

OIL CONSERVATION DIVISION
RECEIVED

'91 APR 18 AM 9 09



April 16, 1991

Oil Conservation Division
P.O. Box 2088
Santa Fe, NM 87501

To whom this may concern;

An ad appeared in the Carlsbad Current Argus classified Legal section today, specifying proposes for the Bird Creek Resources, Inc., 810 S. Cincinnati, Suite 110, Tulsa, OK 74119, permission to drill a well for the purpose of disposing produced formation water. Location will be 1157 ft FNL, 491 ft. FEL, Section 15, R-23-S, R-28-E, Eddy County.

As a concerned rancher and neighboring at the disposal site, I would like to request a hearing with the Oil Conservation Division concerning this matter.

Please mail me information as to the hearing date, and any and all information you have available concerning this matter.

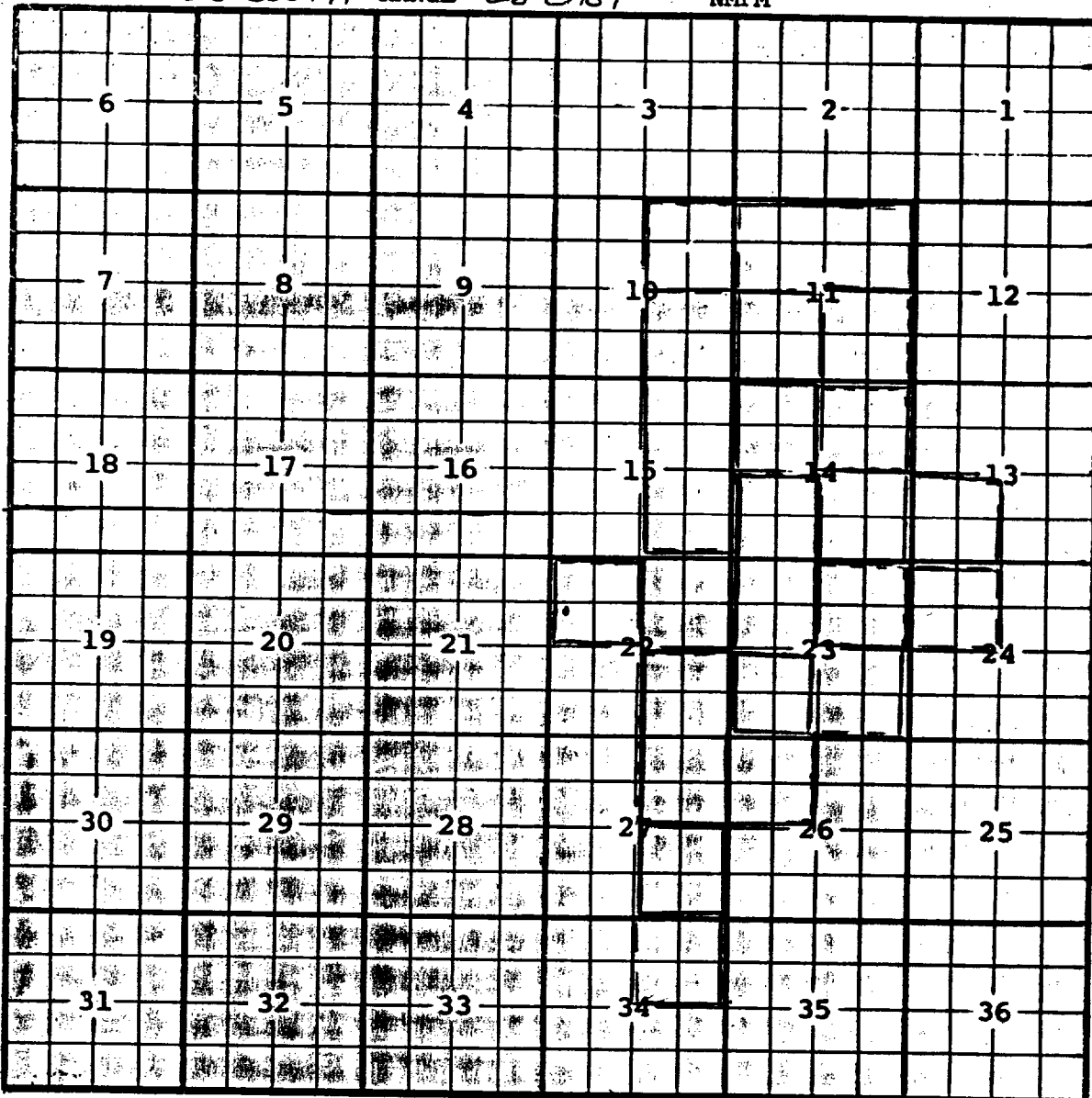
Cordially,

Mr. Charles Brown
P.O. Box 1524
Carlsbad, NM 88220
505-885-5946

CRB/jab

COUNTY EDDY

POOL EAST LOVING - DELAWARE

TOWNSHIP 23 SOUTH RANGE 28 EAST NMPM

DESCRIPTION: SW 1/4 SEC. 23 (R-8562, 12/4/87) EXT: SE 1/4 SEC. 22, NE 1/4 SEC. 27 (R-8945, 5-31-89)

EXT: SE 1/4 SEC. 27 (R-8969, 8-1-89) EXT: SW 1/4 SEC. 14, NW 1/4 SEC. 23, NW 1/4 SEC. 26

(R-9096, 1-1-90) EXT: NW 1/4 SEC. 14 (R-9171, 6-1-90)

EXT: SW 1/4 SEC. 11, NE 1/4 SEC. 14, NE 1/4 SEC. 23 (A-9241, 7-31-90)

EXT: SE 1/4 SEC. 10, N 1/2 SEC. 11, SE 1/4 SEC. 14, E 1/2 SEC. 15, SE 1/4 SEC. 23, NW 1/4 SEC. 24, NE 1/4 SEC. 34

(A-9326, 11-7-90) EXT: NE 1/4 SEC. 10, SE 1/4 SEC. 11, NE 1/4 SEC. 22 (R-9418, 2-1-91)

EXT: SW 1/4 SEC. 13, NW 1/4 SEC. 22 (R-9473, 4-1-91)

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



BRUCE KING
GOVERNOR

MEMORANDUM

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

TO: ALL OPERATORS

FROM: WILLIAM J. LEMAY, Director, Oil Conservation Division *WJL*

SUBJECT: RECENT FEDERAL ENVIRONMENTAL ACTION REGARDING
EXPLORATION AND PRODUCTION WASTES

DATE: APRIL 25, 1991

This memo summarizes and provides information on three recent federal actions involving oil and gas exploration and production wastes.

1. On February 25, 1991, EPA Region 6, Dallas, issued final Clean Water Act NPDES General Permits for oil and gas facilities in the Onshore Subcategory of the Oil and Gas Extraction Point Source Category for the States of Louisiana, New Mexico, Oklahoma and Texas. These permits prohibit all discharges of pollutants to waters of the U.S. from these facilities consistent with the requirements codified at 40 CFR Part 435, Subpart C. The permits became effective on March 27, 1991. Under the New Mexico permit (NMG 320000), discharges to "waters of the United States" (e.g. watercourses, rivers, streams, lakes, and playas, etc.) are prohibited, and operators are directed to operate in accordance with OCD Rules and Regulations. The permit does not require the operator to make application or contact EPA unless a discharge actually occurs. In the event of bypass or upset discharge, 24-hour reporting to EPA is required. (Note: Discharges specifically authorized by EPA-issued NPDES permits under the Agriculture and Wildlife Water Use, or Stripper Subcategories are not affected by this rule).
2. In a legal opinion issued by letter from EPA Region 6 on March 26, 1991, Laguna Gatuna (a natural playa salt lake in western Lea County) is now considered to be a "water of the United States" for purposes of regulation under the Federal Clean Water Act, and discharges of oil and gas wastes to the playa are prohibited without a federal NPDES permit. The opinion was requested by the NM Environment Department as a result of information provided by the US Fish and Wildlife Service. In the opinion, EPA states that under EPA's current definition of "waters of the U.S.", "even potential use by migratory birds is sufficient to show a specific surface water is subject to federal jurisdiction under the Clean Water Act." As a result of this action and the effect of the new NPDES General Permit discussed above, facilities discharging oilfield wastes to

MEMORANDUM

April 25, 1991

Page -2-

playas may not be in compliance with the federal Clean Water Act even though they have OCD-approved state permits. All operators discharging to such playas should review these developments with legal counsel familiar with federal environmental law and be prepared to modify discharge methods if necessary. This action does not change the status of OCD-approved permits; these permits remain in effect. Any modification to operations would be as a result of the requirements of federal law.

3. On April 2, 1991, EPA Washington, by letter, issued a preliminary determination that wastes generated by crude oil and tank bottom reclamation facilities are exempt from Subtitle C (Hazardous Waste) provisions of RCRA. This opinion was requested by several operators in southeast New Mexico and west Texas as a result of EPA's action, effective last fall, listing certain production-related wastes containing naturally occurring benzene as hazardous wastes. The April 2nd determination will be made final when published in the Federal Register, likely within the next 60 days. In the meantime, OCD believes the EPA letter serves as notification to treating plants and other reclamation facilities that they can again receive and treat these wastes under current OCD-approved permits. However, facilities can receive only production wastes for treatment (i.e. no used motor oils, or refined product tank bottoms) and no RCRA-regulated solvents may be used to treat production wastes (e.g. no chlorinated solvents or solvent mixtures containing xylenes, toluene and other mixtures as listed in 40 CFR Part 261.31).

Copies of all EPA documents mentioned in this memorandum are available at OCD district offices or through the Environmental Bureau in Santa Fe.

WJM/DGB/sl

P 756 169 790



Certified Mail Receipt

No Insurance Coverage Provided
Do not use for International Mail
(See Reverse)

Sent to	
OXY USA	
Street & No.	
P.O. Box 50250	
P.O., State & ZIP Code	
Midland TX 79710	
Postage	\$ 0.75
Certified Fee	1.00
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	1.00
Return Receipt Showing to Whom, Date, & Address of Delivery	
TOTAL Postage & Fees	\$ 2.75
Postmark or Date	4-13-91

PS Form 3800, June 1990

P 756 169 793



Certified Mail Receipt

No Insurance Coverage Provided
Do not use for International Mail
(See Reverse)

Sent to	
Oryx Energy	
Street & No.	
P.O. Box 2880	
P.O., State & ZIP Code	
Dallas TX 75221	
Postage	\$ 0.75
Certified Fee	1.00
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	1.00
Return Receipt Showing to Whom, Date, & Address of Delivery	
TOTAL Postage & Fees	\$ 2.75
Postmark or Date	4-13-91

PS Form 3800, June 1990

P 756 169 794



Certified Mail Receipt

No Insurance Coverage Provided
Do not use for International Mail
(See Reverse)

Sent to	
Pogo Producing Co.	
Street & No.	
P.O. Box 10340	
P.O., State & ZIP Code	
Midland, TX 79702	
Postage	\$ 0.75
Certified Fee	1.00
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	1.00
Return Receipt Showing to Whom, Date, & Address of Delivery	
TOTAL Postage & Fees	\$ 2.75
Postmark or Date	4-13-91

PS Form 3800, June 1990

P 756 169 795



Certified Mail Receipt

No Insurance Coverage Provided
Do not use for International Mail
(See Reverse)

Sent to	
RB Operating Co.	
Street & No.	
6120 S. Yale, Suite 1700	
P.O., State & ZIP Code	
Tulsa	
Postage	\$ 0.75
Certified Fee	1.00
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	1.00
Return Receipt Showing to Whom, Date, & Address of Delivery	
TOTAL Postage & Fees	\$ 2.75
Postmark or Date	4-13-91

PS Form 3800, June 1990

P 756 169 789

**Certified Mail Receipt**

No Insurance Coverage Provided
Do not use for International Mail
(See Reverse)

Sent to	
Bennett, R.C.	
Street & No.	
P.O. Box 264, 106 N. Marientfeld	
P.O., State & ZIP Code	
Midland 79702	
Postage	\$ 0.75
Certified Fee	1.00
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	1.00
Return Receipt Showing to Whom, Date, & Address of Delivery	
TOTAL Postage & Fees	\$ 2.75
Postmark or Date 4-13-91	

PS Form 3800, June 1990

P 756 169 911

**Certified Mail Receipt**

No Insurance Coverage Provided
Do not use for International Mail
(See Reverse)

Sent to	
BTA	
Street & No.	
104 S. Pecus	
P.O., State & ZIP Code	
Midland 79701	
Postage	\$ 75
Certified Fee	1.00
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	1.00
Return Receipt Showing to Whom, Date, & Address of Delivery	
TOTAL Postage & Fees	\$ 2.75
Postmark or Date 4-13-91	

PS Form 3800, June 1990

P 756 169 791

**Certified Mail Receipt**

No Insurance Coverage Provided
Do not use for International Mail
(See Reverse)

Sent to	
Graham Royalty	
Street & No.	
5429 LBJ Fwy, Su. 550	
P.O., State & ZIP Code	
Dallas TX 75240	
Postage	\$ 0.75
Certified Fee	1.00
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Address of Delivery	1.00
TOTAL Postage & Fees	\$ 2.75
Postmark or Date 4-13-91	

PS Form 3800, June 1990

P 756 169 792

**Certified Mail Receipt**

No Insurance Coverage Provided
Do not use for International Mail
(See Reverse)

Sent to	
Harken Exploration	
Street & No.	
P.O. Box 10626	
P.O., State & ZIP Code	
Midland, TX 79702	
Postage	\$ 0.75
Certified Fee	1.00
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	1.00
Return Receipt Showing to Whom, Date, & Address of Delivery	
TOTAL Postage & Fees	\$ 2.75
Postmark or Date 4-13-91	

PS Form 3800, June 1990

OIL CONSERVATION DIVISION
RECEIVED

'91 MAY 13 AM 9 17

April 16, 1991

Oil Conservation Division
PO Box 2088
Santa Fe., NM 87501

Case 10307

To whom this may concern;

An ad appeared in the Carlsbad Current Argus classified Legal section today, specifying proposes for the Bird Creek Resources, Inc., 810 S. Cincinnati, Suite 110, Tulsa, OK 74119, permission to drill a well for the purpose of disposing produced formation water. Location will be 1157 ft FNL, 491 ft FEL, Section 15, ~~T5~~-23-S, R-28-E, Eddy County.

As A concerned land owner and neighboring at the disposal site, I would like to request a hearing with the Oil Conservation Division concerning this matter.

Please mail me information as to the hearing date, and any and all information you have available concerning this matter.

Cordially,

Billy & Pauline McDaniel -
215. Donaldson Fin Rd
Lovington N Mex 88256
PHONE 745-2116

jab

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

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 10307

APPLICATION OF
BIRD CREEK RESOURCES, INC. FOR SALT
WATER DISPOSAL, EDDY COUNTY, NEW MEXICO.

RECEIVED

MAY 14 1991

OIL CONSERVATION DIVISION

PRE-HEARING STATEMENT

This prehearing statement is submitted by Campbell & Black, P.A., as required by the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT

Bird Creek Resources, Inc. _____
c/o Brad Burks _____
810 South Cincinnati, Suite 110 _____
Tulsa, Oklahoma 74119 _____

(918) 582-3855 _____
name, address, phone and
contact person

ATTORNEY

William F. Carr, Esq. _____
Campbell & Black, P.A. _____
Post Office Box 2208 _____
Santa Fe, New Mexico 87504 _____

(505) 988-4421 _____

OPPOSITION OR OTHER PARTY

name, address, phone and
contact person

ATTORNEY

STATEMENT OF CASE

APPLICANT

(Please make a concise statement of what is being sought with this application and the reasons therefore.)

Bird Creek Resources, Inc. applicant in the above-captioned case, seeks authority to dispose of produced salt water into the East Loving-Delaware Pool in the perforated interval from approximately 4000 feet to 4450 feet in a well to be drilled 1157 feet from the North line and 491 feet from the East line (Unit A) of Section 5, Township 23 South, Range 28 East.

OPPOSITION OR OTHER PARTY

(Please make a concise statement of the basis for opposing this application or otherwise state the position of the party filing this statement.)

PROPOSED EVIDENCE

APPLICANT

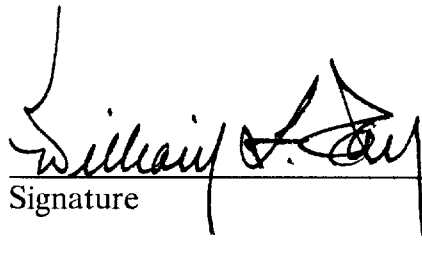
WITNESSES (Name and expertise)	EST. TIME	EXHIBITS
Brad Burks, Petroleum Engineer or another representative of Bird Creek Resources	15 Min.	Approximately 2

OPPOSITION

WITNESSES (Name and expertise)	EST. TIME	EXHIBITS
-----------------------------------	-----------	----------

PROCEDURAL MATTERS

(Please identify any procedural matters which need to be resolved prior to hearing)



Signature



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

BRUCE KING
GOVERNOR

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

May 22, 1991

CAMBELL & BLACK
Attorneys at Law
P. O. Box 2208
Santa Fe, New Mexico 87504

RE: CASE NO. 10307
ORDER NO. R-9509

Dear Sir:

Enclosed herewith are two copies of the above-referenced Division order recently entered in the subject case.

Sincerely,

Florene Davidson

Florene Davidson
OC Staff Specialist

FD/sl

cc: BLM Carlsbad Office



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

June 23, 1997

Bird Creek Resources Inc.
1412 S. Boston #500
Tulsa, Oklahoma 74119

Attention: Mr. H. Ric Hedges

Re: East Loving SWD Well No.1
Unit A, Section 15, T-23S, R-28E,
Eddy County, New Mexico

Dear Mr: Hedges

In an effort to update our records concerning the East Loving SWD Well No. 1, the Division is requesting that you supply the following described information:

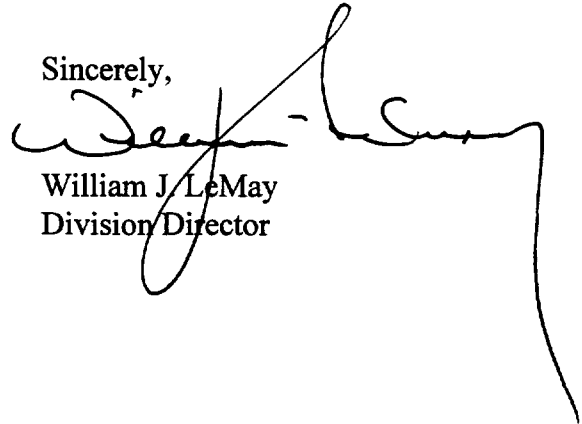
A description and analysis of the fluid being injected into the commercially operated East Loving SWD Well No. 1. This includes an analysis of each and every water source and a description of its point of origin (i.e. San Andres produced water from the Grayburg-Jackson Pool). In addition, this includes water delivered to the well by pipeline and truck.

Division and Federal UIC Rules and Regulations require that all operators of disposal wells provide source water analysis at reasonable frequency. Our information indicates that the East Loving SWD Well No. 1 was permitted by Bird Creek Resources Inc. in May, 1991, and that our files have not been updated since that time.

Please provide the information requested within 60-days from the date of this letter. If you need additional time, or you wish to discuss the matter further, please contact Mr. David Catanach at (505) 827-8184.

Failure to comply may result in the imposition of fines and/or the termination of injection authority.

Sincerely,

A handwritten signature in black ink, appearing to read "William J. LeMay", with a long, sweeping vertical line extending downwards from the end of the signature.

William J. LeMay
Division Director

xc: Case File-10307 /
OCD-Artesia
UIC Enforcement File