

PARABO, INC.

P.O. BOX 1737 * Esuice, NM 88231
(505) 394-2511

Nº 9699

LEASE OPERATOR/SHIPPER/COMPANY:

LEASE NAME:

TRANSPORTER COMPANY:

TIME: AM/PM

DATE:

VEHICLE NO.:

DRIVER NO.:

CHARGE TO:

TYPE OF MATERIAL

- Production Water
- Tank Bottoms
- Other Material:

- Drilling Fluids
- Contaminated soil
- BS&W Content: _____

- Completion Fluids
- C-117 No.: _____

Description: _____

VOLUME OF MATERIAL BBLs. _____ : YARD _____ : _____

AS A CONDITION TO PARABO INC.'S ACCEPTANCE OF THE MATERIALS SHIPPED WITH THIS JOB TICKET, OPERATOR/SHIPPER REPRESENTS AND WARRANTS THAT THE WASTE MATERIAL SHIPPED HERewith IS MATERIAL EXEMPT FROM THE RESOURCE, CONSERVATION AND RECOVERY ACT OF 1976, AS AMENDED FROM TIME TO TIME, 40 U.S.C. § 6901, et seq., THE NM HEALTH AND SAF. CODE, § 361.001, et seq., AND REGULATIONS RELATED THERETO, BY VIRTUE OF THE EXEMPTION AFFORDED DRILLING FLUIDS, PRODUCED WATERS, AND OTHER WASTE ASSOCIATED WITH THE EXPLORATION, DEVELOPMENT OR PRODUCTION OF CRUDE OIL OR NATURAL GAS OR GEOTHERMAL ENERGY.

ALSO AS A CONDITION TO PARABO INC.'S ACCEPTANCE OF THE MATERIALS SHIPPED WITH THIS JOB TICKET, TRANSPORTER REPRESENTS AND WARRANTS THAT ONLY THE MATERIAL DELIVERED BY OPERATOR/SHIPPER TO TRANSPORTER IS NOW DELIVERED BY TRANSPORTER TO PARABO INC.'S FACILITY FOR DISPOSAL.

THIS WILL CERTIFY that the above Transporter loaded the material represented by this Transporter Statement at the above described location, and that it was tendered by the above described shipper. This will certify that no additional materials were added to this load, and that the material was delivered without incident.

DRIVER: _____
(SIGNATURE)

FACILITY REPRESENTATIVE: _____
(SIGNATURE)

District I - (505) 393-6161
P. O. Box 1940
Hobbs, NM 88241-1980
District II - (505) 748-1283
P. O. Drawer DD
Artesia, NM 88211-0719
District III - (505) 334-6178
1000 Rio Brazos Road
Aztec, NM 87410
District IV - (505) 827-5810

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

Form C-137
Originated 1/19/95

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

APPLICATION FOR WASTE MANAGEMENT FACILITY
(Refer to the OCD Guidelines for assistance in completing the application)

Commercial

Centralized

1. Type: Evaporation Injection Other
 Solids/Landfarm Treating Plant

2. Operator: _____

Address: _____

Contact Person: _____ Phone: _____

3. Location: _____/4 _____/4 Section _____ Township _____ Range _____
Submit large scale typographic map showing exact location

4. Is this a modification of an existing facility? Yes No

5. Attach the name and address of the landowner of the facility site and landowners of record within one mile of the site.

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

7. Attach designs prepared in accordance with Division guidelines for the construction/installation of the following: pits or ponds, leak-detection systems, aerations systems, enhanced evaporation (spray) systems, waste treating systems, security systems, and landfarm facilities.

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

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

10. Attach a closure plan.

11. Attach geological/hydrological evidence demonstrating that disposal of oil field wastes will not adversely impact groundwater. Depth to and quality of ground water must be included.

12. Attach proof that the notice requirements of OCD Rule 711 have been met.

13. Attach a contingency plan in the event of a release of H₂S.

14. Attach such other information as necessary to demonstrate compliance with any other OCD rules, regulations and orders.

15. **CERTIFICATION**

I hereby certify that the information submitted with this application is true and correct to the best of my knowledge and belief.

Name: _____ Title: _____

Signature: _____ Date: _____

TO: The New Mexico Oil Conservation Commission

FROM: Ken Marsh

I was told that the primary reason for Rule 711 change was to change bonding requirements for disposal facilities because of a financial failure of a company in northwestern New Mexico whose water storage pit caused a threat to human health and the OCD had no funds to rectify the problem.

I personally do not agree with changing the bonding requirements because I am afraid it will set a precedent for other bond changes in our industry.

That, however, is not the issue that I want to address today. The issue is Section C "Operational Requirements" number 4A, 4B, 4C, and 5.

C4A - The requirement for the signature of the generator for exempt oil field waste will be an unnecessary burden on the generator, the transporter and the disposal facility.

This requirement was not in the 711 Rule before, is not recommended by the Interstate Oil and Gas Compact Commission, is not required by the New Mexico Environmental Department in similar situations under their jurisdiction, nor by our neighbor state to the east, Texas has no such requirement.

The signature requirement will be unworkable in the oil and gas industry in southeastern New Mexico. Most producers are downsizing their operations and do not have field personnel on location or perhaps not in the state. They handle routine matters by telephone and through their contractors.

This sections puts the burden of enforcement on the disposal facilities. The OCD has said many times that their enforcement policy was through voluntary compliance.

Most disposal facilities have required all information recommended by the IOGCC long before the OCD started to ask for this type of information, which shows that the industry has taken the lead in responsible actions in these areas.

The disposal companies keep good records and require sufficient documentation, now of their own accord, most require more that the OCD wants, with the exception of the generators signature. (Please see attached.)

Producers, generators, transporters, and disposal facilities are aware of the rules and regulations concerning oil field wastes. They have departments and personnel to deal with regulatory issues and practices, they are aware of the problems and liabilities connected with the handling of and disposal of the waste streams.

Generators of waste have internal and outside inspectors and engineering auditors to determine if their waste streams are being handled correctly. These professionals would be required to inspect some of the records created by this rule thereby causing additional costs to the generator. Should they find some discrepancies in those records they would be required to note it in their reports, which could cause the generator to use another facility. This would also allow the OCD the opportunity to issue notices of violation for these oversights by someone over which the facility has no control. In case of a dispute between other parties, the disposal facility could find itself involved in a lawsuit and having to furnish these records and possibly defend itself against unfounded allegations and charges. These minor violations of the rule could cause the bonding companies to review their rates and perhaps cancel the bonds.

The bonding issue you will remember is the primary reason we are here today.

The burden of enforcement cannot be put on the disposal facilities. It is not fair for these facilities to be the policemen, or to say to the transporter, "you can't unload until you have a signature."

I first saw this language "A certification of waste status" signed by a corporate official" in April of 1993 in a memorandum authored by Rogder Anderson and signed by William Lemay.

A member of our staff asked for a definition of corporate official, see attached request and response.

Industry and New Mexico Oil & Gas Association response had the effect of the memorandum being not enforced. To my knowledge there have been no ill effects of this not being in effect from April 1993 to April 1995.

The disposal facility should not be responsible for verification of signatures, illegible signatures, false signatures, or to determine if the signature is of a representative of the generator.

The disposal facility is not the regulating agency, the OCD is!

Therefore, if the signature of the generator is required it should be presented to the OCD and certified by the OCD before the waste is moved and the OCD should preserve the records.

Should you require the facility to keep the records, then the generator, transporter, and the OCD should in all fairness be required to retain the same records.

This will only cause more paper work, more cost to the generator, and more time consumed by the OCD staff.

The generators, transporters, and disposal facilities are all aware of their responsibilities and liabilities under OCD rules, New Mexico Environment Department Rules, Federal Regulations, OSHA, and DOT requirements.

The industry spends a great amount of money to comply with these and are aware of the liabilities that accompany the handling of waste streams.

The industry understands "exempt oil field waste" and "non-exempt - non-hazardous oil field waste" and can make their own determinations of those categories of waste.

Environmental positions have been funded for district offices therefore, all requests should go to the district in order to shorten the approval time.

I respectfully request that section C4A be deleted.

I respectfully request that section C4B be deleted.

I respectfully request that section C5 be deleted.

I have submitted petitions from members and companies of the oil and gas industry about these issues. Please take them under consideration in your decision. These are the people who deal with these issues every day, and understand the effects of rule making and their responsibilities and liabilities.

Attachments

Request for definition of corporate official

Response to request

Interstate oil and gas commission waste tracking requirements

Petition to the OCC

CRI manifests

CRI

CONTROLLED RECOVERY INC.

P.O. BOX 369, HOBBS, NM 88241 (505) 393-1079

April 8, 1993

FAX TRANSMISSION
505 827-5741

Mr. Roger Anderson
State of New Mexico
Oil Conservation Division
P.O. Box 2088
Santa Fe, NM 87504-2088

Mr. Anderson:

I am in receipt of the memorandum dated April 2, 1993 regarding the required documentation for acceptance of waste. I have a question about item #1: Exempt Oilfield Waste. It states that we need the signature of a corporate official of the waste generator. I am not sure as to what constitutes a corporate official. Can you give me a definition of such?

Thanks for your time and consideration.

Sincerely,



Becky Johncox

MEMORANDUM OF MEETING OR PHONE CONVERSATION

NAME Roger Anderson
ADDRESS OCD
SUBJECT Response to "corporate official" definition

TIME	DATE
	4/8/93
PHONE	827-5812

This person is the individual/person that the Board of Directors authorizes to sign on their behalf (the person who's ~~off~~ but will be on the line). It will vary from corporation to corporation. It might be a District Manager, etc. but is usually not a truck driver.

5.10.2.3. Waste Tracking Requirements

To assure that only wastes derived from the exploration and production of oil or natural gas are disposed of at commercial or centralized facilities, a waste tracking system that documents the movement of wastes from the site of their origin to their final disposition should be implemented. The following elements should be included in the waste tracking system:

- a. **Three-Part Form Required.** A three-part form that contains the names, addresses, and phone numbers of the generator (producer), hauler, and disposal facility operator; a description of the waste; the time and date it was collected, hauled, and deposited at the disposal facility; and the volume of the waste hauled.
- b. **Maintenance of the Form.** The form should be maintained by the generator, hauler, and operator of the disposal facility for inspection by the regulatory agency. The forms should be maintained for a period of three years after the shipment date. This record retention period should be automatically extended for any person who is the subject of an unresolved enforcement action regarding the regulated activity from the date such person receives notice of the enforcement action until it is resolved.
- c. **Attest to No Illegal Dumping.** The hauler and the operator of the disposal facility should certify in writing on the three-part form that no wastes were dumped illegally or at a location or facility not designated by the generator or permitted to receive exempt E&P waste, and that no prohibited oil-field or hazardous wastes were mixed with the exempt wastes during transport.
- d. **Reporting of Discrepancies.** The operator of the disposal facility should immediately report to the regulatory agency and the generator, any discrepancy in waste descriptions, volumes, or place of origin based on personal observations or information contained in the three-part form.
- e. **Permitting of Waste Haulers.** Waste hauling companies should be permitted by the regulatory agency based on a showing of minimum knowledge about the regulatory requirements for disposition of E&P wastes transported from their point of generation to their final disposal site. The regulatory agency may issue permits to individual waste haulers or to waste hauling firms.

5.10.2.4. Applicability of Waste Tracking Criteria

These waste tracking requirements do not apply to wastes moved by pipeline. Operators who transport wastes by pipeline should periodically report waste quantities to the regulatory agency.

REQUESTING DELETION OF SECTION 4A FROM THE PROPOSED RULE 711

FRANK		ALLEN	TWO STATE TANK RENTAL
JAMES		ALLEN	TWO STATE TANK RENTAL
JIMMY		AWBREY	BASS ENT. PROD. CO.
BENNY		BALDWIN	AA OILFIELD SERVICE, INC.
LARRY		BARNETT	BANTA OILFIELD SERVICE, INC.
ROBERT	M.	BENSING	AA OILFIELD SERVICE, INC.
GLENN		BREWSTER	AA OILFIELD SERVICE, INC.
CRISSA	D.	CARTER	MACK ENERGY
STEVE		CHAMBERS	TWO STATE TANK RENTAL
JOE	C.	CHANCE	RAPID TRANSPORT, INC.
ROBERT		CHASE	MACK ENERGY
BETTY		CROSSLEY	TWO STATE TANK RENTAL
B.	E.	DAVIS	HYDRO TEST
VIRGIL	L.	DAVIS	TWO STATE TANK RENTAL
JAMES		ELMARE	BASS ENT. PROD. CO.
REBECCA		ERICSON	MACK ENERGY
GARY		FLETCHER	BASS ENT. PROD. CO.
GARY	W.	FONAY	LYNX PETROLEUM
LARRY		GANDY	GANDY CORPORATION
JAMES		HAMILTON	TWO STATE TANK RENTAL
MAX		HAWTHORNE	PRO-KEM
BOB		KEELER	READ & STEVENS
SCOTT		KIMBROUGH	NEARBURG PRODUCING CO.
RANDY		KINNIBRUGH	OK HOT OIL SERVICE, INC.
ROY		KNOWLES	KNOWLES CONTRACTORS, INC.
MATTHEW	F.	LEE	NEARBURG PRODUCING CO.
DAVE		LENARD	TWO STATE TANK RENTAL
GREG		LEWIS	LIQUID ENERGY
CARL		LITTLE	READ & STEVENS
ROB	W.	MALLOW	MALCO TRUCKING, INC.
CLARENCE		MASSEY	NEW MEXICO SALT WATER DISPOSAL
GARY		MEAD	PATE TRUCKING CO., INC.
TROY		NORMAN	TWO STATE TANK RENTAL
LYNN		NORTHCUTT	DOWELL SCHLUMBERGER
WILLIAM		PALMER	READ & STEVENS, INC.
GEORGE		PARCHMAN	I & W TRANSPORTATION
BOB		PATTERSON	McCASLAND
BARRY	A.	PETERS	AA OILFIELD SERVICE, INC.
JOCK	L.	POWER	ENERGY GROUP, INC.
LARRY	R.	SCOTT	PRONGHORN SWD SYSTEM
C.	A.	SLATER	TWO STATE TANK RENTAL
DEAN	A.	SNYDER JR.	DATS OILWELL SERVICE
MICKY		THACKER	FLINT ENGINEERING & CONSTRUCTIO
JOE		TOVAR	READ & STEVENS
NEAL		TWADDELLE	BASS ENT. PROD. CO.
MIKE		WAYGOOD	BASS ENT. PROD. CO.

V.
H.
FREEMAN

H. WESTBROOK
R. WILLIS
YOUNG

WESTBROOK OIL CORP.
NEARBURG PRODUCING CO.
AA OILFIELD SERVICE, INC.

CONTROLLED RECOVERY INC.

P.O. BOX 369 • HOBBS, NEW MEXICO 88241
(505) 393-1079

LEASE OPERATOR/COMPANY: _____

LEASE NAME: _____

TRANSPORTER COMPANY:	TIME:	AM/PM
DATE:	VEHICLE No.:	DRIVER No.:

TYPE OF MATERIAL

<input type="checkbox"/> PRODUCTION WATER	<input type="checkbox"/> DRILLING FLUIDS	<input type="checkbox"/> COMPLETION FLUIDS
<input type="checkbox"/> TANK BOTTOMS	<input type="checkbox"/> CONTAMINATED SOIL	<input type="checkbox"/> C-117 No.: _____
<input type="checkbox"/> OTHER MATERIAL:		

DESCRIPTION: _____

VOLUME OF MATERIAL BBLs. _____ : YARD _____ : _____

THIS WILL CERTIFY that the above Transporter loaded the material represented by this Transporter Statement at the above described location, and that it was tendered by the above described shipper. This will certify that no additional materials were added to this load, and that the material was delivered without incident.

DRIVER: _____
(SIGNATURE)

FACILITY REPRESENTATIVE: _____
(SIGNATURE)

No 19001

White - CRI
8-25251

Canary - CRI Accounting

Pink - CRI Accounting

Gold - Transporter

CONTROLLED RECOVERY INC.

P.O. BOX 369 • HOBBS, NEW MEXICO 88241
(505) 393-1079



LEASE OPERATOR/COMPANY: _____

LEASE NAME: _____

TRANSPORTER COMPANY:	TIME:	AM/PM
DATE:	VEHICLE No.:	DRIVER No.:

PRODUCTION WATER ONLY

VOLUME OF MATERIAL BBLs. _____

THIS WILL CERTIFY that the above Transporter loaded the material represented by this Transporter Statement at the above described location, and that it was tendered by the above described shipper. This will certify that no additional materials were added to this load, and that the material was delivered without incident.

DRIVER: _____
(SIGNATURE)

FACILITY REPRESENTATIVE: _____
(SIGNATURE)

No 24054

White - CRI
8-43

Gold - Transporter