

NM1 - 9

ENFORCEMENT

DATE:

~~1/17/1997~~

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. 11604
ORDER NO. R-10738

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

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on January 9, 1997, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 17th day of January, 1997, 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 the 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:

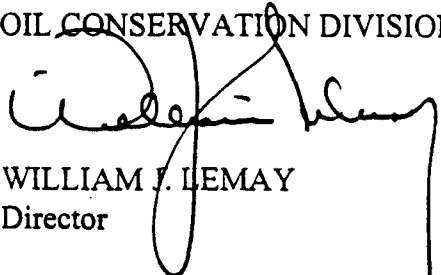
- a. Sponsoring or conducting a waste education program for the oil and gas industry operators identifying the types and classifications of all wastes generated in the oil and gas industry, proper disposal methods, authorized disposal locations, and waste minimization techniques.
- b. Sponsoring or conducting 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 January 31, 1997, Sunco shall pay the \$5,000 fine by February 28, 1997, or if Sunco fails to perform the program by December 31, 1997, Sunco shall pay the \$5,000 fine 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 F. LEMAY
Director

SEAL

NM1 - 9

ENFORCEMENT

DATE:

5/01/1996

2/02/1996



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

2040 S. PACHECO
SANTA FE, NEW MEXICO 87505
(505) 827-7131

May 1, 1996

CERTIFIED MAIL

RETURN RECEIPT NO. P-594-835-144

Mr. Chuck Badsgard, V.P.
Sunco Trucking Water Disposal Company
P.O. Box 443
Farmington, New Mexico 87499

RE: NOTICE OF VIOLATION AND CIVIL PENALTY
Sunco Water Disposal Facility

Dear Mr. Badsgard:

On March 3, 1993, Sunco Trucking Water Disposal Company (Sunco) was issued a Notice of Violation (NOV) from the Oil Conservation Division (OCD) for disposal of oil in the area authorized for disposal of shale solids only, a violation of OCD Rule 711 and Sunco's permit conditions.

On February 2, 1996, Sunco was issued a second NOV from the OCD for accepting non-exempt waste for disposal, a violation of OCD Rule 711 and Sunco's permit conditions. Sunco was informed in the NOV that future violations will subject Sunco to the penalties provided in the New Mexico Oil and Gas Act (Section 70-2-31 NMSA 1978 as amended).

On April 10, 1996, the OCD audited the monitoring records submitted by Sunco. Absent from the records were Hydrogen Sulfide (H_2S) measurements taken around the berm of the disposal pond as required by the permit. The OCD was informed by Sunco that these measurements were not taken during the past three years as required by the permit.

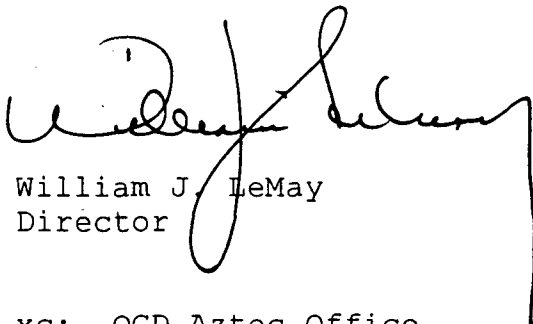
H_2S is a toxic material that can result in a serious public health threat. Monitoring for H_2S is required at waste management facilities for early detection and treatment for source elimination for the protection of public health.

Mr. Chuck Badsgard
May 1, 1996
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Section 70-2-31 of the Oil and Gas Act provides for penalties of not more than one thousand dollars (\$1,000) for each violation of the N.M. Oil and Gas Act or any provision of any rule or order issued pursuant to that Act. Each day of violation constitutes a separate violation. Sunco has violated the conditions of its rule 711 permit for the past three (3) years (1095 days). For this continuing violation, the (OCD) is hereby assessing a civil penalty of five thousand dollars (\$5,000) against Sunco Trucking Water Disposal. Payment shall be made to the "State of New Mexico" by certified check, bank draft, or other guaranteed negotiable instrument, and mailed or hand delivered to Mr. Rand Carroll, Legal Counsel, New Mexico Oil Conservation Division, 2040 South Pacheco, Santa Fe, New Mexico 87505.

Sunco has a right to request a hearing before the Division. A request for hearing should be filed with the Division within thirty (30) days after receipt of this notice.

Sincerely,



William J. LeMay
Director

xc: OCD Aztec Office



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

2040 S. PACHECO
SANTA FE, NEW MEXICO 87505
(505) 827-7131

February 2, 1996

CERTIFIED MAIL
RETURN RECEIPT NO. Z-765-962-613

Mr. Chuck Badsgard, V.P.
Sunco Trucking Water Disposal Company
P.O. Box 443
Farmington, New Mexico 87499

RE: NOTICE OF VIOLATION
Sunco Water Disposal Facility

Dear Mr. Badsgard:

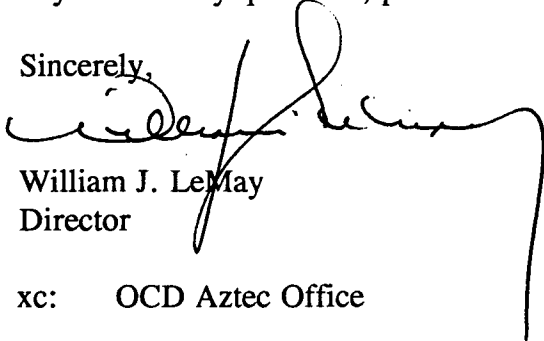
On January 24, 1996, Giant Refining Company - Bloomfield (Giant) informed the OCD that due to injection problems, non-exempt wastes generated from flowback of the Giant Class I non-hazardous industrial waste disposal well were transported offsite by Sunco Trucking Company (Sunco) to Sunco's waste management facility located in Section 2, Township 29 North, Range 12 West, NMPM, San Juan County, New Mexico.

On January 25, 1996, the OCD requested information from Sunco regarding the transportation and disposal of the non-exempt waste. Sunco responded on January 29, 1996 with the requested information. Sunco's response did not contain the OCD Form C-138 required by OCD Rule 711 before a commercial disposal facility receives non-exempt wastes.

Wastes generated in the crude oil refining process are not classified as exempt from Resource Conservation and Recovery Act Subtitle III regulations. Sunco's acceptance of non-exempt waste without submission of the required OCD Form C-138 and prior OCD approval is a violation of OCD Rule 711. Future violation(s) will subject Sunco to the penalties provided in Section 70-2-31 NMSA 1978 of the New Mexico Oil and Gas Act and Sunco may be assessed civil penalties up to \$1000 per day.

If you have any questions, please call Chris Eustice at (505) 827-7153.

Sincerely,


William J. LeMay
Director

xc: OCD Aztec Office