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Oil Conservation Division
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TO: John Dean
FROM: Rand Carroll
SUBJECT: Proposed Order - Sunco Fine
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John -
If order is fine w/you, let
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Thx.
Rand

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

**APPLICATION OF THE NEW MEXICO OIL
CONSERVATION DIVISION (OCD) FOR A
SHOW CAUSE HEARING REQUIRING SUNCO
TRUCKING WATER DISPOSAL COMPANY
APPEAR AND SHOW CAUSE WHY IT SHOULD
NOT BE FINED FOR VIOLATIONS OF OCD
RULE 711, SAN JUAN COUNTY NEW MEXICO**

**CASE NO. 11604
ORDER NO. R-*******

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on November 21, 1996, at Santa Fe, New Mexico, before Examiner David H. Catanach.

NOW, on this _____ day of November, 1996, the Division Director, having considered the record and the recommendations of the Examiner, and being fully advised in the premises.

FINDS THAT:

- (1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.
- (2) Sunco Trucking Water Disposal Company ("Sunco") is the operator of the Sunco Trucking Commercial Surface Disposal Facility (the "Facility") located in the SW/4 NW/4, Section 2, Township 29 North, Range 12 West, San Juan County, New Mexico.
- (3) The Facility was permitted by Oil Conservation Commission under Division Rule 711 by Order No. R-9485-A.
- (4) On March 3, 1993, Sunco was issued a Notice of Violation (NOV) from the Division for the disposal of oil in the area authorized for disposal of shale solids only under its Rule permit, a violation of Division Rule 711 and Sunco's Rule 711 permit.
- (5) On February 2, 1996, Sunco was issued a second NOV for accepting non-exempt waste for disposal, again a violation of Rule 711 and Sunco's permit. Sunco was informed in that NOV that future violations would subject Sunco to the penalties provided in the New Mexico Oil and Gas Act (Section 70-2-31) of \$1,000 per day.

(6) On May 1, 1996, Sunco was issued a third NOV for failure to take Hydrogen Sulfide measurements for the three years preceding April 10, 1996, as required by Sunco's permit. In that NOV, the Division assessed a fine of \$5,000.

(7) On May 20, 1996, Sunco requested a hearing on the NOV and the imposition of a fine. The hearing has been continued a number of times since then by Sunco..

(8) Sunco admits that the violations occurred resulting in all three NOV's. Sunco requests that, in lieu of the \$5,000 fine, it be allowed to perform an environmental education program which Sunco estimates will cost Sunco in excess of \$5,000.

IT IS THEREFORE ORDERED THAT:

(1) Sunco violated Rule 711 and its Rule 711 permit conditions on the three occasions giving rise to the March 3, 1993; February 2, 1996; and May 1, 1996 NOV's and should be assessed a fine of \$5,000.

(2) In lieu of the \$5,000 fine, Sunco may perform a supplemental environmental program (SEP) approved by the Division which will cost Sunco in excess of \$5,000, exclusive of any financial benefit to Sunco, and will, at a minimum, consist of the following:

- a. Sponsoring or conducting a waste education program for the oil and gas industry operators identifying the types and classifications of all wastes generated in the oil and gas industry, proper disposal methods, authorized disposal locations, and waste minimization techniques.
- b. Sponsoring or conducting a waste education program in the appropriate classes within the local public school systems.

(3) If Sunco fails to obtain Division approval of its proposed SEP by December 31, 1996, or fails to perform the program by December 31, 1997, Sunco shall pay the \$5,000 by December 31, 1997.

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

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

WILLIAM J. LEMAY
Director

SEAL