condensate and 500 - 2000 gal/year/engine of used oil are generated and stored in on-site. Groundwater most likely to be affected by a spill, leak or accidental discharge is at a depth of approximately 25 feet, with a total dissolved solids concentration of approximately 200 - 2000 mg/L. The discharge plan addresses how oilfield products and waste will be properly handled, stored, and disposed of, including how spills, leaks, and other accidental discharges to the surface will be managed in order to protect fresh water.

The NMOCD has determined that the application is administratively complete and has prepared a draft permit. The NMOCD will accept comments and statements of interest regarding this application and will create a facility-specific mailing list for persons who wish to receive future notices. Persons interested in obtaining further information, submitting comments or requesting to be on a

facility-specific mailing list for future notices may contact the Environmental Bureau Chief of the Oil Conservation Division at the address given above. The administrative completeness determination and draft permit may be viewed at the above address between 8:00 a.m. and 4:00 p.m. Monday through Friday, or may also be viewed at the NMOCD web site <http://www.emnrd.state.nm.us/ocd/>. Persons interested in obtaining a copy of the application and draft permit may contact the NMOCD at the address given above. Prior to ruling on any proposed discharge permit or major modification, the Director shall allow a period of at least thirty (30) days after the date of publication of this notice, during which interested persons may submit comments or request that NMOCD hold a public hearing. 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 that there is significant public interest. If no public hearing is held, the Director will approve or disapprove the proposed permit based on information available, including all comments received. If a public hearing is held, the director will approve or disapprove the proposed permit based on information in the permit application and information submitted at the hearing. Para obtener más información sobre esta solicitud en español, sírvase comunicarse por favor a New Mexico Energy, Minerals and Natural Resources Department (Depto. Del. Energía, Minerías y Recursos Naturales de Nuevo México), Oil Conservation Division (Depto. Conservación Del. Petróleo), 1220 South St. Francis Drive, Santa Fe, New Mexico. (Contacto: Dorothy Phillips, 505-476-3461). GIVEN under the Seal of New Mexico Oil Conservation Commission at Santa Fe, New Mexico, on this 30th day of November 2009.

STATE OF NEW MEXICO OIL CONSERVATION DIVISION

Mark Fesmire, Director
Legal #88447
Pub. Dec. 18, 2009

AFFIDAVIT OF PUBLICATION

RECEIVED

Ad No. 63847

2009 DEC 10 PM 2 54

STATE OF NEW MEXICO
County of San Juan:

COPY OF PUBLICATION

NOTICE OF PUBLICATION

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

TIA AVILES, 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 and appeared in the Internet at The Daily Times web site on the following day(s):

Notice is hereby given that pursuant to New Mexico Water Quality Control Commission Regulations (20.6.2.3106 NMAC), the following discharge permit application(s) has been submitted to the Director of the New Mexico Oil Conservation Division ("NMOCD"), 1220 S. Saint Francis Drive, Santa Fe, New Mexico 87505, Telephone (505) 476-3440:

Williams Four Corners, 188 CR 4900, Bloomfield NM, has submitted a renewal application for the previously approved discharge plan for their:

(GW-180) Trunk L compressor station, located in the SE/4 SE/4 of Section 21, SW/4 SW/ of Section 22, Township 28 North, Range 5 West, NMPM, Rio Arriba County. The facility provides metering and compression to various producers for the gathering of natural gas. The facility operates at total horsepower of 15,834 HP. Approximately 600-8000 bbl/yr of produced water, 500-8000 bbl/year of condensate and 500 - 2000 gal/year/engine of used oil are generated and stored in onsite. Groundwater most likely to be affected by a spill, leak or accidental discharge is at a depth of approximately 40 feet, with a total dissolved solids concentration of approximately 1000 - 2000 mg/L.

(GW-181) Trunk M compressor station, located in the NE/4 NE/4 of Section 29, Township 30 North, Range 6 West, NMPM, Rio Arriba County. The facility provides metering and compression to various producers for the gathering of natural gas. The facility operates at total horsepower of 2756 HP. Approximately 600-8000 bbl/yr of produced water, 500-8000 bbl/year of condensate and 500 - 2000 gal/year/engine of used oil are generated and stored in onsite. Groundwater most likely to be affected by a spill, leak or accidental discharge is at a depth of approximately 20 feet, with a total dissolved solids concentration of approximately 1000 - 2000 mg/L.

(GW-315) Honolulu compressor station, located in the NW/4 of Section 12, Township 26 North, Range 5 West, NMPM, Rio Arriba County. The facility provides metering and compression to various producers for the gathering of natural gas. The facility operates at 775 horsepower. Approximately 600-8000 bbl/yr of condensate, 100-5000 gal/year/engine of waste water and 500 - 20000 gal/year/engine of used oil are generated and stored in onsite. Groundwater most likely to be affected by a spill, leak or accidental discharge is at a depth of approximately 385 feet, with a total dissolved solids concentration of approximately 200 - 2000 mg/L.

(GW-400) Orito compressor station, located in the SW/4 SW/4 of Section 6, NW/4 NW/4 of Section 7, Township 26 North, Range 3 West, NMPM, Rio Arriba County. The facility provides metering and compression to various producers for the gathering of natural gas. The facility operates at total horsepower of 2400 HP. Approximately 600-8000 bbl/yr of produced water, 500-8000 bbl/year of condensate and 500 - 2000 gal/year/engine of used oil are generated and stored in onsite. Groundwater most likely to be affected by a spill, leak or accidental discharge is at a depth of approximately 25 feet, with a total dissolved solids concentration of approximately 200 - 2000 mg/L. The discharge plan addresses how oilfield products and waste will be prop-

Thursday, December 3rd, 2009

And the cost of the publication is \$226.24

TIA Aviles (handwritten signature)

ON 12/08/09 TIA AVILES appeared before me, whom I know personally to be the person who signed the above document.

Christine Sellers (handwritten signature)
My Commission Expires - 11/05/11

erly handled, stored, and disposed of, including how spills, leaks, and other accidental discharges to the surface will be managed in order to protect fresh water.

The NMOCD has determined that the application is administratively complete and has prepared a draft permit. The NMOCD will accept comments and statements of interest regarding this application and will create a facility-specific mailing list for persons who wish to receive future notices. Persons interested in obtaining further information, submitting comments or requesting to be on a facility-specific mailing list for future notices may contact the Environmental Bureau Chief of the Oil Conservation Division at the address given above. The administrative completeness determination and draft permit may be viewed at the above address between 8:00 a.m. and 4:00 p.m., Monday through Friday, or may also be viewed at the NMOCD web site <http://www.emnrd.state.nm.us/ocd/>.

Persons interested in obtaining a copy of the application and draft permit may contact the NMOCD at the address given above. Prior to ruling on any proposed discharge permit or major modification, the Director shall allow a period of at least thirty (30) days after the date of publication of this notice, during which interested persons may submit comments or request that NMOCD hold a public hearing. 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 that there is significant public interest.

If no public hearing is held, the Director will approve or disapprove the proposed permit based on information available, including all comments received. If a public hearing is held, the director will approve or disapprove the proposed permit based on information in the permit application and information submitted at the hearing.

Para obtener más información sobre esta solicitud en español, sírvase comunicarse por favor: New Mexico Energy, Minerals and Natural Resources Department (Depto. Del Energía, Minerals y Recursos Naturales de Nuevo México), Oil Conservation Division (Depto. Conservación Del Petróleo), 1220 South St. Francis Drive, Santa Fe, New México (Contacto: Dorothy Phillips, 505-476-3461)

GIVEN under the Seal of New Mexico Oil Conservation Commission at Santa Fe, New Mexico, on this 30th day of November 2009.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

S E A L Mark Fesmire, Director

Legal No. 63847 published in The Daily Times on December 3rd, 2009.



2009 DEC 8 PM 1 42

Williams Four Corners, LLC
188 County Road 4900
Bloomfield, NM 87413
505/632-4708
505/632-4781 Fax

Via Certified Mail 7007 0220 0004 3556 6984

December 2, 2009

Glenn von Gonten
Acting Environmental Bureau Chief
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

RE: Williams Four Corners Area
Draft Discharge Permit Comments

Dear Mr. von Gonten:

Thank you for providing us the opportunity to discuss and comment on the draft permit conditions proposed on October 28, 2009 for the following facilities:

- Honolulu Compressor Station (GW-315)
- Ojito Compressor Station (GW-400)
- Trunk L Compressor Station (GW-181)
- Trunk M Compressor Station (GW-180)

After reviewing the draft discharge permits and discussing the permit conditions with the Division's Environmental Bureau staff, Williams Four Corners respectfully suggests the following changes and/or clarification:

2.B The permits require weekly inspections of secondary containment systems and sumps designed for spill collection/prevention and leak detection. There is no regulatory requirement for weekly inspections (ref. 20.6.2.3107 NMAC). Additionally, Williams believes that inspection records should be recorded, but those records could be maintained electronically, not solely recorded and maintained in a log book as written in this condition. In our meeting with the Division on November 30, 2009, it was determined that the maintenance of electronic records meets the intent of this permit requirement. Finally, recent permits issued by the Division have included a requirement for monthly inspections of containment systems (e. g. – GW-116, issued to 32-8 #3 CDP on November 26, 2007 and GW-155, issued to Aztec CDP on September 30, 2008). Given the lack of regulatory support for weekly inspections and the existing precedent for monthly inspections, Williams Four Corners believes this requirement is overly burdensome and requests that the inspection frequency be changed to monthly.

2.C These draft permits require that records of all inspections be maintained at the Facility for a *minimum* of five (5) years, available for OCD inspection. Williams believes that records could be maintained at the Four Corners Area office for a minimum of five years, available for OCD inspection at this local area office. Williams respectfully requests that the permit language be changed to this effect. In our meeting with the Division on November 30, 2009, it was determined that the maintenance of records at the local area office meets the intent of this permit requirement.

2.D The draft permits require notification one week prior to conducting any required test under these permits, but it is not clear to whom Williams will notify, whether this is the District office in Aztec or Santa Fe office. Williams believes that notice to the Aztec District office is appropriate and requests that these notification requirements designate that office as the point of contact. This condition also states that records of all tests be maintained at the facility, available for OCD inspection. Since unmanned facilities do not have adequate file space to safely store records, Williams requests that the Division amend the permits to reflect that records be maintained at the local area office.

2.G The draft permits include language for the submission of an annual report to the OCD by March 15 of each year. Please clarify whether March 15 will be the deadline date for all newly issued permits. Additionally, this condition does not reference any regulation. Williams believes the recordkeeping and reporting requirements found at NMAC 2.6.2.3107 are intended to apply to those facilities which actually discharge onto the surface or into the vadose zone. Such recordkeeping and reporting is not necessary for those facilities which have only a potential for discharge due to incidental leaks or spillage. 2.6.2.3107.A. clearly states that even for actual discharge, such records are discretionary, "Each discharge plan shall provide for the following as the secretary *may* require: (emphasis added)." If WQCC rule 1307 is not the regulatory justification for this permit condition, then Williams requests the Divisions to provide the correct citation.

2.G.1-4 These conditions require certain items to be included in the annual report. Williams respectfully requests that the Division provide Williams an example report, so that it is known what the Division's expectations are for submittal.

3.B The newly drafted permits require that Williams pave and curb all process, maintenance, material and waste storage areas at the facility or install another spill collection device for the areas, citing 20.6.2.1203C(2) NMAC. Williams does not believe that 20.6.2.1203.C(2) provides a regulatory basis for the curbing and paving requirement.

4.B The draft permits state that oilfield waste should not be stored no longer than 180 days. During our recent meeting, the Division stated it was not their intent to require recordkeeping of storage dates. The example used for discussion mentioned that once a commercial waste dumpster is full, it should be emptied within 180 days, not 180 days from the date the first waste is placed in the dumpster. Williams believes that since this permit condition is vague in its meaning and intent, Condition 4.B should be removed from the permits.

5.C The draft permits require the Owner/Operator to submit a design plan to the Division at least 90 days prior to installing a new below grade tank, pit or pond. Williams respectfully requests that the 90 day requirement be removed and that language is inserted that allows for more flexibility with respect to time.

6.A The draft permits require testing of all pressure-rated pipes to 150% of the normal operating pressure, if possible. Williams believes that regulation of pressurized process piping is under the sole

jurisdiction of the New Mexico Department of Transportation. Therefore, Williams requests that all language referring to "process piping" be removed from the permits.

6.C The draft permits require that a design plan for new underground piping be submitted to the Bureau at least 90 calendar days prior to installation. Williams respectfully requests more flexibility be built into this permit language. In addition, the permit should be amended to indicate this condition applies only to waste water and drain piping, not process piping.

7. The draft permits require the Owner/Operator to implement and maintain storm water run-off and run-on plans and controls to separate chemical process areas and flow lines (contact areas) from storm water areas (non-contact areas). This permit condition conflicts with Federal law and does not correlate to State law. In the Federal program, oil and gas activities are exempt from storm water requirements unless a storm water discharge has resulted in a Reportable Quantity (RQ) of a substance for which notification is required or if the facility contributes to a water quality standard violation. Williams does not believe that a State issued permit can impose additional storm water requirements on exempt facilities without an authorized program. The OCD regulations regarding storm water apply solely to surface waste facilities; these facilities listed above are not surface waste facilities. Therefore, Williams respectfully requests that this permit condition be removed.

Again, thank you for taking the time to meet with us earlier this week to discuss these conditions. We really appreciate your hard work and effort in working with Williams to ensure that we are doing our absolute best job with protecting public health and the environment in our daily activities in the Four Corners Area.

If you have any questions about these comments, please feel free to call me at (505) 632-4708 or e-mail me at aaron.dailey@williams.com. You can also call David Bays at (505)632-4951 or e-mail at david.bays@williams.com. Williams Four Corners looks forward to working with you all and completing this permit review process.

Sincerely,



Aaron Dailey
Environmental Specialist

XC: Leonard Lowe, OCD