

NM1 - 12

**PERMITS,
RENEWALS, &
MODS**



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

March 17, 2005

Mr. Eddie W. Seay
C & C Landfarm, Inc.
Box 55
Monument, NM 88265

**Re: C & C Landfarm's Request for a Temporary Emergency Order
Allowing a Landfarm to Accept Salt-Contaminated Oilfield Waste
NMOCD Permit No. NM-1-012**

The New Mexico Oil Conservation Division (NMOCD) received the request captioned above on March 17, 2005.

Based upon NMOCD's review of your request and an analysis of conditions at the site of the landfarm, we find that we must deny your request. The NMOCD does not feel that you have adequately shown that acceptance of salt-contaminated oilfield waste at your facility would not pose a threat to groundwater, public health and the environment.

The NMOCD has received your request to modify your permit to accept salt-contaminated oilfield waste and we will process this request. You will be notified when the matter is scheduled for hearing.

NEW MEXICO OIL CONSERVATION DIVISION

Mark E. Fesmire, P.E.
Director

cc: NMOCD, Hobbs

RECEIVED

MAR 17 1985

Request for a temporary emergency order allowing a landfarm to accept salt-contaminated oilfield waste.

OIL CONSERVATION
DIVISION

Name of Facility C + C Landfarm Inc. R-9769

Address Box 55

City, State, Zip Monument N.M. 88265

Location of landfarm

Qtr/Qtr, Section, Township, Range SW $\frac{1}{4}$ of the NE $\frac{1}{4}$ Sect 3 Twp 20s Rng 37 E

Depth to groundwater at landfarm NO groundwater

Fresh water wells within 1,000 feet? ☐ Yes ☒ No

Watercourses (wet or dry) within 1,000 feet? ☐ Yes ☒ No

Conditions at the landfarm site which would make it acceptable for the disposal of salt-contaminated oilfield waste. Such conditions could include an impermeable barrier such as clay (red bed) between the landfarm and the groundwater, lack of groundwater at the site, etc.

Redbed occurs within ten (10) ft. of surface; The Redbed is from 800 to 1000 ft thick; No fresh water above or below redbed.

Why do you consider this an emergency? Amerada, Pure Resources and Gruy have been calling trying to close drilling pits in a area where ground water is very shallow.

Check one: ☒ I have already submitted an application to accept salt-contaminated waste

☐ I will submit an application for modification in the next two weeks

Signed by:

Printed Name Eddie W Seay

Signature Eddie W Seay

Title Agent

Date 3/14/85

seay 04 @ leaco - net



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

7001 1940 0004 7923 4948

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

March 4, 2005

C & C Landfarm, Inc.
P.O. Box 55
Monument, NM 88265

Permit Number: NM-1-0012

Re: Administrative Modification of Landfarm Permits

The Oil Conservation Division (OCD) issued the landfarm permit identified above under OCD Rule 711. As explained in the public notice given prior to the issuance of the permit, the permit was for landfarming to remediate hydrocarbon-contaminated soils. The language of the permit, however, is broader, allowing the facility to accept oilfield contaminated solids which are either exempt from the Federal RCRA Subtitle C (hazardous waste) regulations or are "nonhazardous" by characteristic testing. If this language were interpreted to allow the landfarm to accept oilfield waste contaminated with salts, the salts could compromise the biodegradation capacity of the landfarm. And because salts leach more easily than hydrocarbons, the landfarm may pose a greater threat to groundwater.

According to the terms of the permit identified above, the OCD may change the permit conditions administratively for good cause shown as necessary to protect fresh water, human health and the environment. The OCD has determined that it is necessary to protect fresh water, human health and the environment to modify the permit as follows:

Effective immediately, the NMOCD permitted landfarm identified above is prohibited from accepting oilfield waste contaminated with salts.

If the landfarm identified above wishes to accept oilfield waste contaminated with salts, you will need to file an application to modify the permit pursuant to OCD Rule 711.B(1) and follow the notice requirements of OCD Rule 711.B(2). If you have already filed a complete application for permit modification with this office and complied with the notice requirements, the OCD will process the application promptly.

Landfarms that wish to accept oilfield wastes contaminated with salts while their application for permit modification is pending may apply to the Division Director for an emergency order under OCD Rule 1202. Applications for emergency orders will be considered on a case-by-case basis.

This notice is being sent to all entities operating landfarm facilities in New Mexico permitted pursuant to OCD Rule 711, as shown on the attached list.

If you have any questions, please contact Ed Martin at (505) 476-3492 or emartin@state.nm.us.

Very truly yours,

Mark E. Fesmire, P.E.



RECEIVED

AUG 18 2004

PATRICK H. LYONS
COMMISSIONER

State of New Mexico
Commissioner of Public Lands

310 OLD SANTA FE TRAIL
P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148

CONSERVATION
DIVISION

COMMISSIONER'S OFFICE

Phone (505) 827-5760

Fax (505) 827-5766

www.nmstatelands.org

August 17, 2004

Roger C. Anderson
Environmental Bureau Chief, Oil Conservation Division
New Mexico Energy, Minerals and Natural Resources Department
1220 South St. Francis Drive
Santa Fe, NM 87505

Dear Mr. Anderson,

In response to a notice the New Mexico State Land Office received on July 22, 2004 (See attachment) regarding an application by C & C Landfarm, Inc. to modify an existing permit, the State Land Office would like to submit its concern over this request. The notice stated comments or request should be sent to OCD and received within thirty days.

The request for disposal is not consistent with the C&C Landfarm, Inc. permit and may be in violation of Water Quality Control Commission Regulations. The State Land Office's main concerns relate to the statement received stating there is no groundwater at the site, Section 3, Township 20 South, Range 37 East in Lea County, New Mexico. Based on data available from the Office of the State Engineer, there is documentation that ground water depths in this area are shallow and recorded as high as 14.87 feet below ground level. Surface water has also been documented in the Caliche Pit area year round. Other concerns apply to land we manage, located in the SE4 of Section 3, T20S, R37 E, that is important wildlife habitat. Once a gravel pit, this area was cleaned up utilizing Land Maintenance Funds by our office. It has surface water and is actively used by wildlife in the area. Contamination of this site would greatly impact this habitat and the wildlife that use it.

The State Land Office requests NMOCD deny this application or in the alternative hold a public hearing. I appreciate the time to comment on our office's concerns about C & C Landfarm Inc.'s application to modify their existing permit. If you have questions please feel free to contact Dana Vackar Strang, Environmental Specialist, with our office at 505-827-5096.

Sincerely,

JERRY KING

ASSISTANT COMMISSIONER, SURFACE RESOURCES

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-137
Revised June 10, 2003
Submit Original Plus 1
Copy to Santa Fe
1 Copy 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: C & C Landfarm

Address: Box 55 Monument, NM 88265

Contact Person: Jimmie T. Cooper Phone: (505)397-2045

3. Location: SW /4 NE /4 Section 3 Township 29 S. Range 37 E. Unit G
Submit large scale topographic 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: Eddie W. Seay

Title: Agent

Signature: Eddie W. Seay

Date: 7-20-04

E-mail Address: seay04@leaco.net

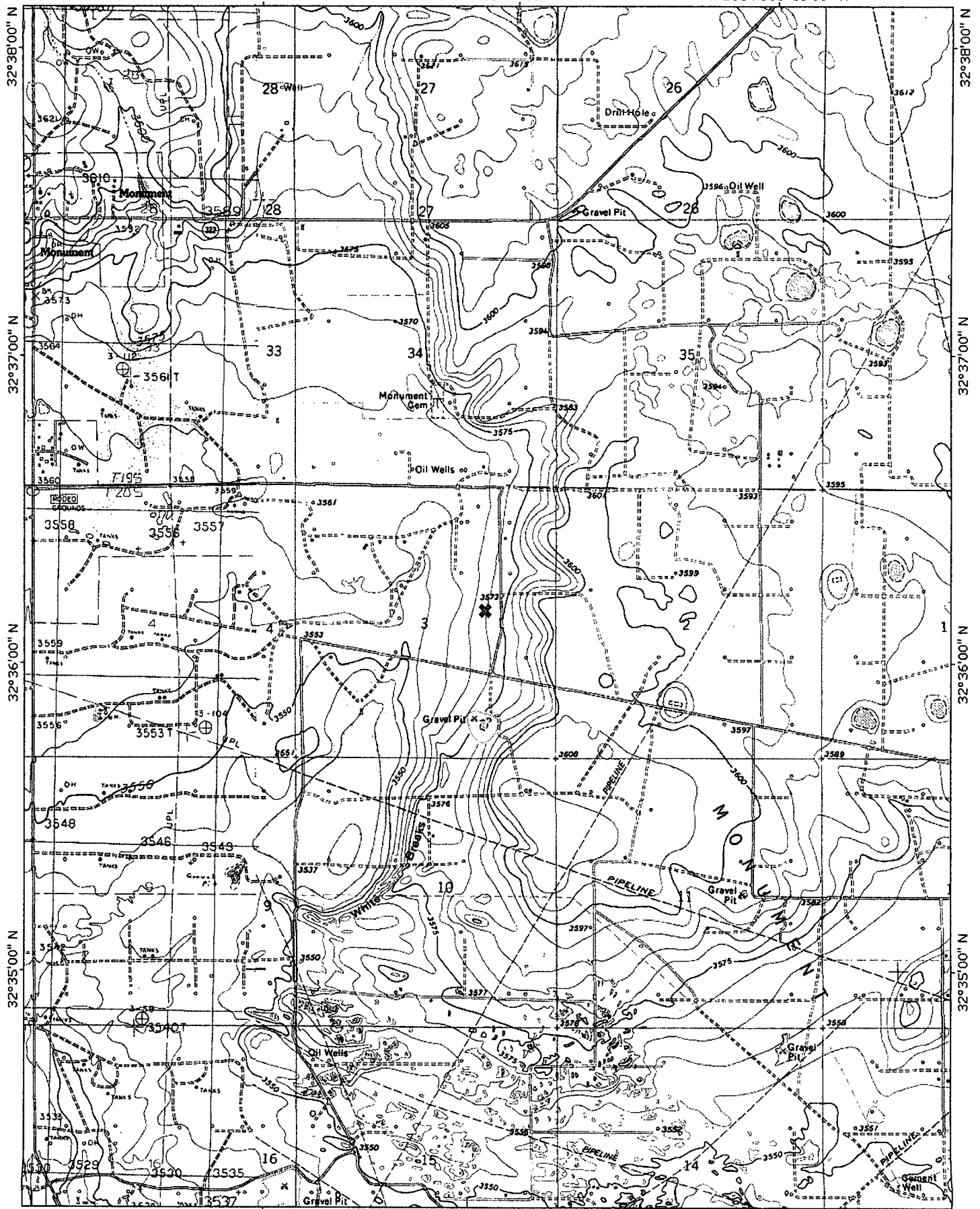
PROPOSED MODIFICATION

C & C is currently permitted under R-9769 by the OCD as a commercial landfarm facility. This 40 acre tract of land was permitted in 1992 and has been in compliance since operations began. We are seeking approval to accept non-hazardous exempt material such as drilling mud, drilling cuttings and salt contaminated soil at the facility. Under the new pit rule that the OCD just recently passed, there is a need for such a facility.

It is our intent to deposit this material into the redbed clay at the site and then cap it with clay, thus encapsulating the material. We presently have a five acre area within the permitted facility that can be used. (see photos) Also find enclosed analytical for the red clay.

We presently have a bond in place and all contingencies for operations.

1301	1302	1303	1304	1305	1306	1307	1308	1309	1310	1311	1312	1313	1314	1315	1316	1317	1318	1319	1320	1321	1322	1323	1324	1325	1326	1327	1328	1329	1330	1331	1332	1333	1334	1335	1336	1337	1338	1339	1340	1341	1342	1343	1344	1345	1346	1347	1348	1349	1350	1351	1352	1353	1354	1355	1356	1357	1358	1359	1360	1361	1362	1363	1364	1365	1366	1367	1368	1369	1370	1371	1372	1373	1374	1375	1376	1377	1378	1379	1380	1381	1382	1383	1384	1385	1386	1387	1388	1389	1390	1391	1392	1393	1394	1395	1396	1397	1398	1399	1400	1401	1402	1403	1404	1405	1406	1407	1408	1409	1410	1411	1412	1413	1414	1415	1416	1417	1418	1419	1420	1421	1422	1423	1424	1425	1426	1427	1428	1429	1430	1431	1432	1433	1434	1435	1436	1437	1438	1439	1440	1441	1442	1443	1444	1445	1446	1447	1448	1449	1450	1451	1452	1453	1454	1455	1456	1457	1458	1459	1460	1461	1462	1463	1464	1465	1466	1467	1468	1469	1470	1471	1472	1473	1474	1475	1476	1477	1478	1479	1480	1481	1482	1483	1484	1485	1486	1487	1488	1489	1490	1491	1492	1493	1494	1495	1496	1497	1498	1499	1500
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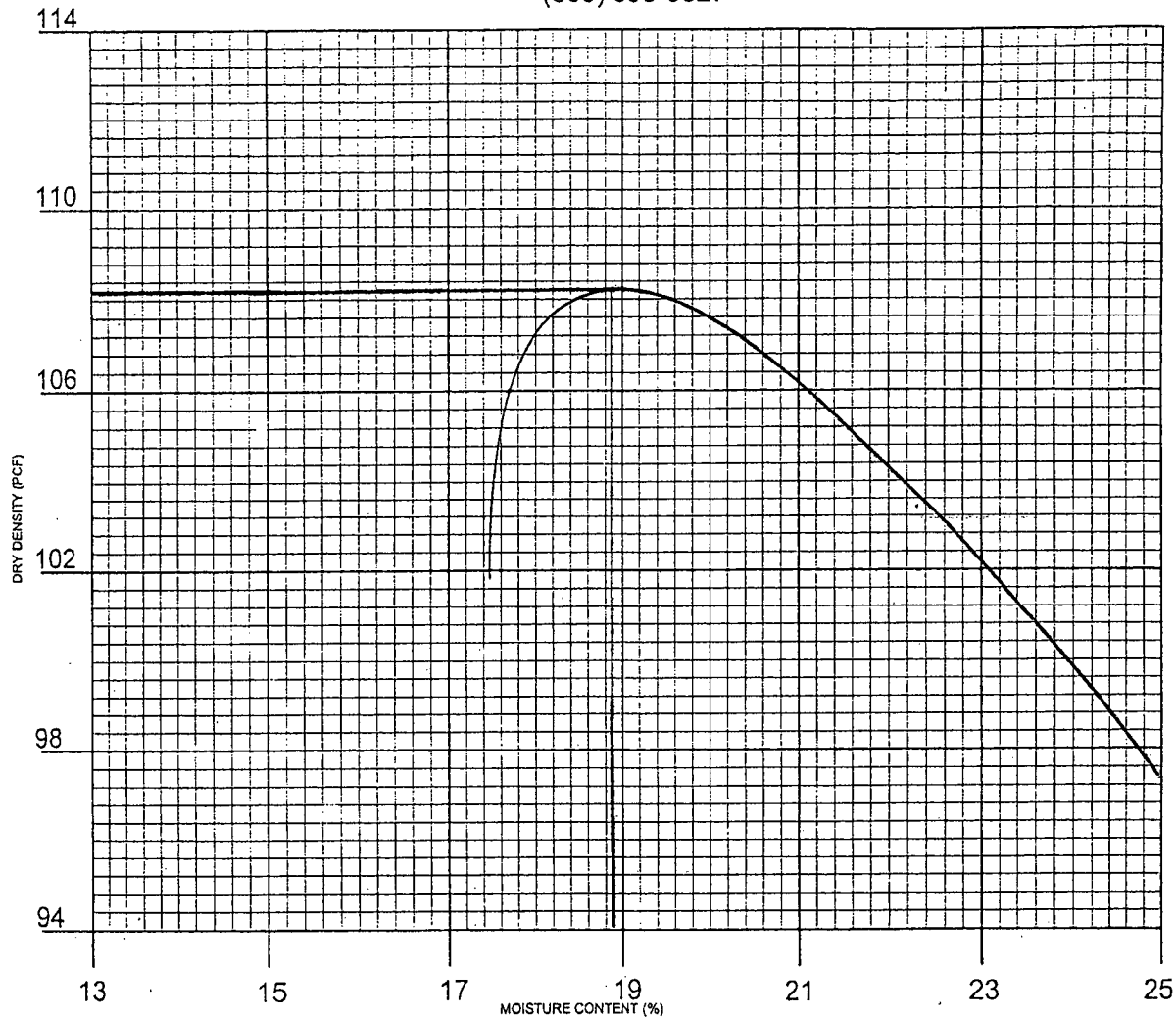
0 1000 FEET 0 500 1000 METERS

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PETTIGREW & ASSOCIATES, P.A.

1110 N. GRIMES ST.
HOBBS, NM 88240
(505) 393-9827



CLIENT: Eddie Seay Consulting PROJECT: C & G Landfarm

SAMPLE LOCATION: Unit G - Section 3 - Township 20 - Range 37 East - Lea County

SOIL DESCRIPTION: Red Clay

SOIL CLASSIFICATION: _____ TEST METHOD: ASTM: D 698

ATTERBERG: LL _____ PI _____ Delivered 5/5/04

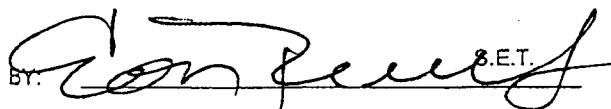
DATE: 5/7/04 LAB NO. 04 6831-6833

DRY WEIGHT LB/CU. FT. 108.2 MOISTURE CONTENT % 18.9

SIEVE ANALYSIS - % PASSING						Permeability: 1.14E -08 102.1% Compaction - 19.1% Moisture
#4	#10	#40	#80	#200		

PETTIGREW & ASSOCIATES

COPIES: Eddie Seay

BY:  S.E.T.

OFFSET LANDOWNERS

S & W Cattle Co.
Box 1800
Hobbs, NM 88240

Robert D., et ux Linda Cameron
Box 2
Monument, NM 88265

Coy R. Doyal & David Doyal
Box 1121
Hobbs, NM 88241

Joe R. Williams
11405 Central NW
Albuquerque, NM 87121

WHV D.L. Laughlin est.
Elsie Reeves, Laughlin et al
Box 90706
White Mt. Lake, AZ 85912

Jimmie B. Cooper
Box 36
Monument, NM 88265

Lea County Commission
ATTN: Darrell Stephenson
100 N. Main, Suite 4
Lovington, NM 88260

NM State Land Office
310 Old Santa Fe Trail
Box 1148
Santa Fe, NM 87504-1148

Jimmie T. Cooper et ux Betty B. Trust
Box 55
Monument, NM 88265

NOTICE

July 20, 2004

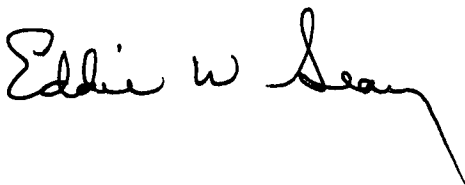
RE: C & C Landfarm Inc. R-9769
Application to Modify Permit

Dear Sir:

Pursuant to the rules and regulations of the Oil Conservation Division, C & C is filing an application to modify its existing permit. The existing permit is for SW 1/4 of the NE 1/4 Unit G, Section 3, Township 20 S., Range 37 E., Lea Co., NM. C & C is applying to accept non-hazardous exempt waste such as drill cuttings, drilling mud, and salt contaminated soils. The material will be deposited on the redbed clay and capped with clay, encapsulating the material. There is no groundwater at the site, and will make a safe place for storage.

Any comments or questions about the modification can be directed to Eddie W. Seay, (505)392-2236. Any person seeking comment or request for hearing should file written notice to the OCD within thirty (30) days at NMOCD, Box 6429, 1220 S. Saint Francis Drive, Santa Fe, NM, 87504 or call (505)476-3440.

Thank you,

A handwritten signature in cursive script that reads "Eddie W. Seay". The signature is written in dark ink and has a long, sweeping tail that extends downwards and to the right.

Eddie W. Seay, Agent
601 W. Illinois
Hobbs, NM 88242
(505)392-2236

7003 1010 0002 2628 2020

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Restricted Delivery Fee (Endorsement Required)		07/20/04
Total Postage & Fees	\$ 4.42	

Sent To **Coy R. Doyal & David Doyal**
 Street, Apt. No., or PO Box No. **Box 1121**
 City, State, ZIP+4 **Hobbs NM 88241**
 PS Form 3800, June 2002 See Reverse for Instructions

9312 9292 2000 0101 E002

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Total Postage & Fees	\$ 4.42	

Sent To **Joe R. Williams**
 Street, Apt. No., or PO Box No. **1405 Central NW**
 City, State, ZIP+4 **Albuquerque NM 87121**
 PS Form 3800, June 2002 See Reverse for Instructions

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Sent To **Jimmie T. Coopen et ux Betty B. trust**
 Street, Apt. No., or PO Box No. **Box 95**
 City, State, ZIP+4 **Monument NM 88265**
 PS Form 3800, June 2002 See Reverse for Instructions

9312 9292 2000 0101 E002

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Sent To **S & W. Cattle Co.**
 Street, Apt. No., or PO Box No. **Box 1800**
 City, State, ZIP+4 **Hobbs NM 88240**
 PS Form 3800, June 2002 See Reverse for Instructions

7001 1940 0003 1307 9940

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Sent To **WHV D.L. Laughlin est.**
 Street, Apt. No., or PO Box No. **Box 90706**
 City, State, ZIP+4 **White Mt. Lake, AZ 85912**
 PS Form 3800, January 2001 See Reverse for Instructions

5012 9292 2002 0101 E002

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Restricted Delivery Fee (Endorsement Required)		07/20/04
Total Postage & Fees	\$ 4.42	

Sent To **Robert D., et ux Linda Cameron**
 Street, Apt. No., or PO Box No. **Box 2**
 City, State, ZIP+4 **Monument NM 88265**
 PS Form 3800, June 2002 See Reverse for Instructions

7001 1940 0003 1307 9919

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Restricted Delivery Fee (Endorsement Required)		
Total Postage & Fees	\$	4.42

UNIT ID: 0640

Postmark
Here

Clerk: KHGCCBP

07/20/04

Sent To **Jimmie B. Cooper**
Street, Apt. No.,
or PO Box **Box 36**
City, State, ZIP+4 **Monument, NM 88265**
PS Form 3800, January 2001 See Reverse for Instructions

7001 1940 0003 1307 9926

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Restricted Delivery Fee (Endorsement Required)		
Total Postage & Fees	\$	4.42

UNIT ID: 0640

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Clerk: KHGCCBP

07/20/04

Sent To **NM State Land Office**
310 Old Santa Fe Trail
Street, Apt. No.,
or PO Box **Box 1148**
City, State, ZIP+4 **Santa Fe, NM 87504-1148**
PS Form 3800, January 2001 See Reverse for Instructions

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Total Postage & Fees	\$	4.42

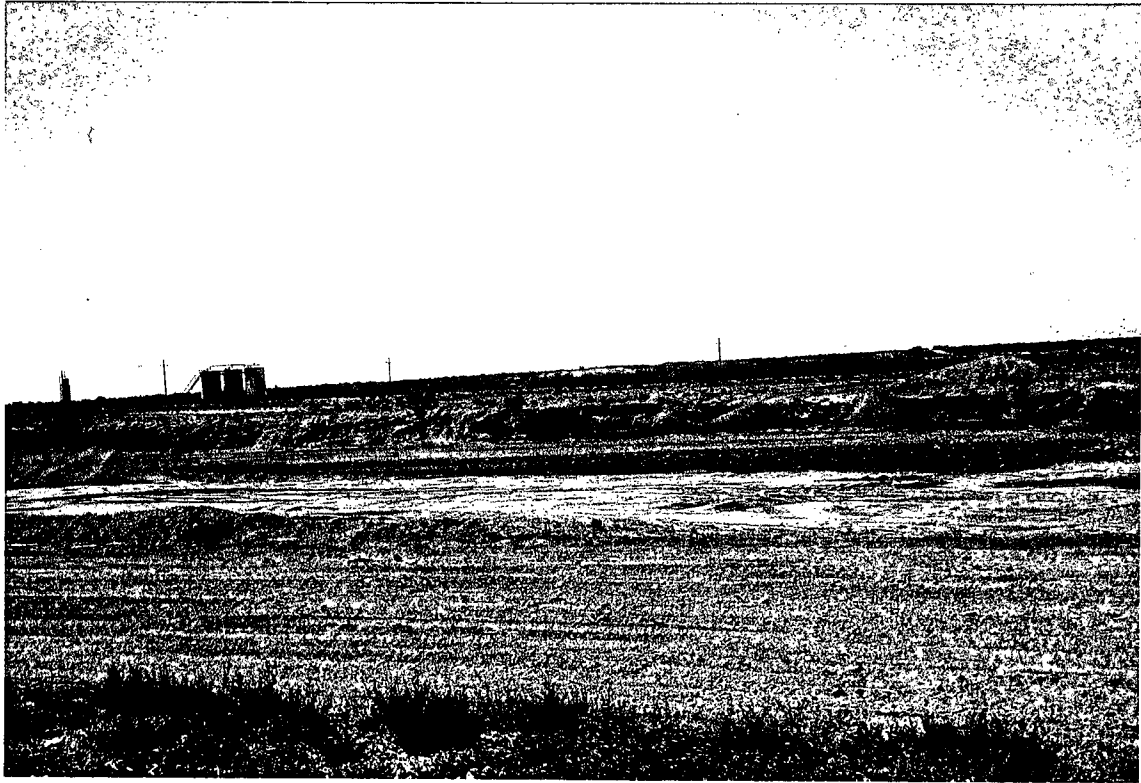
UNIT ID: 0640

Postmark
Here

Clerk: KHGCCBP

07/20/04

Sent To **Lea County Commission**
ATTN: Darrell Stephenson
Street, Apt. No.,
or PO Box **100 N. Main, Suite 4**
City, State, ZIP+4 **Lovington, NM 88260**
PS Form 3800, January 2001 See Reverse for Instructions







STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

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

April 30, 1998

CERTIFIED MAIL
RETURN RECEIPT NO. P-326-936-421

Mr. Jimmie T. Cooper
C & C Landfarm Inc.
Box 55
Monument, New Mexico 88265

RE: **OCD Rule 711 Permit Approval NM-01-0012**
C & C Landfarm Inc., 160 Acre
W/2 NE/4 and N/2 NW/4, Section 3, Township 20 South, Range 37 East, NMPM
Lea County, New Mexico,

Dear Mr. Cooper:

The permit application for the C & C Landfarm Inc. (C&C) centralized surface waste management landfarm facility located in the W/2 NE/4 and N/2 NW/4 of Section 3, Township 20 South, Range 37 East, NMPM, Lea County, New Mexico, is hereby approved in accordance with New Mexico Oil Conservation Division (OCD) Rule 711 under the conditions contained in the enclosed attachment. **This permit approval is conditional upon the receipt and approval by the Director of financial assurance in the amount of \$125,530.** According to the schedule outlined in the financial assurance section of the enclosed attachment, half of the \$125,530 bond (\$62,765) is required within thirty (30) days of the dated of this permit approval letter. The application consists of the original Order R-9769 dated November 16, 1992, Order R-9769-A dated April 29, 1993, Order R-9769-A(1) dated September 7, 1994, the expansion approval dated October 8, 1996, the expansion request dated August 8, 1997, the permit renewal request dated September 1, 1997, and the supplemental materials dated February 16, 1998.

The operation, monitoring and reporting shall be as specified in the enclosed attachment. All modifications and alternatives to the approved landfarming methods must receive prior OCD approval. C&C is required to notify the Director of any facility expansion or process modification and to file the appropriate materials with the Division.

Please be advised approval of this facility permit does not relieve C & C Landfarm, Inc. of liability should your operation result in actual pollution of surface water, ground water, or the environment. In addition, OCD approval does not relieve C & C Landfarm, Inc. of

Mr. Jimmie T. Cooper
April 30, 1998
Page 2

responsibility for compliance with other federal, state or local laws and/or regulations.

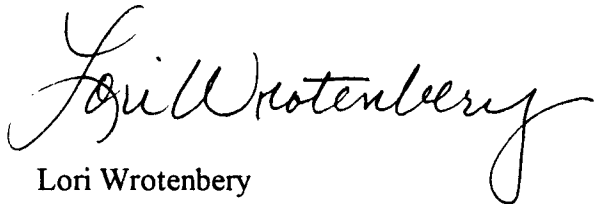
Please be advised that all tanks exceeding 16 feet in diameter and exposed pits, ponds or lagoons must be screened, netted or otherwise rendered nonhazardous to migratory birds. In addition, OCD Rule 310 prohibits oil from being stored or retained in earthen reservoirs, or open receptacles.

The facility is subject to periodic inspections by the OCD. The conditions of this permit and the facility will be inspected and reviewed by the OCD no later than five (5) years from the date of this approval. In addition, the closure cost estimate will be reviewed according to prices and remedial work estimates at the time of review. The financial assurance may be adjusted to incorporate any closure cost changes.

Enclosed are two copies of the conditions of approval. **Please sign and return one copy to the OCD Santa Fe Office within five working days of receipt of this letter.**

If you have any questions please do not hesitate to contact Martyne J. Kieling at (505) 827-7153.

Sincerely,



Lori Wrotenbery
Director

LR/mjk

xc with attachments:

Hobbs OCD Office
Eddie Seay, Consulting Services
Heidel Samberson Newel & Cox for S-W Cattle Co.

**ATTACHMENT TO OCD 711 PERMIT APPROVAL
PERMIT NM-01-0012
C&C LANDFARM, INC.
W/2 NE/4 and N/2 NW/4 of Section 3, Township 20 South, Range 37 East, NMPM,
Lea County, New Mexico.
(April 30, 1998)**

LANDFARM CONSTRUCTION

1. The facility will be fenced and have a sign at the entrance. The sign will be legible from at least fifty (50) feet and contain the following information: a) name of the facility, b) location by section, township and range, and c) emergency phone number.
2. Contaminated soils will not be placed within one hundred (100) feet of the boundary of the facility.
3. Contaminated soils will not be placed within twenty-five (25) feet of any pipelines crossing the landfarm. In addition, no equipment will be operated within ten (10) feet of a pipeline. All pipelines crossing the facility will have surface markers identifying the location of the pipelines.
4. The portion of the facility containing contaminated soils will be bermed to prevent runoff and runoff. A berm will be constructed and maintained such that it is capable of containing precipitation from a one-hundred year flood for that specific region.
5. All above ground tanks located at the facility and containing materials other than fresh water will be bermed to contain one and one-third the volume of the largest tank or all interconnected tanks.

LANDFARM OPERATION

1. Disposal will occur only when an attendant is on duty. The facility will be secured when no attendant is present.
2. All contaminated soils received at the facility will be spread and disked within 72 hours of receipt.
3. Soils will be spread on the surface in six inch lifts or less.

4. Soils will be disked a minimum of one time every two weeks (biweekly) to enhance biodegradation of contaminants.
5. Exempt contaminated soils will be placed in the landfarm so that they are physically separate (ie. bermed) from non-exempt contaminated soils. There will be no mixing of exempt and non-exempt soils.
6. Successive lifts of contaminated soils will not be spread until a laboratory measurement of Total Petroleum Hydrocarbons (TPH) in the previous lift is less than 100 parts per million (ppm), and the sum of all aromatic hydrocarbons (BTEX) is less than 50 ppm, and the benzene is less than 10 ppm. Comprehensive records of the laboratory analyses and the sampling locations will be maintained at the facility. Authorization from the OCD will be obtained prior to application of successive lifts and/or removal of the remediated soils.
7. The facility is authorized to accept only:
 - a. Oilfield contaminated solids which are exempt from RCRA Subtitle C regulations. These wastes should be accompanied by an OCD Form C-144 "Generator Certificate of Waste Status" from the generator.
 - b. "Non-hazardous" non-exempt oilfield contaminated solids from OCD permitted facilities on a case-by-case basis after conducting an analysis for hazardous characteristics and receiving OCD approval. The test for hazardous characteristics for a particular waste may be effective for one year from the date of analysis, if the subsequent wastes from the same waste stream are accompanied by a statement from the generator that there has been no change in the processes employed or the chemicals stored/used at the facility generating the waste.
 - c. Other non-oilfield contaminated solids which are RCRA Subtitle C exempt or non-hazardous, if ordered by the Department of Public Safety on an emergency basis as the waste poses an eminent danger to public health. The wastes should be accompanied by a "Verification of Waste Status" demonstrating the exempt or non-hazardous classification of the solids and signed by the appropriate regulatory agency. OCD approval will be obtained prior to accepting the wastes.
8. At no time will any OCD permitted landfarms accept wastes which are hazardous by either testing or listing.

9. All loads received at the facility will be accompanied by the following:
 - a. An OCD Form C-144 "Generator Certificate of Waste Status" signed by the waste generator or "Verification of Waste Status" issued by the New Mexico Environment Department (NMED) or the appropriate agency from another state for wastes regulated by that agency. The state agency verification is based on specific information on the subject waste submitted by the generator and demonstrating the exempt or non-hazardous classification of the waste.
 - b. The analytical results of Hazardous Waste Characterization for non-exempt waste including corrosivity, reactivity, ignitability, and toxic constituents and a certification that no listed hazardous wastes are contained within the wastes. The samples for these analyses and results will be obtained from the wastes prior to removal from the generator's facility and without dilution in accordance with EPA SW-846 sampling procedures.
 - c. All generators submitting waste to an OCD Permitted 711 Waste Management Facility must include a Naturally Occurring Radioactive Material (NORM) status declaration which is included in the OCD Form C-144 "Generator Certificate of Waste Status." The generator must declare that the waste if not exempted pursuant to 20 NMAC 3.1 subpart 1403, was surveyed for NORM and does not contain a maximum radiation exposure reading or NORM concentrations do not exceed that listed in 20 NMAC 3.1 Subpart 1403.C and D.
10. The transporter of all wastes to the facility will supply a certification that wastes delivered are those wastes received from the generator and that no additional materials have been added.
11. Moisture will be added as necessary to enhance bioremediation and to control blowing dust. There will be no ponding, pooling or run-off of water allowed. Any ponding of precipitation will be removed within seventy-two (72) hours of discovery.
12. Enhanced bio-remediation through the application of microbes (bugs) and/or fertilizers will only be permitted after prior approval from the OCD. Request for application of microbes will include the location of the area designated for the bio-remediation program, the composition of additives, and the method, amount and frequency of application.
13. No free liquids or soils with free liquids will be accepted at the facility.

14. Comprehensive records of all material disposed of at the facility will be maintained at the facility. The records for each load will include: 1) generator, 2) origin, 3) date received, 4) quantity, 5) certification of exempt status or analysis for hazardous constituents if non-exempt, 6) transporter, 7) exact cell location, and 8) any addition of microbes, moisture, fertilizers, etc.

TREATMENT ZONE MONITORING

1. One (1) background soil sample will be taken from the center portion of the landfarm two (2) feet below the native ground surface prior to operation. The sample will be analyzed for total petroleum hydrocarbons (TPH), major cations/anions, volatile aromatic organics (BTEX), and heavy metals using approved EPA methods.
2. A treatment zone not to exceed three (3) feet beneath the landfarm native ground surface will be monitored. A minimum of one random soil sample will be taken from each individual cell, with no cell being larger than five (5) acres, six (6) months after the first contaminated soils are received in the cell and then quarterly thereafter. The sample will be taken at two (2) to three (3) feet below the native ground surface.
3. The soil samples will be analyzed using approved EPA methods for TPH and BTEX quarterly, and for major cations/anions and heavy metals annually.
4. After obtaining the soil samples the boreholes will be filled with an impermeable material such as cement or bentonite.

REPORTING

1. Analytical results from the treatment zone monitoring will be submitted to the OCD Santa Fe office within thirty (30) days of receipt from the laboratory.
2. The applicant will notify the **OCD Hobbs District office within 24 hours** of any break, spill, blow out, or fire or any other circumstance that could constitute a hazard or contamination in accordance with OCD Rule 116.
3. Authorization from the OCD Santa Fe office will be obtained prior to application of successive lifts and/or removal of the remediated soils.
4. The OCD will be notified prior to the installation of any pipelines, wells or other construction within the boundaries of the facility.

5. The OCD Santa Fe and Hobbs District office will be notified when operation of the facility is discontinued for a period in excess of six (6) months or when the facility is to be dismantled. A closure plan for the facility will be provided.

FINANCIAL ASSURANCE

1. Pursuant to OCD Rule 711 financial assurance in the amount of **\$125,530**, in a form approved by the Division, is required by C&C Landfarm, Inc. for the centralized surface waste management facility. Rule 711.B.3.c. outlines the following schedule:

25% of the total amount must be submitted within two (2) years of the effective date of the Rule or **\$31,382 by January 1, 1997;**

50% of the total amount must be submitted within two (2) years of the effective date of the Rule or **\$62,765 by January 1, 1998;**

75% of the total amount must be submitted within three (3) years of the effective date of the Rule or **\$94,148 by January 1, 1999;**

total amount must be submitted within four (4) years of the effective date or **\$125,530 by January 1, 2000.**

2. According to the schedule outlined half of the \$125,530 bond (\$62,765) was due on January 1, 1998 and must be submitted within thirty (30) days of the date of this permit approval.
3. The conditions of this permit and the facility will be inspected and reviewed by the OCD no later than five (5) years from the date of this approval. In addition, the closure cost estimate will be reviewed according to prices and remedial work estimates at the time of review. The financial assurance may be adjusted to incorporate any closure cost changes.

CLOSURE

1. The OCD Santa Fe and Hobbs District office will be notified when operation of the facility is discontinued for a period in excess of six (6) months or when the facility is to be dismantled. Upon cessation of landfarming operations for six (6) consecutive months, the operator shall complete cleanup of constructed facilities and restoration of the facility site within the following six (6) months, unless an extension of time is granted by the Director.

C&C Landfarm, Inc.
Permit Conditions, 711 Permit NM-01-0012
April 30, 1998
Page 6

2. A closure plan for the facility will be provided including the following OCD closure procedures:
 - a. When the facility is to be closed no new material will be accepted;
 - b. Existing landfarm soils will be remediated until they meet the OCD standards in effect at the time of closure;
 - c. The area will be reseeded with natural grasses and allowed to return to its natural state;
 - d. Closure will be pursuant to all OCD requirements in effect at the time of closure, and any other applicable local, state and/or federal regulations.

CERTIFICATION

C&C Landfarm, Inc., by the officer whose signature appears below, accepts this permit and agrees to comply with all terms and conditions contained herein. C&C Landfarm, Inc. further acknowledges that these conditions and requirements of this permit may be changed administratively by the Division for good cause shown as necessary to protect fresh water, human health and the environment.

Accepted:

C&C LANDFARM, INC.

by _____
Title

ATTACHMENT TO OCD 711 PERMIT APPROVAL
PERMIT NM-01-0012
C&C LANDFARM, INC.
W/2 NE/4 and N/2 NW/4 of Section 3, Township 20 South, Range 37 East, NMPM,
Lea County, New Mexico.
(April 30, 1998)

LANDFARM CONSTRUCTION

1. The facility will be fenced and have a sign at the entrance. The sign will be legible from at least fifty (50) feet and contain the following information: a) name of the facility, b) location by section, township and range, and c) emergency phone number.
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C&C Landfarm, Inc.
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C&C Landfarm, Inc., by the officer whose signature appears below, accepts this permit and agrees to comply with all terms and conditions contained herein. C&C Landfarm, Inc. further acknowledges that these conditions and requirements of this permit may be changed administratively by the Division for good cause shown as necessary to protect fresh water, human health and the environment.

Accepted:

C&C LANDFARM, INC.

by *Jimmy T. Cooper* (President)
Title

OCD ENVIRONMENTAL BUREAU CLOSURE COST ESTIMATE
For C&C LANDFARM EXPANSION, 80 ACRES
APRIL 30, 1998

Quarterly Analytical Analysis for two years on 12 five acre cells

Laboratory Under State Contract: Price per analysis

BTEX \$ 40.00	x 8 quarters x 12 cells	= \$3,840.00
TPH \$ 50.00	x 8 quarters x 12 cells	= \$4,800.00
Metals \$200.00	x 2 years x 12 cells	= <u>\$4,800.00</u>
		\$13,440.00 Analytical

Quarterly Sampling Time and Labor for 12 Cells

Labor \$55.00/hour
Sample 30 min per cell
Travel 2 hours
Delivery & Paperwork 2 hours

Total Time = (30 min/cell x 12 cells) + 2 hours + 2 hours = 10 hours

10 hours x \$55.00/hour = \$550.00/sampling event

\$550.00/sampling event x 8 quarters = **\$4,400.00 Labor**

Disking/Tilling for Two Years Every Two Weeks for 63 acres

Price and Time Quotes from and Equipment Operators and Landfarm Operators:

Small Tractor and Operator \$35.00 /hour
5 acres per hour = 12 min per acre

63 acres x 12 min x 52 weeks = 39,312 min = 655 hours

655 hours x \$35.00/hour = **\$ 22,925.00 Disking/Tilling**

Water for Bioremediation

Price Quotes from Equipment Operators

Water Truck \$120.00/load

$\$120.00/\text{load} \times 10 \text{ loads} \times 12 \text{ Events in Two Years} = \$14,400.00 \text{ Water}$

Level and Contour Landfarm

Price and Time Quotes from and Equipment Operators

D-6 Dozer and Operator \$75.00/hour

$\$75.00/\text{hour} \times 30 \text{ min} \times 80 \text{ acres} = \$3,000.00 \text{ Level \& Contour Landfarm}$

Revegetation for 80 Acres

Price and application Quotes from Seed Companies

Equipment an labor cost

Tractor and seed drill \$30.00/hour @ 15 min/acre for 80 acres = \$600.00

Materials Cost

Seed \$10.00/lb @ 5 lb/acre for 80 acres = \$4,000.00

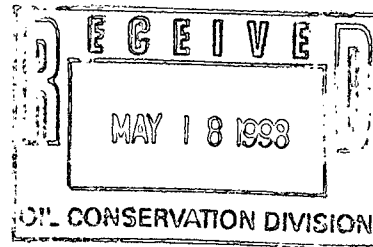
$\$1,200.00 + \$4,000.00 = \$4,600.00 \text{ Revegetation}$

Total Closure and Revegetation Cost of an 80 acre Landfarm = \$62,765.00

Total Closure and Revegetation Cost for the Existing 80 acre C&C

Landfarm Plus the 80 acre Expansion = \$125,530.00

Closure cost bonds will be no more than \$250,000.00 per existing facility as per Rule 711.



May 15, 1998

EMNRD - OCD Environmental Bureau
ATTN: Martyne J. Kieling
2040 S. Pacheco Street
Santa Fe, NM 87505

RE: C & C Landfarm, Inc.

Martyne:

Find within a signed copy of the certification as requested. Also find a copy of the additional bonding as specified by permit. We had a new bond established to cover the difference in the existing bond. The bank will be sending a copy to the OCD. If you have any questions or need additional information, please call.

Sincerely,

A handwritten signature in cursive script that reads "Eddie W. Seay". The signature is written in dark ink and has a long, thin horizontal line extending from the end of the name.

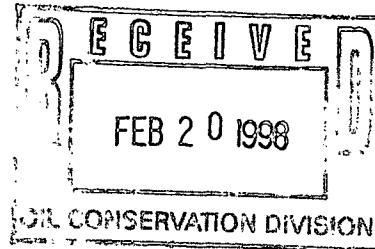
Eddie W. Seay, Agent

EDDIE SEAY CONSULTING

601 W. ILLINOIS
HOBBS, NEW MEXICO 88240
(505) 392-2236
FAX (505) 392-6949

ENVIRONMENTAL,
GEOLOGICAL & REGULATORY
SPECIALISTS

PEAK
CONSULTING SERVICES



February 16, 1998

EMNRD - OCD Environmental Bureau
2040 S. Pacheco St.
Santa Fe, NM 87505
ATTN: Martyne J. Kieling

RE: C & C Landfarm Expansion

Dear Ms. Kieling:

Find within additional information concerning C & C's expansion request. Within are additional maps, information and analysis which should help to expedite our application. If you have any questions or need additional information, please call.

Sincerely,

Eddie W. Seay, Agent

District I - (505) 393-6161
P.O. Box 1980
Hobbs, NM 88241-1980
District II - (505) 748-1283
811 S. First
Artesia, NM 88210
District III - (505) 334-6178
1000 Rio Brazos Road
Aztec, NM 87410
District IV - (505) 827-7131

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 8/8/95
Revised 6/25/97

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: C & C Landfarm, Inc.

Address: Box 55 Monument, NM 88265

Contact Person: Eddie W. Seay or Jim Cooper Phone: (505) 392-2236 (505) 397-2045

3. Location: N 1/2 4 NW 1/4 /4 Section 3 Township 20 S. Range 37 E.
Submit large scale topographic 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: Eddie W. Seay Title: Agent

Signature: Eddie W. Seay Date: 2-16-98

CONSTRUCTION OF PROPOSED SITE

The 80 acre site which is proposed will be fenced with a barbed wire fencing material, and a gate entering from the east off of the original landfarm only. A 100 ft. buffer zone will be kept and maintained around the facility. A trench will be cut on the outside of berm at a depth of approximately 2 ft. This trench will divert any fluid (IE rain) from running onto landfarm. The berm will be constructed on the edge of the landfarm around the perimeter and also dividing each cell. The berm will be constructed of ambient material and will be approximately 3 ft. tall and 3 ft. wide. Any fluid which gets into the landfarm will be contained and vacuumed up and disposed of at an approved OCD facility.

- 1) 4 stran barbed wire fence around site.
- 2) 100 ft. buffer zone.
- 3) Trench between berm and buffer zone to divert rainwater.
- 4) 3 x 3 berm and the perimeter and between cells.
- 5) Sid Richardson 4 in. gas pipeline buried 36 in., a 50 ft. buffer zone will be maintained and also the line will be marked and identified.
- 6) Texas-New Mexico 6 in. oil line buried 2 ft. is within our buffer zone area, and will not be bothered except the line will be marked and identified.
- 7) No cell larger than 5 acres and no landfarming on any pipeline.

BERMS AND TRENCHES

During May 1992, Lea Co. did have its recorded 100 year flood. We received ten inches of rain in less than 24 hours. At this time, we had in place the trenches and berms around our existing facility. During this time, no water ran onto the farm area, it all diverted around to the west. An inspection was made by OCD representative, Chris Eustice, ten days following the flood. A report containing this information is within our original file. We feel this system is adequate to use on the new 80 acre site since it has been tested. This berming will also contain any rainfalls which gather inside landfarm so it can be vacuumed up and disposed at an OCD approved facility.

- 7A(1) C & C will add water and do additional disking of the soil to prevent blowing and with the disking and mix of water will aerate the soil and minimize odors.

Berms are inspected on a regular basis and repaired as needed. Inspections are made on at least a weekly schedule because not only wind and rain erode the berms, but trucks and equipment also.

- ✓ 7A(2) Quarterly sampling of the treatment zone will be conducted to detect any leaking from the landfarm cells, with sampling, testing and reporting as OCD requires.

- ✓ 8. Estimated closure cost attached.

No cell will be larger than 5 acres; excluding roads, berms, buffer zones and pipelines, it is estimated that the area to be used for landfarm is approximately 60 acres. Upon approval of permit, a survey will be done and an accurate plat submitted noting size and location.

9. The S & W windmill in question has been mapped and is located between 2800-3000 ft. south of the south edge of the proposed landfarm site. (Map attached) Also, an updated water analysis was conducted on this well, and results are within.

A surface contour map was constructed from information in well files obtained from OCD office, also a USGS contour map is enclosed. The surface slope at the proposed site in Units C & D is to the west. The contours in the general area gradually slopes NW with a 2 ft. high approximately 1/2 mile south of the south edge of the proposed landfarm site, from this point, the slope is to the SE. With the slope of the surface and with the berms which will be constructed 3 ft. high, this should contain any runoff even during a 100 yr. flood, because we have already been tested on the original site. Also contained within this report is a redbed contour map submitted with the original application. The redbed dips NW. (Maps attached)

ESTIMATED CLOSURE PLAN COST
C & C LANDFARM EXPANSION 80 ACRES

Quarterly Analysis for 2 yrs. on 12 five acre cells.

Laboratory prices:

BTEX	\$ 40.00 X 8 quarters X 12 cells =	\$ 3,840.00
TPH	\$ 50.00 X 8 quarters X 12 cells =	4,800.00
Metals	\$200.00 X 2 years X 12 cells =	4,800.00

Analysis Totals \$13,440.00

Quarterly sampling time and labor for 12 cells.

The local laboratory, Cardinal Laboratories, will collect the samples and send you a report provided they get the analytical work. This only seems reasonable since they are local.

Disking/Tilling for 2 years every 2 weeks for 63 acres.

Prices and time quotes from different companies.

Tractor and disk with operator = \$35.00 per hour.

5 to 7 acres per hr.

63 acres would take 12.5 hrs. X 52 wks. = 655.2 hrs.

655.2 X \$35.00 = \$22,932.00

Water for Bioremediation.

Water truck \$1.00 per barrel delivered.

\$120.00 per load

\$120.00 X 10 loads X 12 events = \$14,400.00 for water.

Leveling and contouring landfarm.

Price and time quotes from operators.

D-8 cat dozer - \$75.00 per hr.

1 acre per 30 min.

\$75.00 X 30 min. X 80 acres = \$3000.00 for leveling.

Revegetation for 80 acres.

Equipment and labor.

Tractor w/drill \$30.00 per hr. @ 15 min per acre.

80 acres X 15 min. per acre X \$30.00 = \$600.00

Material cost.

Seed \$10.00 per lb. at 5# per acre X 80 acres = \$4000.00

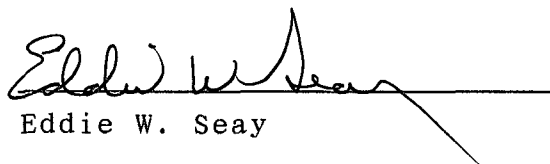
Total = \$4,600.00 for seed and revegetation

Total estimated closure for 80 acres = \$58,373.00

Total estimated closure for expansion and existing landfarm =
\$116,746.00

Keep in mind that as time passes, cells would have become remediated and no disking or other work will need to be done, so the cost will be much cheaper.

I certify that I am authorized to make this application for C & C Landfarm, Inc., and that this application was prepared by me or under my supervision and direction and the date and facts stated herein are true, correct and complete to the best of my knowledge, and I will abide by all the rules set forth by the OCD and the written requirements in attachment 3.


Eddie W. Seay

Agent

Date 2/17/98


Jimmie T. Cooper

Operator

Date 2-17-98

ATTACHMENT 3
LANDFARM OPERATION AND WASTE TRACKING REQUIREMENTS
JANUARY 13, 1998
C&C LANDFARM INC.
N/2, NW/4, Section 3, Township 20 South, Range 37 East, NMPM
LEA COUNTY, NEW MEXICO

The OCD has stringent requirements for the operation of all OCD regulated landfarms. A commitment to the following conditions is required prior to OCD approval of commercial landfarms:

1. Landfarm Operation and Waste Tracking Requirements

- A. Landfarm Facility Operation - The purpose of specific operating requirements is so that operation of a landfarm will not adversely impact ground water, surface water, public health or the environment.
1. Disposal shall only occur when an attendant is on duty. The facility shall be secured when no attendant is present.
 2. All contaminated soils received at the facility should be spread and disked within 72 hours of receipt.
 3. Soils should be spread on the surface in six inch lifts or less.
 4. Soils should be disked a minimum of one time every two weeks (biweekly) to enhance biodegradation of contaminants.
 5. Exempt contaminated soils should be placed in the landfarm so that they are physically separate (ie. bermed) from nonexempt contaminated soils. There should be no mixing of exempt and nonexempt soils.
 6. Successive lifts of contaminated soils should not be spread until a laboratory measurement of Total Petroleum Hydrocarbons (TPH) in the previous lift is less than 100 parts per million (ppm), and the sum of all aromatic hydrocarbons (BTEX) is less than 50 ppm, and the benzene is less than 10 ppm. Comprehensive records of the laboratory analyses and the sampling locations shall be maintained at the facility. Authorization from the OCD shall be obtained prior to application of successive lifts.
 7. Moisture should be added as necessary to enhance bioremediation and to

control blowing dust. There shall be no ponding, pooling or run-off of water allowed. Any ponding of precipitation should be removed within seventy-two (72) hours of discovery.

8. Enhanced bio-remediation through the application of microbes (bugs) and/or fertilizers shall only be permitted after prior approval from the OCD. Request for application of microbes should include the location of the area designated for the bio-remediation program, composition of additives, and the method, amount and frequency of application.
9. No free liquids or soils with free liquids shall be accepted at the facility.
10. Comprehensive records of all material disposed of at the facility shall be maintained at the facility. The records for each load will include: 1) the generator, 2) the origin, 3) date received, 4) quantity, 5) Certification of exempt status or analysis for hazardous constituents if non-exempt, 6) Naturally Occurring Radioactive Material (NORM) Certification, 7) transporter, and 8) exact cell location and any addition of microbes, moisture, fertilizers, etc.

B. Characterization & Tracking of Wastes - The operator of a landfarm must be able to distinguish between those oilfield contaminated solids which are exempt from RCRA Subtitle C (hazardous waste) regulations and those which are subject to the RCRA Subtitle C regulations. To aid the landfarm applicant in making those determinations and therefore prohibiting hazardous waste from entering the facility, all OCD permitted landfarms should operate under the following conditions:

1. The facility should be authorized to accept only:
 - a. Oilfield contaminated solids which are exempt from RCRA Subtitle C regulations. These wastes should be accompanied by a "Certification of Waste Status" from the generator.
 - b. "Non-hazardous" non-exempt oilfield contaminated solids from OCD permitted facilities on a case-by-case basis after conducting an analysis for hazardous characteristics and receiving OCD approval. The test for hazardous characteristics for a particular waste may be effective for one year from the date of analysis, if, the subsequent wastes from the same waste stream are accompanied by a statement from the generator that there has been no change in the processes employed or the chemicals stored/used at the facility generating the waste.

- c. Other non-oilfield contaminated solids which are RCRA Subtitle C exempt or non-hazardous by characteristic testing, if ordered by the Department of Public Safety on an emergency basis as the waste poses an eminent danger to public health. The wastes should be accompanied by a "Verification of Waste Status" demonstrating the exempt or non-hazardous classification of the solids and signed by the appropriate regulatory agency. OCD approval shall be obtained prior to accepting the wastes.
- 2. At no time will any OCD permitted landfarms accept wastes which are hazardous by either testing or listing.
- 3. All loads received at the facility will be accompanied by the following:
 - a. A "Certification of Waste Status" signed by the waste generator or "Verification of Waste Status" issued by the New Mexico Environment Department (NMED) or the appropriate agency from another state or wastes regulated by that agency. The state agency verification is based on specific information on the subject waste submitted by the generator and demonstrating the exempt or non-hazardous classification of the waste.
 - b. A "Certification of Waste Status" shall also state that the waste not otherwise exempted pursuant to 20 NMAC 3.1 Subpart 1403, has been surveyed for Naturally Occurring Radioactive Material (NORM) and that the maximum radiation exposure reading and NORM concentrations do not exceed that listed in 20 NMAC 3.1 Subpart 1403.C and D. If the waste was surveyed for NORM the survey results must be included with the certification.
 - c. The analytical results of Hazardous Waste Characterization for non-exempt waste including corrosivity, reactivity, ignitability, and toxic constituents and a certification that no listed hazardous wastes are contained within the wastes. The samples for these analyses and results will be obtained from the wastes prior to removal from the generator's facility and without dilution in accordance with EPA SW-846 sampling procedures.
- 4. The transporter of all wastes to the facility will supply a certification that wastes delivered are those wastes received from the generator and that no additional materials have been added.

N ↑

0 Dry Water wells
0 Dry Water wells

County Rd 58

Texas New Mexico Pipeline

Unit C

40 AC

Divided into 5 ac Cells
As Needed

UNIT D

40 AC

Divided into 5 ac cells
As Needed

50' Buffer Zone
50' Buffer Zone
Sid Richardson Pipeline

100 ft Buffer Zone

Fence

Berm

Trench

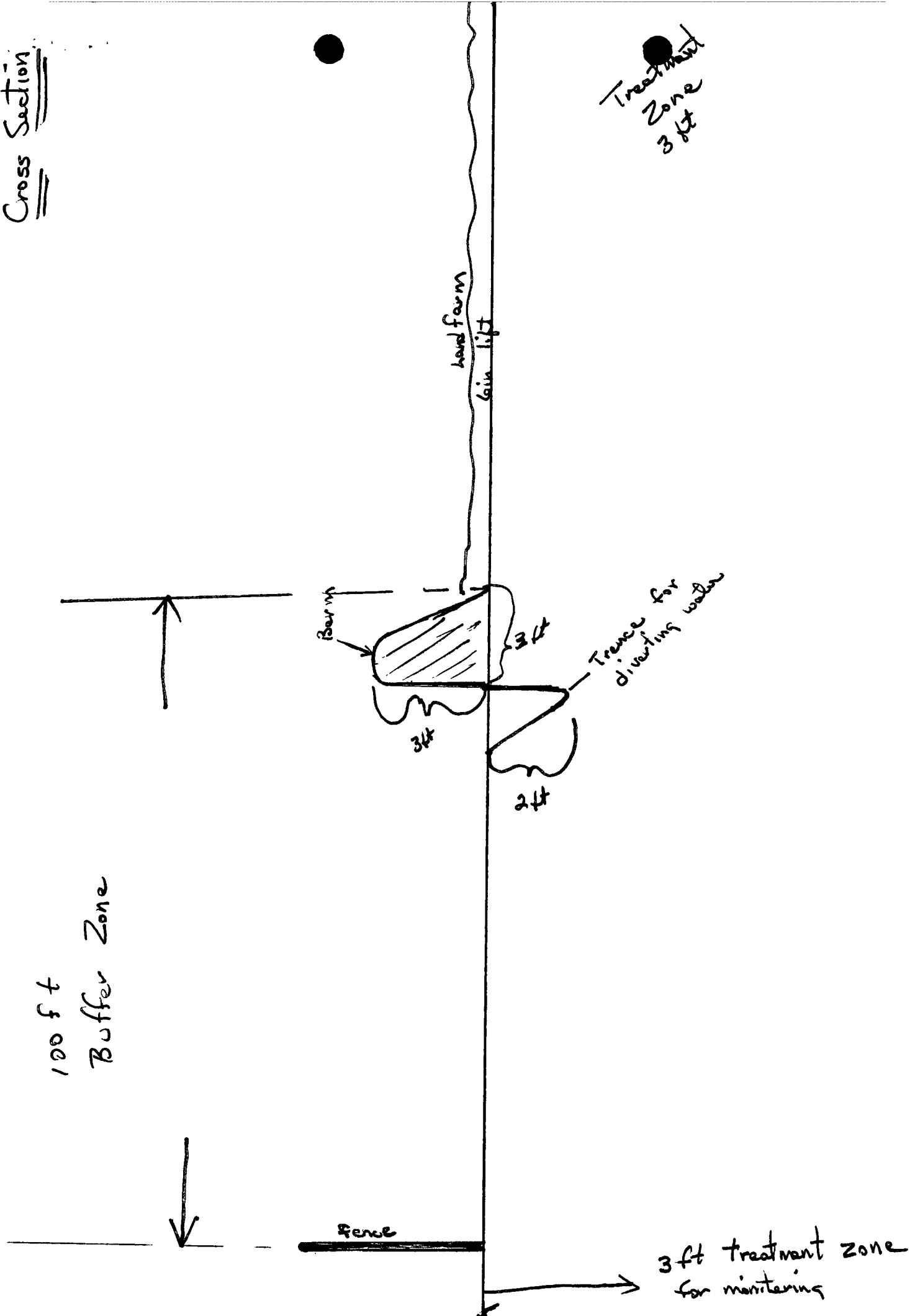
100 ft Buffer Zone

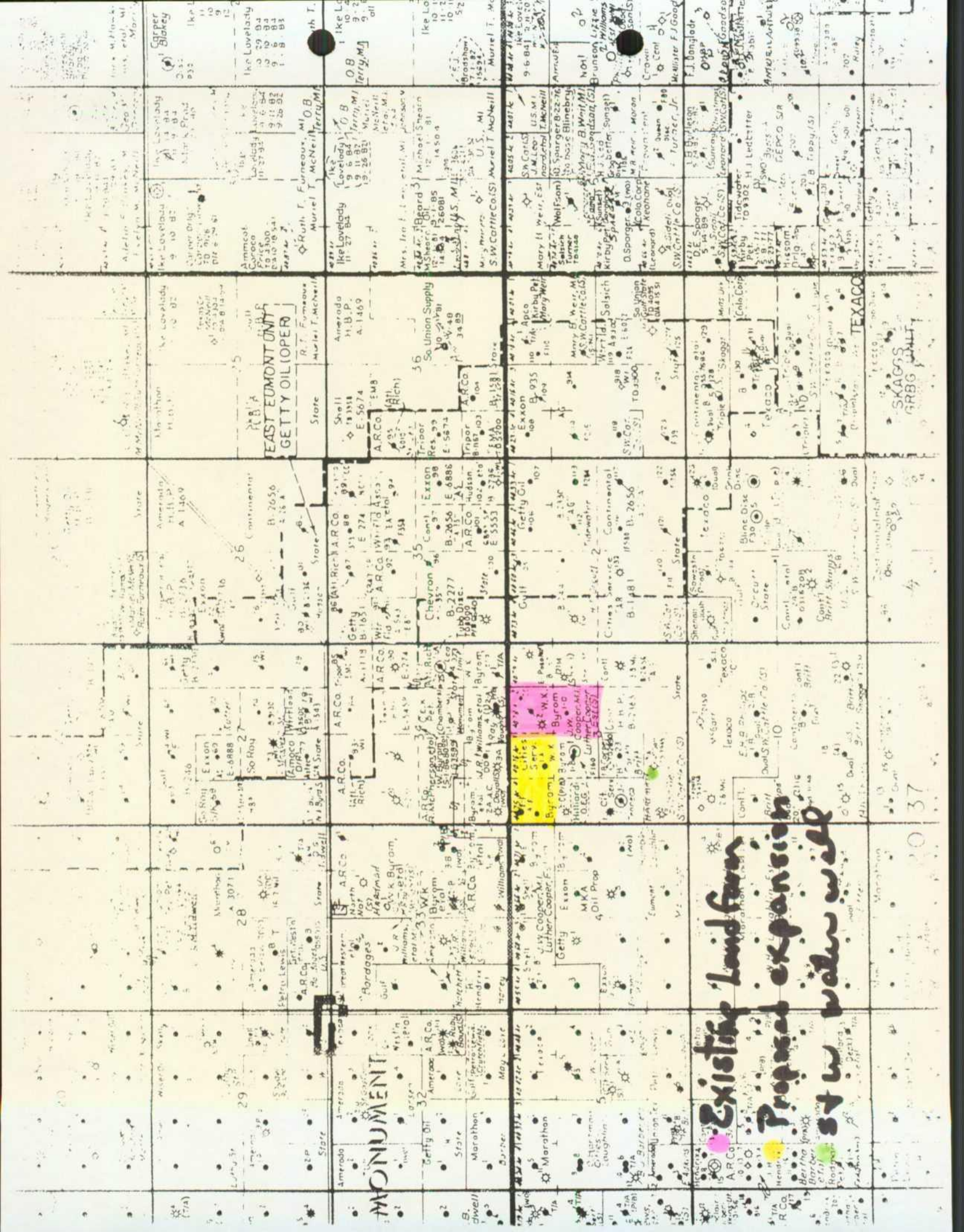
Entrance to old farm

Cross Section

100 ft
Buffer Zone

Treatment
Zone
3 ft





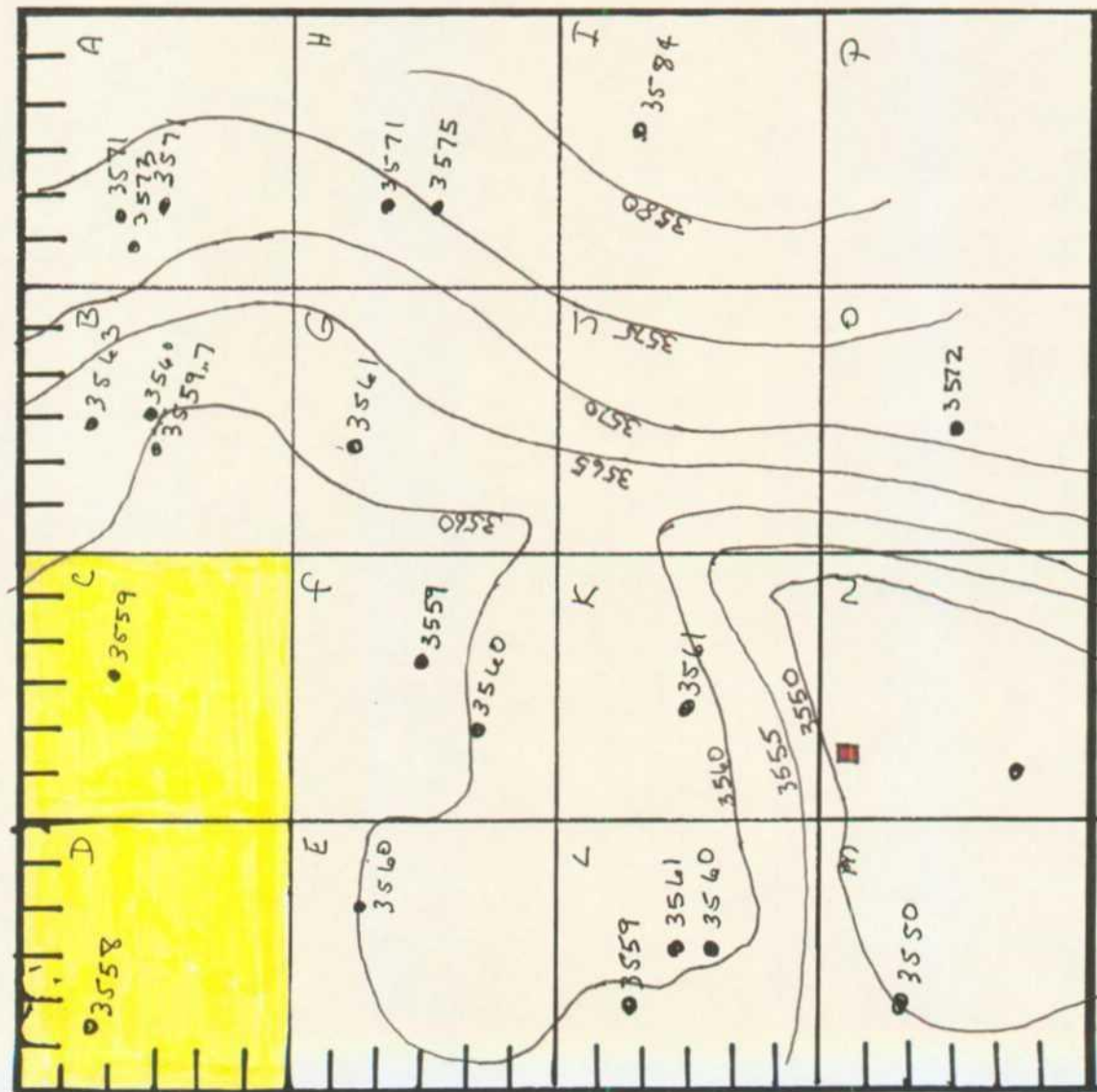
EAST MOUNTAIN
GETTY OILFIELD

EXISTING LANDFARM
PROPOSED EXPANSION
ST W VALLEY WIL

MONUMENT

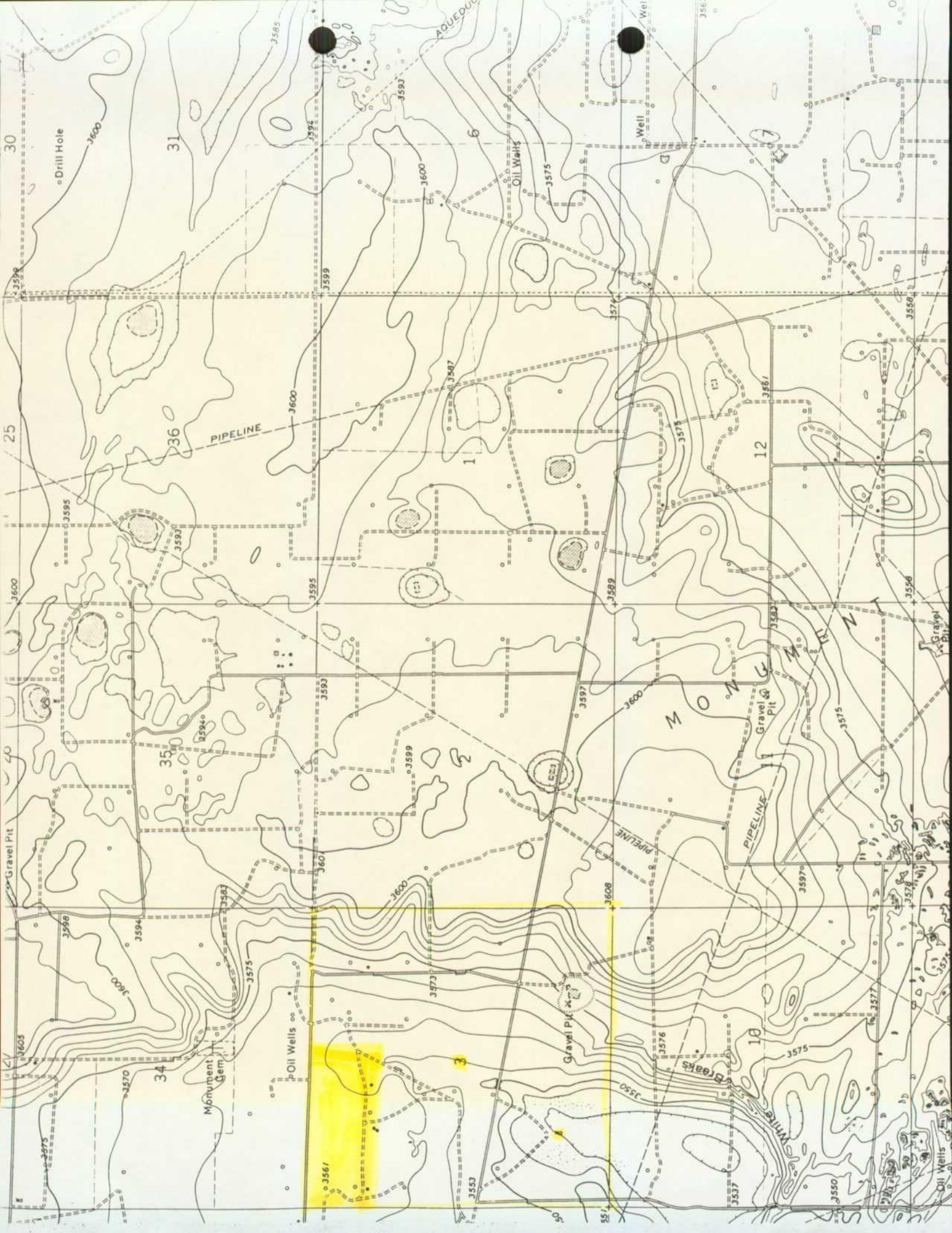
37

3-20-37
 Lea Co.
 Red Bed Contour



0
 220
 440
 660
 880
 1100
 1320

Proposed landfarm expansion
 SW water well.
 surface contours taken from well information O.C.D.





NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

January 15, 1998

CERTIFIED MAIL
RETURN RECEIPT NO. P-326-936-372

Mr. Jimmie T. Cooper
C & C Landfarm Inc.
Box 55
Monument, New Mexico 88265

RE: 80 Acre Landfarm Expansion Application
C & C Landfarm Inc., N/2, NW/4, Section 3, Township 20 South, Range 37 East
Lea County, New Mexico, NMPM

Dear Mr. Cooper:

The Oil Conservation Division (OCD) has received and is in the process of reviewing the above referenced application for an expansion to an existing oil field related solids landfarm located in the N/2 NW/4, Section 3, Township 20 South, Range 37 East, NMPM, Lea County, New Mexico. The following comments and requests for additional information are based on review of the application, dated August 8, 1997, and inspection of the facility on April 3, 1997 by representatives of the OCD and C & C Landfarm Inc.

In order for the review process to continue the OCD requires C&C to submit the additional information requested in Attachment 1. Enclosed as Attachment 2 is the estimated closure cost prepared by the OCD. Attachment 3 lists the requirements for the operation of all OCD regulated landfarms. A commitment by C&C to conditions in Attachment 3 is required prior to OCD approval of commercial landfarms:

Submission of the above requested information will allow the review process to continue. If you have any questions please do not hesitate to contact me at (505) 827-7153.

Sincerely,

Martyne J. Kielling
Environmental Geologist

xc with attachments:

OCD Hobbs Office
Eddie Seay, Peak Consulting
Heidel Samberson Newel & Cox for S-W Cattle, Co.

ATTACHMENT 1
REQUEST FOR ADDITIONAL INFORMATION
JANUARY 15, 1998
C&C LANDFARM INC.

N/2, NW/4, Section 3, Township 20 South, Range 37 East, NMPM
LEA COUNTY, NEW MEXICO

1. Sections one, two and three (1,2 & 3) Application Form C-137
 - A. C&C has completed.
2. Section four (4) Application Form C-137;
 - A. C&C failed to check weather this is a modification to an existing facility. C&C shall provide a correctly completed Form C-137 for the file.
3. Section five (5) Application Form C-137
 - A. C&C shall provided the name and address of the landowner of the proposed facility expansion site. C&C has submitted all names and addresses of landowners within one mile.
4. Section six (6) Application Form C-137;
 - A. C&C has submitted a map of the landfarm expansion showing the placement of the fence, buffer zone, berm and trench. However, this conflicts with statement three (3) "Trench - between berm and buffer zone." of C&C's Construction of Proposed Site.

C&C shall clarify the construction of the fence buffer zone, berm and trench. In addition, C&C shall add buffer zone dimensions where appropriate to the landfarm map/diagram submitted.
 - B. C&C's "Construction Of Proposed Site", Section 2) Buffer zone; requires additional detail as to the size of the buffer zone.

Buffer Zone: No contaminated soils should be placed within one hundred (100) feet of the boundary of the facility.
 - C. C&C's "Construction Of Proposed Site", Section 4) Berm around the perimeter; requires additional detail concerning height of the berm and volume that the be will contain.

Facility Berming: The portion of the facility containing contaminated soils shall be bermed to prevent runoff and runoff. A berm should be constructed and maintained such that it capable of containing precipitation from a one-hundred year flood for that specific region.

- D. C&C's "Construction Of Proposed Site", Section 5) Sid Richardson Pipeline 4 in. Gas line buried 36 in., Section 6) Texas-New Mexico Pipeline 6 in. Oil line buried 2 ft., and Section 8) Proposed cells not to exceed 5 acres. All cells will be kept off pipelines.

Pipeline Buffer Zone: No contaminated soils should be placed within twenty (20) feet of any pipelines crossing the landfarm. In addition, no equipment should be operated within ten (10) feet of a pipeline. All pipelines crossing the facility should have surface markers identifying the location of the pipelines.

5. Section seven (7) Application Form C-137;

- A. C&C shall submit a cross-sectional diagram of how the landfarm will be constructed including the fence, buffer zone, berm, trench and pipeline buffer with surface markers.

6. Section eight (8) Application Form C-137;

- A. C&C has provided a contingency plan for reporting and clean-up for spills or releases.

7. Section nine (9) Application Form C-137;

- A. C&C shall submit a routine inspection and maintenance plan with additional detailed information on the following:

- 1) Landfarm facilities should be maintained to keep soils from blowing and to minimize odors from leaving the facility boundary. Discuss how this will be accomplished. Berms should be maintained in such a manner to prevent erosion. Inspections of the berms should be made after any rainfall or wind storms of consequence.
- 2) Treatment Zone Monitoring: Because a landfarm is designed to remediate contaminated soils and not transfer contaminants into the underlying native soil and/or groundwater, the applicant shall submit a plan to detect leaching of contaminants. If the native ground surface has a minimum of three feet of uncemented material (ie. soil) then a treatment zone monitoring program may be incorporated into the facility design to ensure contaminants are not

leaching into the native soil/groundwater. The following procedures should be used to monitor a treatment zone not to exceed three (3) feet beneath the landfarm:

- a. One (1) background soil sample should be taken from the center portion of the landfarm two (2) feet below the native ground surface prior to operation. The sample should be analyzed for total petroleum hydrocarbons (TPH), major cations/anions, volatile aromatic organics (BTEX), and heavy metals using approved EPA methods.
- b. A treatment zone not to exceed three (3) feet beneath the land farm should be monitored. A minimum of one random soil sample should be taken from each individual cell, with no cell being larger than five (5) acres, six (6) months after the first contaminated soils are received in the cell and then quarterly thereafter. The sample should be taken at two to three (2-3) feet below the native ground surface.
- c. The soil samples should be analyzed using approved EPA methods for TPH and BTEX quarterly, and for major cations/anions and heavy metals annually.
- d. After obtaining the soil samples the boreholes should be filled with an impermeable material such as cement.
- e. Analytical results from the treatment zone monitoring should be submitted to the OCD Santa Fe office for review on a regular schedule to be proposed by the applicant.

8. Section ten (10) Application Form C-137;

- A. The closure plan that C&C has submitted is lower than that calculated by the OCD. The OCD closure cost estimate was based upon an 80 acre facility with 12 five acre cells or 63 acres of land to be remediated. The OCD cost breakdown is in Attachment 2.

C&C shall submit a detailed cost estimate breakdown that can be compared with the estimate calculated by the OCD and a detailed map showing all cells to be constructed and the acreage within each cell.

9. Section eleven (11) Application Form C-137;

- A. One of the nearest water wells (windmill) referenced in C&C's proposal is stated to be approximately one mile south of the proposed facility. A Letter of Concern

submitted by Heidel, Samberson, Newell & Cox on behalf of S-W Cattle, Co. (S-W) states that S-W has a windmill less than 1500 feet from the south boundary line of the 80 acre tract proposed for a landfarm (See attached letter). In addition, Surface drainage according to a 7.5 minute topographic map shows that surface drainage may be to the south toward the S-W water well. The water in this well is reported to be approximately 18 feet bgs, with 25 feet of saturated thickness above the redbed which is at 45 feet bgs.

C&C should address how surface water at the proposed landfarm will be retained on site. This should include detailed construction diagrams of berms that will retain a 100 year flood event.

In addition, C&C shall submit documentation concerning the local dip of the upper surface of the redbeds.

10. Section twelve (12) Application Form C-137
 - A. C&C has provided proof that all notice requirements have been met.
11. Section Thirteen (13) Application Form C-137
 - A. C&C has provided a contingency plan for release of H₂S

ATTACHMENT 2
OCD ENVIRONMENTAL BUREAU CLOSURE COST ESTIMATE
For C&C LANDFARM EXPANSION, 80 ACRES
JANUARY 15, 1998

Quarterly Analytical Analysis for two years on 12 five acre cells

Laboratory Under State Contract: Price per analysis

BTEX	\$ 40.00	x 8 quarters x 12 cells	= \$3,840.00
TPH	\$ 50.00	x 8 quarters x 12 cells	= \$4,800.00
Metals	\$200.00	x 2 years x 12 cells	= <u>\$4,800.00</u>
			\$13,440.00 Analytical

Quarterly Sampling Time and Labor for 12 Cells

Labor \$55.00/hour
Sample 30min per cell
Travel 2 hours
Delivery & Paperwork 2 hours

Total Time = (30min/cell x 12 cells) + 2 hours + 2 hours = 10 hours

10 hours x \$55.00/hour = \$550.00/sampling event

\$550.00/sampling event x 8 quarters = **\$4,400.00 Labor**

Disking/Tilling for Two Years Every Two Weeks for 63 acres

Price and Time Quotes from and Equipment Operators and Landfarm Operators:

Small Tractor and Operator \$30.0 /hour
30 min per Acre

63 acres x 30min x 52weeks = 98,280 min = 1,638 hours

1,638 hours x \$30.00/hour = **\$ 49,140.00 Disking/Tilling**

Water for Bioremediation

Price Quotes from Equipment Operators

Water Truck \$120.00/load

$\$120.00/\text{load} \times 10 \text{ loads} \times 12 \text{ Events in Two Years} = \$14,400.00 \text{ Water}$

Level and Contour Landfarm

Price and Time Quotes from and Equipment Operators

D-6 Dozer and Operator \$85.00/hour

$\$85.00/\text{hour} \times 1 \text{ hour} \times 80 \text{ acres} = \$6,800.00 \text{ Level \& Contour Landfarm}$

Revegetation for 80 Acres

Price and application Quotes from Seed Companies

Equipment an labor cost

Tractor and seed drill \$30.00/hour @ 30 min/acre for 80 acres = \$1,200.00

Materials Cost

Seed \$10.00/lb @ 5 lb/acre for 80 acres = \$4,000.00

$\$1,200.00 + \$4,000.00 = \$5,200.00 \text{ Revegetation}$

Total Closure and Revegetation Cost of an 80 acre Landfarm = \$93,380.00

Total Closure and Revegetation Cost for the Existing 80 acre C&C

Landfarm Plus the 80 acre Expansion = \$186,760.00

Closure cost bonds will be no more than \$250,000.00 per existing facility as per Rule 711.

ATTACHMENT 3
LANDFARM OPERATION AND WASTE TRACKING REQUIREMENTS
JANUARY 15, 1998
C&C LANDFARM INC.
N/2, NW/4, Section 3, Township 20 South, Range 37 East, NMPM
LEA COUNTY, NEW MEXICO

The OCD has stringent requirements for the operation of all OCD regulated landfarms. A commitment to the following conditions is required prior to OCD approval of commercial landfarms:

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- A. Landfarm Facility Operation - The purpose of specific operating requirements is so that operation of a landfarm will not adversely impact ground water, surface water, public health or the environment.
1. Disposal shall only occur when an attendant is on duty. The facility shall be secured when no attendant is present.
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 3. Soils should be spread on the surface in six inch lifts or less.
 4. Soils should be disked a minimum of one time every two weeks (biweekly) to enhance biodegradation of contaminants.
 5. Exempt contaminated soils should be placed in the landfarm so that they are physically separate (ie. bermed) from nonexempt contaminated soils. There should be no mixing of exempt and nonexempt soils.
 6. Successive lifts of contaminated soils should not be spread until a laboratory measurement of Total Petroleum Hydrocarbons (TPH) in the previous lift is less than 100 parts per million (ppm), and the sum of all aromatic hydrocarbons (BTEX) is less than 50 ppm, and the benzene is less than 10 ppm. Comprehensive records of the laboratory analyses and the sampling locations shall be maintained at the facility. Authorization from the OCD shall be obtained prior to application of successive lifts.

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 8. Enhanced bio-remediation through the application of microbes (bugs) and/or fertilizers shall only be permitted after prior approval from the OCD. Request for application of microbes should include the location of the area designated for the bio-remediation program, composition of additives, and the method, amount and frequency of application.
 9. No free liquids or soils with free liquids shall be accepted at the facility.
 10. Comprehensive records of all material disposed of at the facility shall be maintained at the facility. The records for each load will include: 1) the generator, 2) the origin, 3) date received, 4) quantity, 5) Certification of exempt status or analysis for hazardous constituents if non-exempt, 6) Naturally Occurring Radioactive Material (NORM) Certification, 7) transporter, and 8) exact cell location and any addition of microbes, moisture, fertilizers, etc.
- B. Characterization & Tracking of Wastes - The operator of a landfarm must be able to distinguish between those oilfield contaminated solids which are exempt from RCRA Subtitle C (hazardous waste) regulations and those which are subject to the RCRA Subtitle C regulations. To aid the landfarm applicant in making those determinations and therefore prohibiting hazardous waste from entering the facility, all OCD permitted landfarms should operate under the following conditions:
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 - a. Oilfield contaminated solids which are exempt from RCRA Subtitle C regulations. These wastes should be accompanied by a "Certification of Waste Status" from the generator.
 - b. "Non-hazardous" non-exempt oilfield contaminated solids from OCD permitted facilities on a case-by-case basis after conducting an analysis for hazardous characteristics and receiving OCD approval. The test for hazardous characteristics for a particular waste may be effective for one year from the date of analysis, if, the subsequent wastes from the same waste stream are accompanied by a statement from the generator that there has been no change in the processes employed or the chemicals stored/used at the facility generating the waste.

- c. Other non-oilfield contaminated solids which are RCRA Subtitle C exempt or non-hazardous by characteristic testing, if ordered by the Department of Public Safety on an emergency basis as the waste poses an eminent danger to public health. The wastes should be accompanied by a "Verification of Waste Status" demonstrating the exempt or non-hazardous classification of the solids and signed by the appropriate regulatory agency. OCD approval shall be obtained prior to accepting the wastes.
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- 3. All loads received at the facility will be accompanied by the following:
 - a. A "Certification of Waste Status" signed by the waste generator or "Verification of Waste Status" issued by the New Mexico Environment Department (NMED) or the appropriate agency from another state or wastes regulated by that agency. The state agency verification is based on specific information on the subject waste submitted by the generator and demonstrating the exempt or non-hazardous classification of the waste.
 - b. A "Certification of Waste Status" shall also state that the waste not otherwise exempted pursuant to 20 NMAC 3.1 Subpart 1403, has been surveyed for Naturally Occurring Radioactive Material (NORM) and that the maximum radiation exposure reading and NORM concentrations do not exceed that listed in 20 NMAC 3.1 Subpart 1403.C and D. If the waste was surveyed for NORM the survey results must be included with the certification.
 - c. The analytical results of Hazardous Waste Characterization for non-exempt waste including corrosivity, reactivity, ignitability, and toxic constituents and a certification that no listed hazardous wastes are contained within the wastes. The samples for these analyses and results will be obtained from the wastes prior to removal from the generator's facility and without dilution in accordance with EPA SW-846 sampling procedures.
- 4. The transporter of all wastes to the facility will supply a certification that wastes delivered are those wastes received from the generator and that no additional materials have been added.

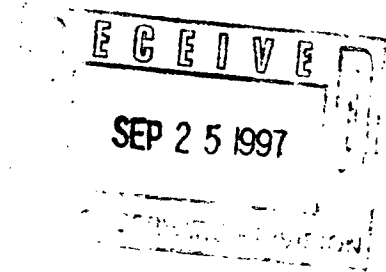
C. GENE SAMBERSON
MICHAEL T. NEWELL
LEWIS C. COX, III

LAW OFFICES
HEIDEL, SAMBERSON, NEWELL & COX

311 NORTH FIRST STREET
POST OFFICE DRAWER 1699
LOVINGTON, NEW MEXICO 88260
TELEPHONE (505) 396-5303
FAX (505) 396-5305

F.L. HEIDEL
(1913-1985)

September 23, 1997



State of New Mexico
Oil Conservation Division
2040 South Pacheco
Santa Fe, NM 87505

Re: C & C Landfarm, Inc.'s, Application to modify existing 40-acre
landfarm by expanding facility to include an additional 80 acres
NM-01-0012

Gentlemen:

On behalf of S-W Cattle Co., I submit the following comments, concerns, and objections to the above described Application wherein C & C Landfarm, Inc., seeks to increase its existing 40-acre commercial landfarm to include an additional 80 acres for a total of 120 acres of commercial landfarm, to-wit:

(1) S-W Cattle Co. owns the land on the south of the 80 acres (and, upon information and belief, states that its land adjoins C & C's 80 acres on the south boundary thereof). C & C Landfarm, Inc., seeks authority in the above matter to develop and to operate said 80 acres as an addition to its 40-acre existing commercial landfarm. S-W Cattle Co. has a windmill located less than 1500 feet from the south boundary line of the 80-acre tract of C & C Landfarm, Inc. I do not find any mention of this water well in the above captioned Application. In addition, the Application states that the drainage from the 80-acre tract is to the west. A visual examination of the area shows the drainage from the 80-acre tract to be to the south rather than to the west. S-W Cattle Co.'s windmill is located to the south of said 80 acres and there is a slope or decline from the 80-acre tract to the windmill of approximately 40 feet; therefore, runoff from this 80-acre tract will be to said windmill. The water level in S-W Cattle Co.'s windmill is approximately 18 feet below the surface; there is approximately 25 feet of thickness in water sand in the well; and the redbed is approximately 45 feet below the surface where the windmill is located. The foregoing presents a substantial risk to contamination of this water supply.

(2) The Application on file in the above captioned matter shows the location of C & C's 80-acre tract to be the N/2NW/4 of Section 3, Township 20 South, Range 37 East. Based upon the information available to S-W Cattle Co., we question whether this location is accurate.

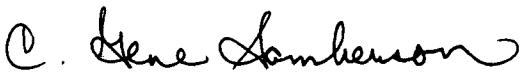
(3) The Application does not contain sufficient information to indicate whether C & C Landfarm, Inc., will conduct its operations upon the additional 80 acres in a manner to meet the requirements in Order No. R-9769-A of the New Mexico Oil Conservation Commission, which approved C & C's original 40-acre commercial landfarm. If the Application for expansion is approved, current requirements for the operation of a commercial landfarm should be imposed upon the entire 120-acre landfarm operation of C & C Landfarm, Inc.

(4) An additional surety or cash bond should be required of C & C Landfarm, Inc., for any expanded operations which may be granted.

S-W Cattle Co. believes that an expanded commercial landfarm immediately north of S-W Cattle Co.'s only water supply, i.e. the windmill, creates too much risk for contamination of this underground water; therefore, S-W Cattle Co. requests that C & C's Application for an 80-acre expansion of its existing landfarm be denied.

Very truly yours,

HEIDEL SAMBERSON NEWELL & COX

By 

CGS:te
pc: S-W Cattle Co.

Martyne Kieling

From: Price, Wayne
Sent: Wednesday, January 14, 1998 1:10 PM
To: Martyne Kieling
Cc: Chris Williams
Subject: RE: Expansion Response to C&C's application

Martyne, I have reviewed and looks ok! However I do have a suggestion for all landfarms! We allow them to take any exempt oilfield soils without verification that these soils are biodegradable, for example drilling muds, soils, with high salt content may impede the future bioremediation of all the cells.
I recommend this be addresed !

Also the last time I witnessed the installation of C&C MW's they did not use slotted screen, perforations were made with a drill & Bit; I recommend they use slotted screen from now on.

From: Martyne Kieling
Sent: Monday, January 12, 1998 2:29 PM
To: Wayne Price
Subject: Expansion Response to C&C's application
Importance: High

Wayne,

Please look this over ASAP and let me know if I am on the right track. I know it is very lengthy but by using attachments I Hope I have made the giberish clearer.

I would like to get this out tomorrow or wed. if possible
<<File: Exap1297.wpd>>

Did your office get a copy of the letter from Heidel Samberson Newell & Cox on behalf of S-W Cattle Co.

September 23, 1997 concerned with the C&C expansion.

Thanks Martyne

LAW OFFICES

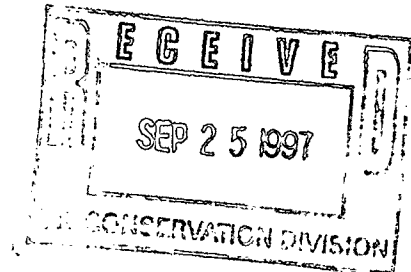
HEIDEL, SAMBERSON, NEWELL & COX

C. GENE SAMBERSON
MICHAEL T. NEWELL
LEWIS C. COX, III

311 NORTH FIRST STREET
POST OFFICE DRAWER 1599
LOVINGTON, NEW MEXICO 88260
TELEPHONE (505) 396-5303
FAX (505) 396-5305

F.L. HEIDEL
(1913-1985)

September 23, 1997



State of New Mexico
Oil Conservation Division
2040 South Pacheco
Santa Fe, NM 87505

Re: C & C Landfarm, Inc.'s, Application to modify existing 40-acre
landfarm by expanding facility to include an additional 80 acres
NM-01-0012

Gentlemen:

On behalf of S-W Cattle Co., I submit the following comments, concerns, and objections to the above described Application wherein C & C Landfarm, Inc., seeks to increase its existing 40-acre commercial landfarm to include an additional 80 acres for a total of 120 acres of commercial landfarm, to-wit:

(1) S-W Cattle Co. owns the land on the south of the 80 acres (and, upon information and belief, states that its land adjoins C & C's 80 acres on the south boundary thereof). C & C Landfarm, Inc., seeks authority in the above matter to develop and to operate said 80 acres as an addition to its 40-acre existing commercial landfarm. S-W Cattle Co. has a windmill located less than 1500 feet from the south boundary line of the 80-acre tract of C & C Landfarm, Inc. I do not find any mention of this water well in the above captioned Application. In addition, the Application states that the drainage from the 80-acre tract is to the west. A visual examination of the area shows the drainage from the 80-acre tract to be to the south rather than to the west. S-W Cattle Co.'s windmill is located to the south of said 80 acres and there is a slope or decline from the 80-acre tract to the windmill of approximately 40 feet; therefore, runoff from this 80-acre tract will be to said windmill. The water level in S-W Cattle Co.'s windmill is approximately 18 feet below the surface; there is approximately 25 feet of thickness in water sand in the well; and the rebed is approximately 45 feet below the surface where the windmill is located. The foregoing presents a substantial risk to contamination of this water supply.

(2) The Application on file in the above captioned matter shows the location of C & C's 80-acre tract to be the N/2NW/4 of Section 3, Township 20 South, Range 37 East. Based upon the information available to S-W Cattle Co., we question whether this location is accurate.

State of New Mexico
Oil Conservation Division
September 23, 1997
Page 2

(3) The Application does not contain sufficient information to indicate whether C & C Landfarm, Inc., will conduct its operations upon the additional 80 acres in a manner to meet the requirements in Order No. R-9769-A of the New Mexico Oil Conservation Commission, which approved C & C's original 40-acre commercial landfarm. If the Application for expansion is approved, current requirements for the operation of a commercial landfarm should be imposed upon the entire 120-acre landfarm operation of C & C Landfarm, Inc.

(4) An additional surety or cash bond should be required of C & C Landfarm, Inc., for any expanded operations which may be granted.

S-W Cattle Co. believes that an expanded commercial landfarm immediately north of S-W Cattle Co.'s only water supply, i.e. the windmill, creates too much risk for contamination of this underground water; therefore, S-W Cattle Co. requests that C & C's Application for an 80-acre expansion of its existing landfarm be denied.

Very truly yours,

HEIDEL SAMBERSON NEWELL & COX

By *C. Gene Samberson*

CGS:te
pc: S-W Cattle Co.

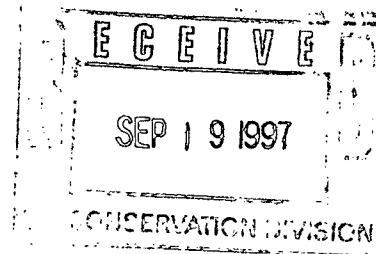
LAW OFFICES
HEIDEL, SAMBERSON, NEWELL & COX

C. GENE SAMBERSON
MICHAEL T. NEWELL
LEWIS C. COX, III

311 NORTH FIRST STREET
POST OFFICE DRAWER 1599
LOVINGTON, NEW MEXICO 88260
TELEPHONE (505) 396-5303
FAX (505) 396-5305

F.L. HEIDEL
(1913-1985)

September 12, 1997



Mr. Eddie W. Seay, Agent
C & C Landfarm, Inc.
P. O. Box 55
Monument, NM 87265

Dear Mr. Seay:

Enclosed please find a copy of my letter to you of August 27, 1997, wherein I requested that you forward to me a copy of C & C Landfarm's Application to expand its commercial landfarm by 80 acres.

I have not had a response to my letter of August 27, 1997, nor have I received a copy of C & C Landfarm's Application. I request that you forward a copy of the Application to me by return mail.

Very truly yours,

HEIDEL SAMBERSON NEWELL & COX

By *C. Gene Samberson*

CGS:te

pc: Mr. Trent Stradley
New Mexico Oil Conservation Division ✓

COPY



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

August 14, 1997

CERTIFIED MAIL
RETURN RECEIPT NO. P-326-936-324

Mr. Eddie W. Seay
C & C, Landfarm, Inc.
P.O. Box 55
Monument, NM 88265

**RE: Public Notice for Modification to C & C, Landfarm, Inc.
N/2 NW/4 (Unit C and D) of Section 3, Township 20 South, Range 37 East,
NMPM, Lea County, New Mexico**

Dear Mr. Seay:

The New Mexico Oil Conservation Division (OCD), has received C & C, Landfarm, Inc. (C&C) application for modification of the C&C waste management facility dated August 8, 1997. The modification proposes to increase the size of C&C by adding 80 acres located in the N/2 NW/4 (Unit C and D) of Section 3, Township 20 South, Range 37 East, NMPM, Lea County, New Mexico to the existing landfarm.

Based on the information provided with the application Form C-137 and additional information on file, the OCD has prepared a public notice statement that C&C must published in the Lovington Daily Record and in the Santa Fe New Mexican newspapers. In addition, this notice shall be sent certified mail to all landowners within one mile of the proposed expansion area.

C&C must send the original certified affidavit of publication from both the Lovington Daily Record and the Santa Fe New Mexican to the OCD Santa Fe office and a copy to the appropriate District office. In addition, C&C must send copies of the postal receipt and signed certified return receipt from each of the landowners to both the OCD Santa Fe office and appropriate District office.

If you have any questions please do not hesitate to contact me at (505) 827-7153.

Sincerely,

Martyne J. Kieling
Environmental Geologist

Mr. Eddie W. Seay
August 14, 1997
Page 2

Attachments

xc: Hobbs OCD Office

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

Notice is hereby given that pursuant to the New Mexico Oil Conservation Division Regulations, the following application has been submitted to the Director of the Oil Conservation Division, 2040 S. Pacheco, Santa Fe, New Mexico 87505, Telephone (505) 827-7131:

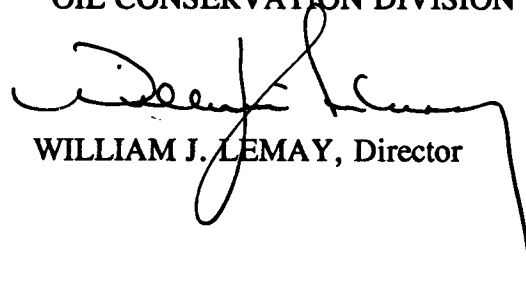
(NM-01-0012) C & C Landfarm, Inc., Eddie W. Seay, Agent, P.O. Box 55 Monument, New Mexico, 87265, has submitted for approval an application to modify their previously approved commercial landfarm located in the SW/4 NE/4 of Section 3, Township 20 South, Range 37 East, NMPM, Lea County, New Mexico. The facility currently remediates RCRA exempt and characteristically non-hazardous hydrocarbon contaminated soils associated with oil and gas production. Soils are remediated by spreading them on the ground surface in 6 inch lifts or less and periodically disking them to enhance biodegradation of contaminants. The modification proposes to expand the facility to the west 80 acres. Ground water most likely to be affected by any accidental discharges at the surface is at a depth of 25 feet to 540 feet. The boundary for the facility is underlain by redbeds ranging in thickness from 430 feet to 1200 feet. The permit application addresses the construction, operations, spill/leak prevention and monitoring procedures to be incorporated at the proposed site.

Any interested person may obtain further information from the Oil Conservation Division and may submit written comments to the Director of the Oil Conservation Division at the address given above. The application may be viewed at the above address between 8:00 a.m. and 4:00 p.m., Monday thru Friday. Prior to ruling on any proposed application, the Director of the Oil Conservation Division shall allow at least thirty (30) days after the date of publication of this notice during which comments may be submitted to him and public hearing may be requested by any interested person. Request for public hearing shall set forth the reasons why a hearing shall be held. A hearing will be held if the director determines that there is significant public interest.

If no hearing is held, the Director will approve or disapprove the application based on the information available. If a public hearing is held, the Director will approve the application based on the information in the application and information presented at the hearing.

GIVEN under the Seal of New Mexico Oil Conservation Commission at Santa Fe, New Mexico, on this 13th day of August, 1997.

**STATE OF NEW MEXICO
OIL CONSERVATION DIVISION**


WILLIAM J. LEMAY, Director

SEAL

MEMORANDUM OF MEETING OR CONVERSATION

☒ Telephone ☐ Personal

Time
3:30

Date
8-7-57

Originating Party

Eddie Seay

Other Parties

Martine Kieling

Subject

Notice to Public For 80 Acre Expansion

Discussion

Need Public Notice Location to be Added NW $\frac{1}{2}$, NW $\frac{1}{4}$
Section 3 Township 20S Range 37 East
Unit letters C+D

Conclusions or Agreements

I will write the Notice Hank Leary Signs
and send to Eddie for Notation All enclosures in 1 mile & Pages)
(Question Don't need to tell him a list or use vic list)

Distribution

Signed

Martine Kieling

RECEIVED

September 12, 1997

SEP 13 1997

Environmental Bureau
Oil Conservation Division

NMOCD Environmental Bureau
Martyne J. Kieling
2040 S. Pacheco Street
Santa Fe, NM 87505

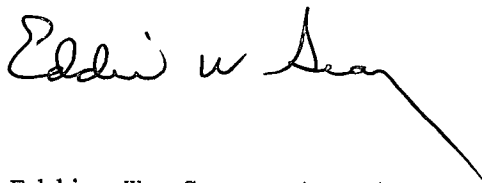
RE: C & C Landfarm Expansion

Martyne:

Within is the original and a copy of the notice requirements to C & C's expansion request. All the notices were returned except one. We have checked with the postmaster and this notice has not been picked up yet. When and if we receive this notice, we will forward it to you.

If you have any questions or need additional information, please call.

Sincerely,



Eddie W. Seay, Agent
601 W. Illinois
Hobbs, NM 88242
(505)392-2236

*Orig & copy of
C & C Expansion
notices.*

The Santa Fe New Mexican

Since 1849 We Read You.

EDDIE SEAY CONSULTING
601 W. ILLINOIS
HOBBS, NM 88240

AD NUMBER: 684495

ACCOUNT: 999901

LEGAL NO: 62255

P.O. #:

182 LINES ONCE at \$ 116.48

Affidavits: 5.25

Tax: 7.61

Total: \$ 129.34

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 Oil Conservation Division Regulations, the following application has been submitted to the Director of the Oil Conservation Division, 2040 S. Pacheco, Santa Fe, New Mexico, 87505, Telephone (505) 827-7131:

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GIVEN under the Seal of New Mexico Oil Conservation Commission at Santa Fe, New Mexico, on this 13th day of August 1997.

STATE OF NEW MEXICO
OIL CONSERVATION
DIVISION
WILLIAM J. LEMAY,
Director

Legal #62255
Pub. August 25, 1997

AFFIDAVIT OF PUBLICATION

STATE OF NEW MEXICO
COUNTY OF SANTA FE

I, BETSY PERNER being first duly sworn declare and say that I am Legal Advertising Representative of THE SANTA FE NEW MEXICAN, a daily news paper 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 # 62255 a copy of which is hereto attached was published in said newspaper once each WEEK for ONE consecutive week(s) and that the notice was published in the newspaper proper and not in any supplement; the first publication being on the 25 day of AUGUST 1997 and that the undersigned has personal knowledge of the matter and things set forth in this affidavit.

/S/

Betsy Perner
LEGAL ADVERTISEMENT REPRESENTATIVE

Subscribed and sworn to before me on this
25 day of AUGUST A.D., 1997

Notary

Commission Expires

The Santa Fe New Mexican

Since 1849. We Read You.

EDDIE SEAY CONSULTING
601 W. ILLINOIS
HOBBS, NM 88240

AD NUMBER: 684495

ACCOUNT: 999901

LEGAL NO: 62255

P.O. #:

182

LINES ONCE

at \$ 116.48

Affidavits: 5.25

Tax: 7.61

Total: \$ 129.34

NOTICE OF PUBLICATION

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ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

Notice is hereby given that pursuant to New Mexico Oil Conservation Division Regulations, the following application has been submitted to the Director of the Oil Conservation Division, 2040 S. Pacheco, Santa Fe, New Mexico, 87505, Telephone (505) 827-7131:

(NM-01-0012) - C & C Landfarm, Inc., Eddie W. Seay, Agent, P.O. Box 55 Monument, New Mexico, 87265, has submitted for approval an application to modify their previously approved commercial landfarm located in the SW/4, NE/4 of Section 3, Township 20 South, Range 37 East, NMPM, Lea County, New Mexico. The facility currently remediates RCRA exempt and characteristically non-hazardous hydrocarbon contaminated soils associated with oil and gas production. Soils are remediated by spreading them on the ground surface in 6 inch lifts or less and periodically disking them to enhance biodegradation of contaminants. The modification proposes to expand the facility to the west 80 acres. Ground water most likely to be affected by any accidental discharges at the surface is at a depth of 25 feet to 540 feet. The boundary for the facility is underlain by redbeds ranging in thickness from 430 feet to 1200 feet. The permit application addresses the construction, operations,

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If no public hearing is held, the Director will approve or disapprove the application based on information available. If a public hearing is held, the Director will approve the application based on the information in the application and information presented at the hearing.

GIVEN under the Seal of New Mexico Oil Conservation Commission at Santa Fe, New Mexico, on this 13th day of August 1997.

STATE OF NEW MEXICO
OIL CONSERVATION
DIVISION
WILLIAM J. LEWIS
Director

Legal #62255
Pub. August 25, 1997

AFFIDAVIT OF PUBLICATION

STATE OF NEW MEXICO
COUNTY OF SANTA FE

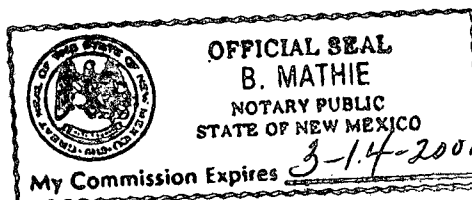
I, BETSY PERNER being first duly sworn declare and say that I am Legal Advertising Representative of THE SANTA FE NEW MEXICAN, a daily news paper published in the English language, and having a general circulation in the Counties of Santa Fe and Los Alamos, State of New Mexico and being a New paper duly qualified to publish legal notices and advertisements under the provisions of Chapter 167 on Session Laws of 1937; that the publication # 62255 a copy of which is hereto attached was published in said newspaper once each WEEK for ONE consecutive week(s) and that the notice was published in the newspaper proper and not in any supplement; the first publication being on the 25 day of AUGUST 1997 and that the undersigned has personal knowledge of the matter and things set forth in this affidavit.

/S/

Betsy Perner
LEGAL ADVERTISEMENT REPRESENTATIVE

Subscribed and sworn to before me on this
25 day of AUGUST A.D., 1997

Notary B. Mathie
Commission Expires 3-14-2001



Affidavit of Publication

STATE OF NEW MEXICO)

) ss.

COUNTY OF LEA)

Joyce Clemens being first duly sworn on oath deposes and says that he is Adv. Director of THE LOVINGTON DAILY LEADER, a daily newspaper of general paid circulation published in the English language at Lovington, Lea County, New Mexico; that said newspaper has been so published in such county continuously and uninterruptedly for a period in excess of Twenty-six (26) consecutive weeks next prior to the first publication of the notice hereto attached as hereinafter shown; and that said newspaper is in all things duly qualified to publish legal notices within the meaning of Chapter 167 of the 1937 Session Laws of the State of New Mexico.

That the notice which is hereto attached, entitled

Legal Notice

Notice of Publication

~~and numbered~~

~~XXXXXXXXXXXX~~ was publish
entire issue of THE LOVINGTON I
not in any supplement thereof, ~~or~~

~~XXXXXXXXXXXX~~, for
~~XXXXXXXXXXXX~~, beginning with

August 20

and ending with the issue of

August 20

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

Notice is hereby given that pursuant to the New Mexico Oil Conservation Division Regulations, the following application has been submitted to the Director of the Oil Conservation Division, 2040 S. Pacheco, Santa Fe, New Mexico 87505, Telephone (505) 827-7131:

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430 feet to 1200 feet. The permit application addresses the construction, operations, spill/leak prevention and monitoring procedures to be incorporated at the proposed site.

Any interested person may obtain further information from the Oil Conservation Division and may submit written comments to the Director of the Oil Conservation Division at the address given above. The application may be viewed at the above address between 8:00 a.m. and 4:00 p.m., Monday through Friday. Prior to ruling on any proposed application, the Director of the Oil Conservation Division shall allow at least thirty (30) days after the date of publication of this notice during which comments may be submitted to him and a public hearing may be requested by any interested person. 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

there is significant public interest.

If no public hearing is held, the Director will approve or disapprove the proposed plan based on information available. If a public hearing is held, the Director will approve application based on information in the application and information submitted at the hearing.

GIVEN under the Seal of New Mexico Oil Conservation Commission at Santa Fe, New Mexico, on this 13th day of August, 1997.

STATE OF
NEW MEXICO
OIL CONSERVATION
DIVISION
WILLIAM J. LEMAY,
Director

SEAL
Published in the Lovington Daily Leader August 20, 1997.

And that the cost of publishing said notice is the

sum of \$ 50.40

which sum has been (Paid) (Assessed) as Court Costs

Joyce Clemens
Subscribed and sworn to before me this 21st

day of August, 19 97

Jean Senior
Notary Public, Lea County, New Mexico

My Commission Expires Sept. 28, 19 98

OCD FILES

35MM DRAWINGS

nm 1-1012
FILE NUMBER

Permits renewals + mods
DOCUMENT TYPE

2
NO OF DWGS

14
BOX



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

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

October 8, 1996

CERTIFIED MAIL
RETURN RECEIPT NO. P-288-258-837

Mr. Jim Cooper
C & C Landfarm, Inc.
P.O. Box 55
Monument, New Mexico 88265

RE: Commercial Landfarm (NM-711-1-0012) Expansion
C & C Landfarm, Inc.
Lea County, New Mexico

Dear Mr. Cooper:

The expansion for the C & C Landfarm, Inc. (C & C) Landfarm located in the NW/4 NE/4 Section 3, Township 20 South, Range 37 East, NMPM, Lea County, New Mexico, is hereby approved in accordance with the Oil Conservation Division (OCD) Rule 711 under the conditions contained in the enclosed attachment. The application consists of the original application dated November 21, 1994, and the materials dated March 23, 1995 and April 4, 1996, submitted as supplements to the application. Enclosed are two copies of the conditions of approval. **Please sign and return one copy to the OCD Santa Fe office within five working days of receipt of this approval.**

The operation, monitoring and reporting shall be as specified in the enclosed attachment. All modifications and alternatives to the approved landfarming methods must receive prior OCD approval. You are required to notify the Director of any proposed facility expansion or process modification and to file the appropriate materials with the Division for approval.

Please be advised approval of this facility does not relieve you of liability should your operation result in actual pollution of surface waters, ground water or the environment actionable under other laws and/or regulations. In addition, the OCD approval does not relieve you of liability for compliance with other laws and /or regulations.

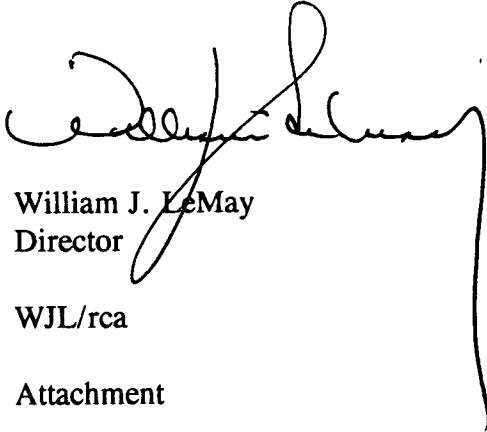
Please be advised that all tanks exceeding 16 feet in diameter and exposed pits, ponds or lagoons must be screened, netted or otherwise rendered nonhazardous to migratory birds. In addition, OCD Rule 310 prohibits oil from being stored or retained in earthen reservoir, or in open receptacles.

Mr. Jim Cooper
October 8, 1996
Page 2

The Division shall have authority to administratively change this permit to protect fresh water, public health and the environment.

If you have any questions, please do not hesitate to contact Roger Anderson at (505) 827-7152.

Sincerely,

A handwritten signature in black ink, appearing to read "William J. LeMay". The signature is fluid and cursive, with a long, sweeping underline that extends downwards and to the right.

William J. LeMay
Director

WJL/rca

Attachment

xc: OCD Hobbs

Mr. Jim Cooper
October 8, 1996
Page 3

C&C LANDFARM
LANDFARM OPERATING CONDITIONS
OCTOBER 8, 1996

LANDFARM OPERATION

1. Disposal will occur only when an attendant is present.
2. The facility will be fenced and have a sign at the entrance. The sign will be legible from at least 50 feet and will contain the following information: a) name of the facility, b) the permit number (NM-711-1-0012), c) location by section, township and range, and d) emergency phone number.
3. An adequate berm will be constructed and maintained to prevent runoff and run on for that portion of the facility containing contaminated soils.
4. All contaminated soils received at the facility will be spread and disked within 72 hours of receipt.
5. Soils will be spread in six inch lifts or less.
6. Soils will be disked a minimum of once every two weeks to enhance biodegradation of the contaminants.
7. Successive lifts of contaminated soils will not be spread until a laboratory measurement of Total Petroleum Hydrocarbons (TPH) in the previous lift is less than 100 parts per million (ppm), and the sum of all aromatic hydrocarbons (BTEX) is less than 50 ppm, and the benzene concentration is less than 10 ppm. Comprehensive records of laboratory analysis and the sampling locations will be maintained at the facility. Authorization from the OCD will be obtained prior to the spreading of successive lifts and/or removal of the remediated soils.
8. Only oilfield wastes regulated by the OCD which are exempt from RCRA Subtitle C regulations or non-hazardous by characteristic testing will be accepted at the facility. The following documentation for accepting wastes will be required:

Exempt Oilfield Wastes: As a condition of acceptance of the materials shipped, a

generator, or his authorized agent, shall sign a certificate which represents and warrants that the wastes are: generated from oil and gas exploration and production operations; exempt from Resource Conservation and Recovery Act (RCRA) Subtitle C regulations; and not mixed with exempt wastes. The permittee shall have the option to accept on a monthly, weekly, or per load basis a load certificate in a form of its choice. While the acceptance of such exempt oilfield activities does not require the prior approval of the Division, both the generator and permittee shall maintain and make said certificates available for inspection by the Division for compliance and enforcement purposes.

Non-exempt, Non-hazardous Wastes: Prior to acceptance, a "Request For Approval To Accept Solid Waste", New Mexico Oil Conservation Division Form C-138, accompanied by acceptable documentation to determine that the waste is non-hazardous shall be submitted to the appropriate District office. Acceptance will be on a case-by-case basis after approval from the Division's Santa Fe office.

Non-oilfield Wastes: Non-oilfield wastes may be accepted in an emergency if ordered by the Department of Public Safety.

9. Moisture will be added as necessary to enhance biodegradation and to control blowing dust. There will be no ponding, pooling or runoff allowed. Any ponding of precipitation will be removed within seventy-two (72) hours of discovery.
10. Enhanced bio-remediation through the application of microbes (bugs) and/or fertilizers will only be permitted after prior approval from the OCD. Request for the application of microbes must include the location of the area designated for the bioremediation program, composition of additives, and the method, amount and frequency of application.
11. No free liquids or soils with free liquids will be accepted at the facility.
12. Comprehensive records of all materials received at the facility will be maintained at the facility. The records for each load will include: a) the origin, b) date received, c) quantity, d) exempt or non-exempt status and analyses for hazardous constituents if required, e) transporter, and f) exact cell location and any addition of microbes, moisture, fertilizers, etc.

MONITORING REQUIREMENTS

1. All monitor wells will be inspected on a weekly basis and records made and kept on file for five (5) years from the date of record.

2. If fluids are found in the monitor wells the following steps will be taken:
 - a. The operator will notify the OCD Hobbs and Santa Fe offices within twenty-four (24) hours of discovery.
 - b. The fluids will be tested for total petroleum hydrocarbons (TPH), BTEX, general chemistry and heavy metals using EPA approved methods.
 - c. The operator will cease receiving contaminated soils and implement steps to remediate the contaminated zone.
3. One (1) background sample will be taken from the center portion of the landfarm two (2) feet below the native ground surface. The sample will be analyzed for total petroleum hydrocarbons (TPH), general chemistry, and heavy metals using EPA approved methods.
4. A treatment zone not to exceed three (3) feet beneath the landfarm will be monitored. A minimum of one random soil sample will be taken from each cell, with no cell being larger than five acres, six (6) months after the first contaminated soils are received in the cell and then quarterly thereafter. The sample will be taken at two (2) to three (3) feet below the native ground surface.
5. The soil samples will be analyzed using approved EPA methods for TPH and aromatic hydrocarbons (BTEX) quarterly, and general chemistry and heavy metals annually.
6. After obtaining the soil samples the bore holes will be filled with an impermeable material such as bentonite cement.
7. If contaminants are detected in the treatment zone, the following steps will be taken:
 - a. The OCD Hobbs and Santa Fe Offices will be notified within 24 hours of discovery.
 - b. The operator will cease receiving contaminated soils and implement steps to remediate the contaminated zone(s).

REPORTING

1. Analytical results from the treatment zone monitoring will be submitted to the OCD Santa Fe Office within thirty (30) days of receipt from the laboratory.

Mr. Jim Cooper
October 9, 1996
Page 6

2. The OCD will be notified of any break, spill, or any other circumstance that could constitute a hazard or has potential to result in contamination in accordance with OCD Rule 116.

CLOSURE

The operator will notify the OCD of cessation of operations. Upon cessation of landfarming operations for six (6) consecutive months, the operator will complete cleanup of constructed facilities and restoration of the facility site within the following six (6) months, unless an extension is granted by the Director of the OCD. When the facility is to be closed no new material will be accepted. Existing soils will be remediated until they meet the OCD standards in effect at the time of closure. The area will then be reseeded with indigenous grasses and allowed to return to its natural state. Closure will be pursuant to all OCD requirements in affect at the time of closure, and any other applicable state or federal regulations.

CERTIFICATION

C & C Landfarm, Inc., by the officer whose signature appears below, accepts this permit and agrees to comply with all terms and conditions contained herein. C & C Landfarm, Inc. further acknowledges that the terms and conditions of this permit may be changed by the Division for good cause shown as necessary to protect fresh water, human health and the environment.

Accepted:

C & C Landfarm, Inc.

By _____

Title _____

Mr. Jim Cooper
October 8, 1996
Page 3

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C&C LANDFARM
LANDFARM OPERATING CONDITIONS
OCTOBER 8, 1996

LANDFARM OPERATION

1. Disposal will occur only when an attendant is present.
2. The facility will be fenced and have a sign at the entrance. The sign will be legible from at least 50 feet and will contain the following information: a) name of the facility, b) the permit number (NM-711-1-0012), c) location by section, township and range, and d) emergency phone number.
3. An adequate berm will be constructed and maintained to prevent runoff and run on for that portion of the facility containing contaminated soils.
4. All contaminated soils received at the facility will be spread and disked within 72 hours of receipt.
5. Soils will be spread in six inch lifts or less.
6. Soils will be disked a minimum of once every two weeks to enhance biodegradation of the contaminants.
7. Successive lifts of contaminated soils will not be spread until a laboratory measurement of Total Petroleum Hydrocarbons (TPH) in the previous lift is less than 100 parts per million (ppm), and the sum of all aromatic hydrocarbons (BTEX) is less than 50 ppm, and the benzene concentration is less than 10 ppm. Comprehensive records of laboratory analysis and the sampling locations will be maintained at the facility. Authorization from the OCD will be obtained prior to the spreading of successive lifts and/or removal of the remediated soils.
8. Only oilfield wastes regulated by the OCD which are exempt from RCRA Subtitle C regulations or non-hazardous by characteristic testing will be accepted at the facility. The following documentation for accepting wastes will be required:

Exempt Oilfield Wastes: As a condition of acceptance of the materials shipped, a

Mr. Jim Cooper
October 8, 1996
Page 4

generator, or his authorized agent, shall sign a certificate which represents and warrants that the wastes are: generated from oil and gas exploration and production operations; exempt from Resource Conservation and Recovery Act (RCRA) Subtitle C regulations; and not mixed with exempt wastes. The permittee shall have the option to accept on a monthly, weekly, or per load basis a load certificate in a form of its choice. While the acceptance of such exempt oilfield activities does not require the prior approval of the Division, both the generator and permittee shall maintain and make said certificates available for inspection by the Division for compliance and enforcement purposes.

Non-exempt, Non-hazardous Wastes: Prior to acceptance, a "Request For Approval To Accept Solid Waste", New Mexico Oil Conservation Division Form C-138, accompanied by acceptable documentation to determine that the waste is non-hazardous shall be submitted to the appropriate District office. Acceptance will be on a case-by-case basis after approval from the Division's Santa Fe office.

Non-oilfield Wastes: Non-oilfield wastes may be accepted in an emergency if ordered by the Department of Public Safety.

9. Moisture will be added as necessary to enhance biodegradation and to control blowing dust. There will be no ponding, pooling or runoff allowed. Any ponding of precipitation will be removed within seventy-two (72) hours of discovery.
10. Enhanced bio-remediation through the application of microbes (bugs) and/or fertilizers will only be permitted after prior approval from the OCD. Request for the application of microbes must include the location of the area designated for the bioremediation program, composition of additives, and the method, amount and frequency of application.
11. No free liquids or soils with free liquids will be accepted at the facility.
12. Comprehensive records of all materials received at the facility will be maintained at the facility. The records for each load will include: a) the origin, b) date received, c) quantity, d) exempt or non-exempt status and analyses for hazardous constituents if required, e) transporter, and f) exact cell location and any addition of microbes, moisture, fertilizers, etc.

MONITORING REQUIREMENTS

1. All monitor wells will be inspected on a weekly basis and records made and kept on file for five (5) years from the date of record.

Mr. Jim Cooper
October 8, 1996
Page 5

2. If fluids are found in the monitor wells the following steps will be taken:
 - a. The operator will notify the OCD Hobbs and Santa Fe offices within twenty-four (24) hours of discovery.
 - b. The fluids will be tested for total petroleum hydrocarbons (TPH), BTEX, general chemistry and heavy metals using EPA approved methods.
 - c. The operator will cease receiving contaminated soils and implement steps to remediate the contaminated zone.
3. One (1) background sample will be taken from the center portion of the landfarm two (2) feet below the native ground surface. The sample will be analyzed for total petroleum hydrocarbons (TPH), general chemistry, and heavy metals using EPA approved methods.
4. A treatment zone not to exceed three (3) feet beneath the landfarm will be monitored. A minimum of one random soil sample will be taken from each cell, with no cell being larger than five acres, six (6) months after the first contaminated soils are received in the cell and then quarterly thereafter. The sample will be taken at two (2) to three (3) feet below the native ground surface.
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Page 6

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CERTIFICATION

C & C Landfarm, Inc., by the officer whose signature appears below, accepts this permit and agrees to comply with all terms and conditions contained herein. C & C Landfarm, Inc. further acknowledges that the terms and conditions of this permit may be changed by the Division for good cause shown as necessary to protect fresh water, human health and the environment.

Accepted:

C & C Landfarm, Inc.

By Eddie W. Lee

Title Agent & Vice Pres.



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

August 19, 1996

CERTIFIED MAIL
RETURN RECEIPT NO. P-176-013-372

Mr. W. T. Stradley, President
S-W Cattle Company
P.O. Box 1799
Hobbs, New Mexico 88241

RE: C & C Landfarm (NM-711-01-0012)
Expansion Application

Dear Mr. Stradley:

The New Mexico Oil Conservation Division (OCD) permits disposal facilities which receive oil field related waste. The C & C Landfarm Inc. proposed disposal facility expansion has been determined to be administratively approvable subject to the attached conditions. The application and supplemental information submitted are in compliance with all Division rules and regulations, and are open for public inspection at the OCD Santa Fe Office.

You filed an objection, dated December 13, 1994, to the application of C & C Landfarm Inc.. If you still object to the application and wish to present technical testimony at a hearing in Santa Fe, please submit a request for hearing within 10 days of receipt of this letter. Your request should include a concise statement of objection or concern and a summary of the evidence you will present at hearing. If the Director determines that intervenors such as yourself have significant additional information to offer, the matter will be set for hearing. The OCD cannot consider land use or zoning requirements when evaluating surface disposal applications.

If you have any questions please call me at (505) 827-7152.

Sincerely,

Roger C. Anderson
Environmental Bureau Chief

xc: OCD-Hobbs Office
Jimmie T. Cooper, C & C Landfarm Inc.

PROPOSED CONDITIONS OF APPROVAL FOR THE
C&C LANDFARM EXPANSION

LANDFARM OPERATION

1. Disposal will occur only when an attendant is present.
2. The facility will be fenced and have a sign at the entrance. The sign will be legible from at least 50 feet and will contain the following information: a) name of the facility, b) the permit number (NM-711-1-0012), c) location by section, township and range, and d) emergency phone number.
3. An adequate berm will be constructed and maintained to prevent runoff and runoff for that portion of the facility containing contaminated soils.
4. All contaminated soils received at the facility will be spread and disked within 72 hours of receipt.
5. Soils will be spread in six inch lifts or less.
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Exempt Oilfield Wastes: As a condition of acceptance of the materials shipped, a generator, or his authorized agent, shall sign a certificate which represents and warrants that the wastes are: generated from oil and gas exploration and production operations; exempt from Resource Conservation and Recovery Act (RCRA) Subtitle C regulations; and not mixed with exempt wastes. The permittee shall have the option to accept on a monthly, weekly, or per load basis a load certificate in a form of its choice. While the

acceptance of such exempt oilfield activities does not require the prior approval of the Division, both the generator and permittee shall maintain and make said certificates available for inspection by the Division for compliance and enforcement purposes.

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11. No free liquids or soils with free liquids will be accepted at the facility.
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1. All monitor wells will be inspected on a weekly basis and records made and kept on file for five (5) years from the date of record.
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CLOSURE

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to be closed no new material will be accepted. Existing soils will be remediated until they meet the OCD standards in effect at the time of closure. The area will then be reseeded with indigenous grasses and allowed to return to its natural state. Closure will be pursuant to all OCD requirements in affect at the time of closure, and any other applicable state or federal regulations.

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

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

**CASE 11143 - (REHEARING)
ORDER NO. R-10411-B**

**APPLICATION OF THE OIL CONSERVATION
DIVISION FOR AN ORDER AMENDING RULE
711 OF ITS GENERAL RULES AND REGULATIONS
PERTAINING TO THE PERMITTING OF SURFACE
WASTE DISPOSAL FACILITIES.**

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on September 28, 1995, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission".

NOW, on this 14th day of December, 1995, the Commission, a quorum being present, having considered the record and being fully advised in the premises,

FINDS THAT:

(1) Due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) On July 10, 1995, the Commission entered Order R-10411 adopting a "Revised Rule 711" which substantially revised Oil Conservation Division General Rule 711.

(3) On July 10, 1995, two of the interested parties of record in this case, the New Mexico Oil & Gas Association ("NMOGA") and Controlled Recovery, Incorporated ("CRI") filed an application for rehearing asking the Commission to reconsider Revised Rule 711 as to ten substantive issues and two procedural issues.

(4) On August 10, 1995, the Commission granted this application for rehearing and on September 28, 1995, held a public hearing to consider the issues raised in the application for rehearing at which time additional evidence and arguments were presented by NMOGA, CRI, the Oil Conservation Division and others.

(5) Based upon the evidence and record presented at the rehearing of this matter, the Commission finds that Revised Rule 711 as adopted by Order R-10411 should be withdrawn and replaced by Replacement Rule 711 as adopted by this order.

(6) Substantive Findings.

The ten substantive issues raised in the application for rehearing can be consolidated into five major issues for which the Commission finds:

(A) Commercial and Centralized Facilities

1. Surface waste management facilities pose different degrees of risk to public health and the environment which can be divided into two categories: "commercial facilities" which have a higher degree of risk and "centralized facilities" which have a lesser degree of risk;

2. While the Commission concludes that a commercial facility has a higher degree of environmental and public health risk associated with its operations because it receives large volumes of waste material from unrelated parties for compensation, the definition of commercial facility adopted by the Commission in Order R-10411 is ambiguous.

3. While the Commission concludes that a centralized facility has a lesser degree of environmental and public health risk associated with its operations because waste materials it receives are generally smaller in volume from fewer unrelated sources and are generated by the same or related generators from commonly or jointly owned operations, the definition of centralized facility adopted by the Commission in Order R-10411 is ambiguous.

4. The Commission recognizes that a surface waste management facility should still be a centralized facility even if the costs of disposal were allocated to different wells under conventional Joint Operating Agreements even if that results in payment from some companies to others--i.e. "compensation"--for what should in all other respects be a centralized facility.

5. The Commission intends that centralized facility be defined as either: (a) receiving no compensation, (b) used exclusively by one generator even for compensation provided the generator accepts only waste generated from production subject to the Oil & Gas Conservation Tax; or (c) used by multiple generators under an operating agreement and which receives New Mexico generated waste from two or more production units from a set of commonly owned or operated leases.

6. The Commission further intends that a "commercial facility" be defined as any surface waste management facility which does not satisfy the definition of a "centralized facility".

7. The definitions of centralized and commercial as set forth in Replacement Rule 711, attached to this order, adequately express the intent of the Commission and should be adopted.

(B) Underground Injection Control Facilities and WQCC Regulated Facilities

1. Rule 711 as adopted by Order R-10411 contains a definition for commercial facility which unless amended classifies (a) all above grade tank waste facilities; (b) all salt water disposal ("SWD") wells with related above grade surface facilities and (c) facilities subject to the Water Quality Control Commission Regulations as "commercial facilities". The Commission intends to exclude these three types of facilities from Rule 711.

2. The Commission finds that Order R-10411 incorrectly included types of waste disposal facilities that are adequately regulated either under NMOCD rules or regulations of the WQCC, and that Replacement Rule 711 adequately corrects Rule 711 to properly indicate the intentions of the Commission.

(C) Exemptions of Certain Types of Centralized Facilities Rule 711.A.3. (exemptions)

1. The Commission finds that there are certain types of centralized facilities which should be exempt from permitting because such facilities pose little risk to public health or the environment. The following centralized facilities exempt from permitting should be: (a) facilities that receive wastes from a single well; (b) emergency pits that are designed to capture fluids during an emergency upset period, provided such fluids are removed from the pit within 24 hours from introduction; (c) such other facilities that are demonstrated to present little risk to public health and the environment, and (d) facilities that receive less than 50 barrels of RCRA exempt liquid wastes per day and have a capacity to hold 500 barrels of liquids or less or 1400 cubic yards of solids or less and when a showing can be made to the satisfaction of the Division that no harm to fresh water, public health or the environment will occur.

2. Replacement Rule 711 properly defines centralized facilities that should be exempt from permitting requirements of Rule 711.

(D) Financial Assurance and Implementation Schedule

1. The Commission finds that because of the different degrees of risk and costs of closure associated with centralized facilities, existing commercial facilities and future commercial facilities, each should be subject to different financial assurance rules and implementation schedules.

2. Revised Rule 711.B.3 as adopted in Order R-10411 requires all commercial and all centralized facilities to have financial assurances (cash, letters of credit or bonds) in an amount equal to the estimated costs to have a third party close the facility. There is a four year phasing in of the financial assurance in increments of twenty-five (25%) percent regardless of the type of facility.

3. Order R-10411 adopted a cost of closure criteria for financial assurances and an implementation schedule which would significantly increase the bonding amounts and correspondingly make the costs of obtaining and paying premiums onerous for that coverage to a portion of the oil and gas industry in excess of the levels necessary for the protection of public health and the environment.

4. The Commission finds that adequate financial assurance can be established which will not cause an onerous burden on the regulated industry and still protect public health and the environment as follows:

(a) That financial assurance on centralized facilities be a flat \$25,000 for an individual facility or a \$50,000 statewide bond and that the financial assurance for an existing commercial facility be capped at actual closure costs or \$250,000 whichever is less; and

(b) That new commercial waste management facilities or major modifications or major expansions of existing commercial facilities will require financial assurances based upon actual closure costs and are not eligible for the \$250,000 maximum limit.

5. The Commission finds that an implementation schedule for each type of facility as set forth in Replacement Rule 711 will provide for an orderly and timely means of implementation which is adequate assurance for the protection of public health and the environment while preventing waste and protecting correlative rights.

(E) Reporting of Exempt E&P Wastes

1. The New Mexico oil and gas industry has already voluntarily adopted adequate methods for documenting oil and gas exempt wastes which are effectively and efficiently protecting public health, safety and the environment.

2. The adoption of rules and regulations mandating "waste tracking" for E&P exempt wastes in New Mexico are not necessary at this time.

3. The Division is now using Form C-138 which can be interpreted to require Division approval prior to or after receipt by the facility of waste materials.

4. The Commission does not intend by Rule 711 to require the Division to issue Form C-138 for exempt waste or make approval a requirement.

5. Rule 711 C 4 a. adopted by Order R-10411 needs to be clarified and should be amended as set forth in Replacement Rule 711.

(7) Procedural Findings.

As to the two procedural issues raised in the application for rehearing, the Commission finds:

(a) the adoption of Replacement Rule 711 will adequately protect public health and the environment while correspondingly not impose an undue regulatory burden upon the regulated parties thereby protecting correlative rights;

(b) the Commission's ultimate findings set forth in this order summarize its reasons for its adoption of Replacement Rule 711;

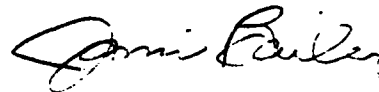
(c) the withdrawal of Revised Rule 711 and the adoption of Replacement Rule 711 will provide for workable, fair and efficient regulation of surface waste management facilities while protecting public health and the environment and preventing waste of valuable hydrocarbons and the protection of the correlative rights of the owners of that production.

IT IS THEREFORE ORDERED THAT:

- (1) Division Revised Rule 711 as adopted by Order R-10411 is hereby withdrawn.
- (2) Division Rule 711 is hereby amended by what has been described herein as "Replacement Rule 711" as set forth on Exhibit "A" attached hereto and made part of this order.
- (3) Replacement Rule 711 shall be effective January 1, 1996.
- (4) Jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

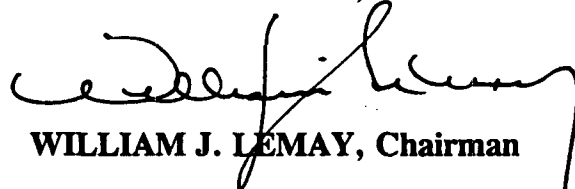
**STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION**



JAMI BAILEY, Member



WILLIAM W. WEISS, Member



WILLIAM J. LEMAY, Chairman

S E A L

(c) emergency pits that are designed to capture fluids during an emergency upset period only and provided such fluids will be removed from the pit within twenty-four (24) hours from introduction;

(d) facilities that do not meet the requirements of the foregoing exemptions in Section A.3, but that are shown by the facility operator to the satisfaction of the Division to not present a risk to public health and the environment.

B. Unless exempt from this Rule, all commercial and centralized facilities including facilities in operation on the effective date of this rule, new facilities prior to construction and all existing facilities prior to major modification or major expansion shall be permitted by the Division in accordance with the following requirements:

(1) Application Requirements:

An application, Form C-137, for a permit for a new facility or to modify an existing facility shall be filed in DUPLICATE with the Santa Fe Office of the Division and ONE COPY with the appropriate Division district office. The application shall comply with Division guidelines and shall include:

(a) The names and addresses of the applicant and all principal officers of the business if different from the applicant;

(b) A plat and topographic map showing the location of the facility in relation to governmental surveys (1/4 1/4 section, township, and range), highways or roads giving access to the facility site, watercourses, water sources, and dwellings within one (1) mile of the site;

(c) The names and addresses of the surface owners of the real property on which the management facility is sited and surface owners of the real property of record within one (1) mile of the site;

(d) A description of the facility with a diagram indicating location of fences and cattle guards, and detailed construction/installation diagrams of any pits, liners, dikes, piping, sprayers, and tanks on the facility;

(e) A plan for management of approved wastes.

(f) A contingency plan for reporting and cleanup of spills or releases;

(g) A routine inspection and maintenance plan to ensure permit compliance;

EXHIBIT "A"
CASE NO. 11143
ORDER NO. R-10411-B

RULE 711 - APPLICABLE TO SURFACE WASTE MANAGEMENT
FACILITIES ONLY

A. A surface waste management facility is defined as any facility that receives for collection, disposal, evaporation, remediation, reclamation, treatment or storage any produced water, drilling fluids, drill cuttings, completion fluids, contaminated soils, bottom sediment and water (BS&W), tank bottoms, waste oil or, upon written approval by the Division, other oilfield related waste. Provided, however, if (a) a facility performing these functions utilizes underground injection wells subject to regulation by the Division pursuant to the federal Safe Drinking Water Act, and does not manage oilfield wastes on the ground in pits, ponds, below grade tanks or land application units, (b) if a facility, such as a tank only facility, does not manage oilfield wastes on the ground in pits, ponds below grade tanks or land application units or (c) if a facility performing these functions is subject to Water Quality Control Commission Regulations, then the facility shall not be subject to this rule.

(1) A commercial facility is defined as any surface waste management facility that does not meet the definition of centralized facility.

(2) A centralized facility is defined as a surface waste management facility that accepts only waste generated in New Mexico and that:

(a) does not receive compensation for waste management;

(b) is used exclusively by one generator subject to New Mexico's "Oil and Gas Conservation Tax Act" Section 7-30-1 NMSA-1978 as amended; or

(c) is used by more than one generator subject to New Mexico's "Oil and Gas Conservation Tax Act" Section 7-30-1 NMSA-1978 as amended under an operating agreement and which receives wastes that are generated from two or more production units or areas or from a set of jointly owned or operated leases.

(3) Centralized facilities exempt from permitting requirements are:

(a) facilities that receive wastes from a single well;

(b) facilities that receive less than 50 barrels of RCRA exempt liquid waste per day and have a capacity to hold 500 barrels of liquids or less or 1400 cubic yards of solids or less and when a showing can be made to the satisfaction of the Division that the facility will not harm fresh water, public health or the environment;

(h) A Hydrogen Sulfide (H₂S) Prevention and Contingency Plan to protect public health;

(i) A closure plan including a cost estimate sufficient to close the facility to protect public health and the environment; said estimate to be based upon the use of equipment normally available to a third party contractor;

(j) Geological/hydrological evidence, including depth to and quality of groundwater beneath the site, demonstrating that disposal of oilfield wastes will not adversely impact fresh water;

(k) Proof that the notice requirements of this Rule have been met;

(l) Certification by an authorized representative of the applicant that information submitted in the application is true, accurate, and complete to the best of the applicant's knowledge.

(m) Such other information as is necessary to demonstrate that the operation of the facility will not adversely impact public health or the environment and that the facility will be in compliance with OCD rules and orders.

(2) Notice Requirements:

(a) Prior to public notice, the applicant shall give written notice of application to the surface owners of record within one (1) mile of the facility, the county commission where the facility is located or is proposed to be located, and the appropriate city official(s) if the facility is located or proposed to be located within city limits or within one (1) mile of the city limits. The distance requirements for notice may be extended by the Director if the Director determines the proposed facility has the potential to adversely impact public health or the environment at a distance greater than one (1) mile. The Director may require additional notice as needed. A copy and proof of such notice will be furnished to the Division.

(b) The applicant will issue public notice in a form approved by the Division in a newspaper of general circulation in the county in which the facility is to be located. For permit modifications, the Division may require the applicant to issue public notice and give written notice as above.

(c) Any person seeking to comment or request a public hearing on such application must file comments or hearing requests with the Division within 30 days of the date of public notice. Requests for a public hearing must be in writing to the Director and shall set forth the reasons why a hearing should be held. A public hearing shall be held if the Director determines there is significant public interest.

(d) The Division will distribute notice of the filing of an application for a new facility or major modifications with the next OCD and OCC hearing docket following receipt of the application.

(3) Financial Assurance Requirements:

(a) **Centralized Facilities:** Upon determination by the Director that the permit can be approved, any applicant of a centralized facility shall submit acceptable financial assurance in the amount of \$25,000 per facility or a statewide "blanket" financial assurance in the amount of \$50,000 to cover all of that applicant's facilities in a form approved by the Director.

(b) **New Commercial Facilities or major expansions or major modification of Existing Facilities:** Upon determination by the Director that a permit for a commercial facility to commence operation after the effective date of this rule can be approved, or upon determination by the Director that a major modification or major expansion of an existing facility can be approved, any applicant of such a commercial facility shall submit acceptable financial assurance in the amount of the closure cost estimated in B.1.i (above) in a form approved by the Director according to the following schedule:

- within one (1) year of commencing operations or when the facility is filled to 25% of the permitted capacity, whichever comes first, the financial assurance must be increased to 25% of the estimated closure cost;
- within two (2) years of commencing operations or when the facility is filled to 50% of the permitted capacity, whichever comes first, the financial assurance must be increased to 50% of the estimated closure cost;
- within three (3) years of commencing operations or when the facility is filled to 75% of the permitted capacity, whichever comes first, the financial assurance must be increased to 75% of the estimated closure cost;
- within four (4) years of commencing operations or when the facility is filled to 100% of the permitted capacity, whichever comes first, the financial assurance must be increased to the estimated closure cost.

(c) **Existing Commercial Facilities:** All permittees of commercial facilities approved for operation at the time this rule becomes effective shall have submitted financial assurance in the amount of the closure cost estimated pursuant to B.1.i (above) but not less than \$25,000 nor more than \$250,000 per facility in a form approved by the Director.

2. Letters of credit shall be irrevocable for a term of not less than five (5) years. A letter of credit used as security in areas requiring continuous financial assurance coverage shall be forfeited and shall be collected by the State of New Mexico if not replaced by other suitable financial assurance or letter of credit at least 90 days before its expiration date.

3. The letter of credit shall be payable to the State of New Mexico upon demand, in part or in full, upon receipt from the Director of a notice of forfeiture.

(c) Cash Accounts

Cash accounts shall be subject to the following conditions:

(i) The Director may authorize the permittee to supplement the financial assurance through the establishment of a cash account in one or more federally insured or equivalently protected accounts made payable upon demand to, or deposited directly with, the State of New Mexico.

(ii) Any interest paid on a cash account shall not be retained in the account and applied to the account unless the Director has required such action as a permit requirement.

(iii) Certificates of deposit may be substituted for a cash account with the approval of the Director.

(d) Replacement of Financial Assurances

(i) The Director may allow a permittee to replace existing financial assurances with other financial assurances that provide equivalent coverage.

(ii) The Director shall not release existing financial assurances until the permittee has submitted, and the Director has approved, acceptable replacements.

(5) A permit may be denied, revoked or additional requirements imposed by a written finding by the Director that a permittee has a history of failure to comply with Division rules and orders and state or federal environmental laws.

(6) The Director may, for protection of public health and the environment, impose additional requirements such as setbacks from an existing occupied structure.

- within one (1) year of the effective date of this Rule the financial assurance amount must be increased to 25% of the estimated closure costs or \$62,500.00, whichever is less;
- within two (2) years of the effective date of this Rule the financial assurance amounts must be increased to 50% of the estimated closure costs or \$125,000.00, whichever is less;
- within three (3) years of the effective date of this Rule the financial assurance amounts must be increased to 75% of the estimated closure costs or \$187,000.00, whichever is less;
- within four (4) years of the effective date of this Rule the financial assurance amounts must be increased to the estimated closure cost or \$250,000.00, whichever is less..

(d) The financial assurance required in subsection a, b or c, above shall be payable to the State of New Mexico and conditioned upon compliance with statutes of the State of New Mexico and rules of the Division, and acceptable closure of the site upon cessation of operation, in accordance with Part B.1.i. of this Rule. If adequate financial assurance is posted by the applicant with a federal or state agency and the financial assurance otherwise fulfills the requirements of this rule, the Division may consider the financial assurance as satisfying the requirement of this rule. The applicant must notify the Division of any material change affecting the financial assurance within 30 days of discovery of such change.

(4) The Director may accept the following forms of financial assurance:

(a) Surety Bonds

(i) A surety bond shall be executed by the permittee and a corporate surety licensed to do business in the State.

(ii) Surety bonds shall be noncancellable during their terms.

(b) Letter of Credit

(iii) Letter of credit shall be subject to the following conditions:

1. The letter may be issued only by a bank organized or authorized to do business in the United States;

(7) The Director may issue a permit upon a finding that an acceptable application has been filed and that the conditions of part 2 and 3 above have been met. All permits are revocable upon showing of good cause after notice and, if requested, hearing. Permits shall be reviewed a minimum of once every five (5) years for compliance with state statutes, Division rules and permit requirements and conditions.

C. Operational Requirements

(1) All surface waste management facility permittees shall file forms C-117-A, C-118, and C-120-A as required by OCD rules.

(2) Facilities permitted as treating plants will not accept sediment oil, tank bottoms and other miscellaneous hydrocarbons for processing unless accompanied by an approved Form C-117A or C-138.

(3) Facilities will only accept oilfield related wastes except as provided in C.4.c. below. Wastes which are determined to be RCRA Subtitle C hazardous wastes by either listing or characteristic testing will not be accepted at a permitted facility.

(4) The permittee shall require the following documentation for accepting wastes, other than wastes returned from the wellbore in the normal course of well operations such as produced water and spent treating fluids, at commercial waste management facilities:

(a) Exempt Oilfield Wastes: As a condition to acceptance of the materials shipped, a generator, or his authorized agent, shall sign a certificate which represents and warrants that the wastes are: generated from oil and gas exploration and production operations; exempt from Resource Conservation and Recovery Act (RCRA) Subtitle C regulations; and not mixed with non-exempt wastes. The permittee shall have the option to accept on a monthly, weekly, or per load basis a load certificate in a form of its choice. While the acceptance of such exempt oilfield waste materials does not require the prior approval of the Division, both the generator and permittee shall maintain and shall make said certificates available for inspection by the Division for compliance and enforcement purposes.

(b) Non-exempt. Non-hazardous Oilfield Wastes: Prior to acceptance, a "Request For Approval To Accept Solid Waste", OCD Form C-138, accompanied by acceptable documentation to determine that the waste is non-hazardous shall be submitted to the appropriate District office. Acceptance will be on a case-by-case basis after approval from the Division's Santa Fe office.

(c) Non-oilfield Wastes: Non-oilfield wastes may be accepted in an emergency if ordered by the Department of Public Safety. Prior to acceptance, a "Request To Accept Solid Waste", OCD Form C-138 accompanied by the Department of Public Safety order will be submitted to the appropriate District office and the Division's Santa Fe office.

(5) The permittee of a commercial facility shall maintain for inspection the records for each calendar month on the generator, location, volume and type of waste, date of disposal, and hauling company that disposes of fluids or material in the facility. Records shall be maintained in appropriate books and records for a period of not less than five years, covering their operations in New Mexico.

(6) Disposal at a facility shall occur only when an attendant is on duty unless loads can be monitored or otherwise isolated for inspection before disposal. The facility shall be secured to prevent unauthorized disposal when no attendant is present.

(7) No produced water shall be received at the facility from motor vehicles unless the transporter has a valid Form C-133, Authorization to Move Produced Water, on file with the Division.

(8) To protect migratory birds, all tanks exceeding 16 feet in diameter, and exposed pits and ponds shall be screened, netted or covered. Upon written application by the permittee, an exception to screening, netting or covering of a facility may be granted by the district supervisor upon a showing that an alternative method will protect migratory birds or that the facility is not hazardous to migratory birds.

(9) All facilities will be fenced in a manner approved by the Director.

(10) A permit may not be transferred without the prior written approval of the Director. Until such transfer is approved by the Director and the required financial assurance is in place, the transferor's financial assurance will not be released.

D. Facility Closure

(1) The permittee shall notify the Division thirty (30) days prior to its intent to cease accepting wastes and close the facility. The permittee shall then begin closure operations unless an extension of time is granted by the Director. If disposal operations have ceased and there has been no significant activity at the facility for six (6) months and the permittee has not responded to written notice as defined in D.2a., then the facility shall be considered abandoned and shall be closed utilizing the financial assurance pledged to the facility. Closure shall be in accordance with the approved closure plan and any modifications or additional requirements imposed by the Director to protect public health and the environment. At all times the permittee must maintain the facility to protect public health and the environment. Prior to release of the financial assurance covering the facility, the Division will inspect the site to determine that closure is complete.

(2) If a permittee refuses or is unable to conduct operations at the facility in a manner that protects public health or the environment or refuses or is unable to conduct or complete the closure plan, the terms of the permit are not met, or the permittee defaults on the conditions under which the financial assurance was accepted, the Director shall take the following actions to forfeit all or part of the financial assurance:

(a) Send written notice by certified mail, return receipt requested, to the permittee and the surety informing them of the decision to close the facility and to forfeit all or part of the financial assurance, including the reasons for the forfeiture and the amount to be forfeited and notifying the permittee and surety that a hearing request must be made within ten (10) days of receipt of the notice.

(b) Advise the permittee and surety of the conditions under which the forfeiture may be avoided. Such conditions may include but are not limited to:

(i) An agreement by the permittee or another party to perform closure operations in accordance with the conditions of the permit, the closure plan and these Rules, and that such party has the ability to satisfy the conditions.

(ii) The Director may allow a surety to complete closure if the surety can demonstrate an ability to complete the closure in accordance with the approved plan. No surety liability shall be released until successful completion of closure.

(c) In the event forfeiture of the financial assurance is required by this rule, the Director shall proceed to collect the forfeited amount and use the funds collected from the forfeiture to complete the closure. In the event the amount forfeited is insufficient for closure, the permittee shall be liable for the deficiency. The Director may complete or authorize completion of closure and may recover from the permittee all reasonably incurred costs of closure and forfeiture in excess of the amount forfeited. In the event the amount forfeited was more than the amount necessary to complete closure and all costs of forfeiture, the excess shall be returned to the party from whom it was collected.

(d) Upon showing of good cause, the Director may order immediate cessation of operations of the facility when it appears that such cessation is necessary to protect public health or the environment, or to assure compliance with Division rules and orders.

(e) In the event the permittee cannot fulfill the conditions and obligations of the permit, the State of New Mexico, its agencies, officers, employees, agents, contractors and other entities designated by the State shall have all rights of entry into, over and upon the facility property, including all necessary and convenient rights of ingress and egress with all materials and equipment to conduct operation, termination and closure of the facility, including but not limited to the temporary storage of equipment and materials, the right to borrow or dispose of materials, and all other rights necessary for operation, termination and closure of the facility in accordance with the permit.

E. Waste management facilities in operation at the time this Rule becomes effective shall:

- (1) within one (1) year after the effective date permitted facilities submit the information required in B.1.a, h, i and l not already on file with the Division;
- (2) within one (1) year after the effective date unpermitted facilities submit the information required in B.1.a through j and B.1.l;
- (3) comply with sections C and D unless the Director grants an exemption from a requirement in these sections based upon a demonstration by the operator that such requirement is not necessary to protect public health and the environment.

OIL CONSERVATION DIVISION
RECEIVED

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FIFTH JUDICIAL DISTRICT

STATE OF NEW MEXICO

August 31, 1995

R. W. GALLINI
District Judge
Division III

100 N. Main, Box 6-C
Lea County Courthouse
Lovington, New Mexico 88260
Phone (505) 396-8573
FAX (505) 396-2428

W. Thomas Kellahin, Esquire
KELLAHIN & KELLAHIN
P. O. Box 2265
Santa Fe, New Mexico 87504

Rand Carroll, Esquire
Special Assistant Attorney General
P. O. Box 6429
Santa Fe, New Mexico 87505

C. Gene Samberson, Esquire
P. O. Drawer 1599
Lovington, New Mexico 88260

William F. Carr, Esquire
P. O. Box 2208
Santa Fe, New Mexico 87504

Robert L. Love, Esquire
P. O. Box 1099
Hobbs, New Mexico 88240

Re: CV-93-247-G Elsie M. Reeves,
et al. v. Oil Conservation
Commission, et al.

Gentlemen:

Enclosed please find file stamped copies of the Decision of the
Court in the above referenced matter.

Sincerely,

A handwritten signature in cursive script, reading "Linda Woodfin", written over a horizontal line.
Linda Woodfin
Court Monitor

/lw
Enclosure

**FIFTH JUDICIAL DISTRICT COURT
STATE OF NEW MEXICO
COUNTY OF LEA**

**FIFTH JUDICIAL DISTRICT
LEA COUNTY, NEW MEXICO
FILED IN MY OFFICE**

95 AUG 31 PM 2:35

**JANIE G. HERNANDEZ
CLERK OF THE DISTRICT COURT**

**ELSIE M. REEVES, W. TRENT STRADLEY
and S-W CATTLE COMPANY,**

Petitioners,

vs.

No. CV 93-247-G

**OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO
and C & C LANDFARM INC.,**

Respondents.

DECISION OF THE COURT

THIS MATTER CAME BEFORE THE COURT on Petition For Review Of Decision of The Oil Conservation Commission of New Mexico on May 15, 1995 pursuant to §70-2-25 NMSA 1978.

The Court heard oral argument of the parties and has reviewed and considered the transcript of proceedings before the Commission, including the evidence taken in hearings by the Commission.

§70-2-25 NMSA 1978 provides in part:

The Commission action complained of shall be prima facie valid and the burden shall be upon the party or parties seeking review to establish the invalidity of such action of the Commission.

The Court shall determine the issues of fact and of law and shall enter its Order either affirming or vacating the Order of the Commission.

Therefore, this Court is restricted to considering whether, as a matter of law, the Commission's action is consistent with and within the scope of its statutory authority, and whether Oil Conservation Commission Order No. R-9769-A, which authorizes C&C Landfarm Inc. To operate a commercial landfarm to remediate non-hazardous oil field waste, is supported by substantial

evidence. As Respondents point out, the Court cannot substitute its judgment for the Commission but instead must decide whether the Commission's decision is reasonable, lawful and based upon the substantial evidence in the record as a whole. CONTINENTAL OIL COMPANY v. OIL CONSERVATION COMMISSION, 70 N.M. 310 (1962)

Applying the criteria set forth above, **THE COURT FINDS:**

1. That the Commission made findings of ultimate facts which are material to the issues having to do with such ultimate fact that the fresh water supplies in the affected area will not be impaired.
2. That the Commission made sufficient findings to disclose the reasoning of the Commission in reaching its ultimate findings.
3. That the findings of the Commission have substantial support in the record of these proceedings.
4. That the Petitioners were afforded a full opportunity to be heard and participate in the proceedings before the Commission. Thus, their due process rights were protected.


THE COURT CONCLUDES THAT:

1. Commission Order No. R-9769-A approving C & C Landfarm Inc.'s application to operate a commercial landfarm to remediate non-hazardous oil field waste contains all findings required by law.
2. The Commission's Findings are supported by the evidence.
3. The proceedings conducted by the Oil Conservation Commission which resulted in the issuance of Order No. R-9769-A fully complies with all constitutional, statutory and procedural requirements.
4. The Commission Order No. R-9769-A authorizing Applicant, C&C Landfarm, Inc. To

construct and operate a commercial 'landfarm' facility for the remediation of non-hazardous hydrocarbons contaminated soils was not arbitrary, unreasonable, unlawful or capricious.

The Court affirms Oil Conservation Commission Order No. R-9769-A. Counsel for Respondents are directed to prepare the Order consistent with this decision and submit to Counsel for Petitioners for their review and approval as to form pursuant to the Rule of the Fifth Judicial District Court.

Sincerely,


R. W. Gallini, District Judge

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

APPLICATION OF C & C LANDFARM,
INC. FOR A COMMERCIAL SURFACE
WASTE DISPOSAL FACILITY, LEA
COUNTY, NEW MEXICO.

CASE NO. 10507

APPLICATION OF C & C LANDFARM,
INC. FOR A COMMERCIAL SURFACE
WASTE DISPOSAL FACILITY, LEA
COUNTY, NEW MEXICO.

CASE NO. 10507 (DE NOVO)

Order No. R-9769-A(1)

NUNC PRO TUNC ORDER

BY THE DIVISION:

It appearing to the New Mexico Oil Conservation Division ("Division") that Order No. R-9769, dated November 16, 1992, does not correctly state the intended order of the Division,

BY THE COMMISSION:

It appearing to the New Mexico Oil Conservation Commission ("Commission") that Order No. R-9769-A, dated April 29, 1993, does not correctly state the intended order of the Commission,

IT IS THEREFORE ORDERED THAT:

(1) All references to "Section 2" made in Decretory Paragraph No. (1) on pages 3 and 4 of Division Order No. R-9769, Finding Paragraph No. (3) on pages 1 and 2 of Commission Order No. R-9769-A, and Decretory Paragraph No. (1) on page 4 of Commission Order No. R-9769-A are hereby amended to read "Section 3".

(2) The corrections set forth in this order for Division Order No. R-9769 be entered nunc pro tunc as of November 16, 1992.

Case No. 10507 and
Case No. 10507 (De Novo)
Order No. R-9769-A(1)

-2-

(3) The corrections set forth in this order for Commission Order No. R-9769-A be entered nunc pro tunc as of April 29, 1993.

DONE at Santa Fe, New Mexico, on this 7th day of September, 1994.

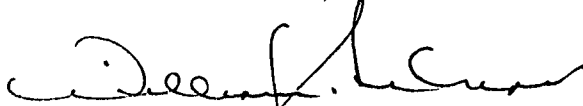
STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



GARY CARLSON, Member



WILLIAM W. WEISS, Member



WILLIAM J. LEMAY, Commission
Chairman and Director of the Division

S E A L

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

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

Case No. 10507 (De Novo)
Order No. R-9769-A

APPLICATION OF C & C LANDFARM, INC.
FOR A COMMERCIAL SURFACE WASTE
DISPOSAL FACILITY, LEA COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9:00 a.m. on February 25, 1993, at Santa Fe, New Mexico, before the Oil Conservation Commission of the State of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 29th day of April, 1993, the Commission, a quorum being present, having considered the testimony presented and the exhibits received at said hearing, and being fully advised in the premises,

FINDS THAT:

(1) Due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) Sections 70-2-12.B(21) and (22) N.M.S.A. (1978) Compilation, also known as the New Mexico Oil and Gas Act, authorizes the New Mexico Oil Conservation Commission ("Commission") to regulate the disposition of non-domestic wastes resulting from various oil and gas activities and operations and to protect public health and the environment.

(3) The applicant, C & C Landfarm, Inc. (C & C) filed an application, pursuant to General Rule 711 with the Division on October 8, 1991 seeking authorization to construct and operate a commercial landfarm facility for the remediation of non-hazardous and exempt hydrocarbon contaminated soils. C & C proposes to utilize biodegradation process on a site located in the SW/4 NE/4 (Unit G) of Section 2, Township 20 South, Range 37

East, NMPM, Lea County, New Mexico, which is located approximately two miles southeast of Monument, New Mexico. The term "non-hazardous and exempt" is synonymous as defined in the Resource Conservation and Recovery Act (RCRA) Subtitle C Regulations.

(4) This application was reviewed by the Environmental Bureau of the Oil Conservation Division and determined to be approvable.

(5) A Division Examiner hearing was scheduled to provide to interested parties an opportunity to present technical evidence why this application should not be approved pursuant to the applicable rules of the Division.

(6) Within the time frame authorized by Division rule, certain parties of interest filed written objections to the proposed facility including Elsie M. Reeves and W. T. Stradley, President of S-W Cattle Company.

(7) An Examiner hearing was held on September 1, 1992 at which time Elsie M. Reeves and W. T. Stradley presented evidence in opposition to this application.

(8) On November 16, 1992 the Division entered Order No. R-9769 approving this application and thereafter Elsie M. Reeves, S-W Cattle Company and W. T. Stradley timely filed for a hearing De Novo.

(9) Properly managed landfarming is an excellent method to manage contaminated soil, because those soils are remediated to a useful condition and contaminants can be contained and any movement observed and stopped before they cause any harm.

(10) The proposed landfarm is to be located on a forty-acre tract of land, as described in Finding Paragraph No. (3) which is bordered on the east by Lea County Road No. 58. Oil field contaminated soils will be trucked to the site and deposited within cells in six inch lifts; these soils will be tilled or plowed to ensure proper aeration and bioremediation to proper government standards. Prior to any soil being deposited in a cell, the soil in the cell or "treatment zone" will be sampled and tested. Six months after the first oil field contaminated soil is deposited in the cell and quarterly thereafter the treatment zone will be tested again to assure that no contamination is occurring.

(11) Applicant presented factual evidence that supports the following conclusions:

- (a) There is no fresh water under the disposal site because there is no Ogalalla aquifer present.
- (b) The berm to be constructed and maintained and operational

requirements will be adequate to prevent precipitation run-off and run-on for the treatment portion of the facility.

- (c) Quarterly testing within the treatment zone will determine if there has been downward migration of contaminants.
- (d) The process of bio-remediation to be employed at the proposed landfarm is a proven, cost effective technology for treatment of oil contaminated soils.

(12) There is a need for landfarms to remediate oil contaminated soils in the oil fields of Southeast New Mexico.

(13) Elsie M. Reeves and W. T. Stradley, property owners in the area, appeared in opposition to the application and expressed concern that the proposed facility could contaminate fresh water. They called a hydrologist who testified that additional requirements might be necessary to assure there was no contamination of fresh water supplies but admitted that such requirements would need to be developed based on inspection of the facility and sampling and testing of the water and soil in the area. He stated he had not been to the site and had taken no samples nor conducted any tests at the proposed facility. His expert opinion was based upon general hydrologic information from the literature and not upon specific knowledge at the site and the type of operation and therefore was not useful in this case.

(14) The Division's Environmental Bureau has reviewed the proposed facility, inspected the site and made specific permit recommendations for this facility which it requests be incorporated into and made part of a Commission Order approving this application. These "Conditions of Approval" should be adopted to assure safe operations and to provide for a monitoring system to detect any leaching or movement of contaminants that could cause the pollution of nearby underground fresh water supplies.

(15) If contaminant migration occurs, the Division should immediately order the operator to stop taking additional contaminated soils and implement steps to remediate the contaminated zone and provide a procedure to prevent future contamination migration.

(16) Approval of this application and operation of the proposed landfarm in accordance with the Environmental Bureau's proposed "Conditions of Approval" will not impair fresh water supplies in the area, will have no adverse effect on human health nor on the environment, will not cause waste and should be approved.

IT IS THEREFORE ORDERED THAT:

(1) The applicant, C & C Landfarm, Inc. is hereby authorized to construct and operate a commercial "landfarm" facility for the remediation of non-hazardous hydrocarbon contaminated soils utilizing an enhanced biodegradation process on a site located in the SW/4 NE/4 (Unit G) of Section 2, Township 20 South, Range 37 East, NMPM, Lea County, New Mexico.

PROVIDED HOWEVER THAT: the proposed facility shall be constructed and operated in accordance with the permit conditions attached hereto as Exhibit "A" which are incorporated herein and made a part of this order, and in accordance with such additional conditions and requirements as may be directed by the Division Director, and shall be operated and maintained in such a manner as to preclude spills, fires, limit emissions and protect persons, livestock and the environment.

PROVIDED FURTHER THAT, prior to initiating operations, the facility shall be inspected by a representative of the Hobbs District Office of the Oil Conservation Division in order to determine the adequacy of fences, gates and cattle guards necessary to preclude livestock and unauthorized persons from entering and/or utilizing said facility, and also to determine the adequacy of berms to assure safe facility operations.

(2) Prior to commencing operations on said facility, the applicant shall submit, to the Santa Fe Office of the Division, a surety or cash bond pursuant to General Rule 711, in the amount of \$25,000 in a form approved by the Division.

(3) The Director of the Division shall be authorized to administratively grant approval for the expansion or modification of the proposed disposal facility after notice to interested parties.

(4) Authority for operation of the landfarm shall be transferrable only upon written application and approval by the Division Director.

(5) Authority for operation of the landfarm facility shall be suspended or rescinded whenever such suspension or rescission appears necessary to protect human health or property, to protect fresh water supplies from contamination, to prevent waste, or for non-compliance with the terms and conditions of this order or Division Rules and Regulations.

(6) The permit granted by this order shall become effective only upon acceptance by the applicant of the "Conditions of Approval" attached hereto as Exhibit A.

(7) The Division shall have the authority to administratively change any condition

Page 5
Case No. 10507 (De Novo)
Order No. R-9769-A

of this permit to protect fresh water, human health and the environment. Applicant may request a hearing upon any change which materially affects the operation of the facility.

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

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

Bill Weiss

WILLIAM W. WEISS, Member

William J. Lemay

WILLIAM J. LEMAY, Chairman

I Dissent

Gary Carlson

GARY CARLSON, Member

S E A L

dr/

Exhibit "A"
Case No. 10507 De Novo
Order No. R-9769-A

**C & C LANDFARM, INC. APPLICATION
OCD CONDITIONS OF APPROVAL**

LANDFARM OPERATIONS

1. Remediation of contaminated soils will occur only on the native ground surface. The caliche pit present on the facility will not be used for the disposal, storage or remediation of **any materials** without the case-by-case approval of the OCD.
2. No disposal or remediation of contaminated soils will occur within one hundred (100) feet of your property boundary.
3. Disposal will only occur when an attendant is on duty. The facility will be secured when attendant is not present.
4. The facility will be fenced and have a sign at the entrance. The sign will be legible from at least fifty (50) feet and contain the following information: 1) name of the facility, b) location by section, township and range, and c) emergency phone number.
5. An adequate berm will be constructed and maintained to prevent run-off and run-on for that portion of the facility containing contaminated soils.
6. All contaminated soils received at the facility will be spread and disked within 72 hours of receipt.
7. Soils will be spread on the surface in six inch lifts or less.
8. Soils will be disked a minimum of one time every two weeks (biweekly) to enhance biodegradation of contaminants.
9. Successive lifts of contaminated soils will not be spread until a laboratory measurement of Total Petroleum Hydrocarbons (TPH) in the previous lift is less than 100 parts per million (ppm), and the sum of all aromatic hydrocarbons (BTEX) is less than 50 ppm, and the benzene is less than 10 ppm. Comprehensive records of the laboratory analyses and the sampling locations will be maintained at the facility. Authorization from the OCD will be obtained prior to application of successive lifts.
10. Only oilfield wastes which are exempt from RCRA Subtitle C regulations or non-hazardous by characteristic testing will be accepted at the facility. Solids from operations not currently exempt under RCRA Subtitle C or mixed exempt/non-exempt solids will be tested for appropriate hazardous constituents. Test results must

be submitted to the OCD along with a request to receive the non-exempt solids, and a written OCD approval (case specific) must be obtained prior to disposal. Any non-oilfield wastes which are RCRA Subtitle C exempt or are non-hazardous by characteristic testing will only be accepted on a case-by-case basis and with prior OCD approval. Comprehensive records of all laboratory analyses and sample locations will be maintained by the operator.

11. Moisture will be added as necessary to enhance bio-remediation and to control blowing dust. There will be no ponding, pooling or run-off of water allowed. Any ponding of precipitation will be removed within seventy-two (72) hours of discovery.
12. Enhanced bio-remediation through the application of microbes (bugs) and/or fertilizers will only be permitted after prior approval from the OCD. Request for application of microbes must include the location of the area designated for the bio-remediation program, composition of additives, and the method, amount and frequency of application.
13. No free liquids or soils with free liquids will be accepted at the facility.
14. Comprehensive records of all material disposed of at the facility will be maintained at the facility. The records for each load will include: 1) the origin, 2) date received, 3) quantity, 4) exempt or non-exempt status and analysis for hazardous constituents if required, 5) transporter, and 6) exact cell location and any addition of microbes, moisture, fertilizers, etc.
15. The monitor wells will be inspected for the presence of fluids on a quarterly basis on the same schedule as the treatment zone monitoring. If fluids are discovered the OCD will be notified immediately.

TREATMENT ZONE MONITORING

1. One (1) background soil sample will be taken from the center portion of the landfarm two (2) feet below the native ground surface. The sample will be analyzed for total petroleum hydrocarbons (TPH), general chemistry, and heavy metals using approved EPA methods.
2. A treatment zone not to exceed three (3) feet beneath the landfarm will be monitored. A minimum of one random soil sample will be taken from each individual cell, with no cell being larger than five (5) acres, six (6) months after the first contaminated soils are received in the cell and then quarterly thereafter. The sample will be taken at two to three (2-3) feet below the native ground surface.
3. The soil samples will be analyzed using approved EPA methods for TPH and BTEX quarterly, and for general chemistry and heavy metals annually.
4. After obtaining the soil samples the boreholes will be filled with an impermeable

material such as bentonite cement.

REPORTING

1. Analytical results from the treatment zone monitoring will be submitted to the OCD Santa Fe Office within thirty (30) days of receipt from the laboratory.
2. The OCD will be notified of any break, spill, blow out, or fire or any other circumstance that could constitute a hazard or contamination in accordance with OCD Rule 116.

BOND

Pursuant to OCD Rule 711 a surety or cash bond in the amount of \$25,000, in a form approved by the Division, is required prior to commencing construction of the commercial surface disposal facility.

CLOSURE

The operator will notify the Division of cessation of operations. Upon cessation of disposal operations for six (6) consecutive months, the operator will complete cleanup of constructed facilities and restoration of the facility site within the following six (6) months, unless an extension for time is granted by the Director. When the facility is to be closed no new material will be accepted. Existing soils will be remediated until they meet the OCD standards in effect at the time of closure. The area will then be reseeded with natural grasses and allowed to return to its natural state. Closure will be pursuant to all OCD requirements in effect at the time of closure, and any other applicable state and/or federal regulations.

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:

OIL CONSERVATION COMMISSION	
Case No. 10507 (DEND)	2
Applicant	C & C LANDFARM INC.
Hearing Date	2/25/93
CASE NO. 10507	
ORDER NO. R-9769	

**APPLICATION OF C & C LANDFARM, INC.
FOR A COMMERCIAL SURFACE WASTE
DISPOSAL FACILITY, LEA COUNTY, NEW MEXICO**

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on Tuesday, September 1, 1992, at Santa Fe, New Mexico, before Examiner Michael E. Stogner in Docket No. 27-92.

NOW, on this 16th day of November, 1992 the Division Director, having considered the testimony, 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) Sections 70-2-12.B(21) and (22), N.M.S.A. (1978) Compilation, also known as the New Mexico Oil and Gas Act, authorizes the New Mexico Oil Conservation Division (Division) to regulate the disposition of non-domestic wastes resulting from various oil and gas activities and operations and to protect public health and the environment.

(3) The applicant, C & C Landfarm, Inc., (C & C) originally filed its application, pursuant to General Rule 711 with the Division on October 8, 1991 for authorization to construct and operate a commercial "landfarm" facility for the remediation of non-hazardous hydrocarbon contaminated soils utilizing an enhanced biodegradation process on a site located in the SW/4 NE/4 (Unit G) of Section 3, Township 20 South, Range 37 East, NMPM, Lea County, New Mexico, which is located

approximately two miles southeast of Monument, New Mexico. The term "non-hazardous" in this matter is synonymous with the terminology and usage in the Resource Conservation and Recovery Act (RCRA) Subtitle C regulations.

(4) This application, subsequent to review by the Division, has been administratively determined to be approveable and this hearing was scheduled to allow interested parties the opportunity to present technical evidence why this application should not be approved pursuant to the applicable rules of the Division.

(5) Within the required time frame and in accordance with Division rules, five parties of interest filed written objections to the proposed facility:

- | | |
|--|--|
| a) Walter C. Laughlin
4139 E. Laughlin Road
Casa Grande, Arizona 85222 | b) Larry N. Henry
500 E. Scharbauer
Hobbs, New Mexico 88240 |
| c) Elsie M. Reeves
3902 W. Keim Drive
Phoenix, Arizona 85019 | d) W. T. Stradley, President
S-W Cattle Company
P.O. Box 1799
Hobbs, New Mexico 88241 |
| e) Ken Marsh
Controlled Recovery, Inc.
P.O. Box 369
Hobbs, New Mexico 88241 | |

(6) At the time of the hearing Elsie M. Reeves and W. Trent Stradley entered appearances through counsel in objection to this matter.

(7) Also at the hearing, all previous correspondence, letters, applications from the applicant, notices and other such pertinent material prepared by the Division, interested parties, other state and federal agencies and the applicant were made part of the record in this case.

(8) The proposed landfarm is to be located on a forty-acre tract of land, as described in Finding Paragraph No. 3, which is bordered by Lea County Road No. 58 on the east. C & C proposes to excavate on the property as needed down to the top of the "redbed", which is a thick layer of relatively impermeable clays. Oilfield contaminated soils will be trucked to the site and broadcast within the excavated site(s) in six-inch lifts; these soils will be tilled or plowed to ensure proper aeration and bio-

remediation to proper governmental standards. New lifts will be added in the above-described method until an excavated area has been filled and properly tested to within one foot of the surrounding surface elevation, the area will then be backfilled with topsoil, mound over and compacted to prevent rainfall from standing or leaching into backfill. All should be constructed, operated and maintained in accordance with applicable NMOCD rules and standards.

(9) There is a need for such solids disposal facilities in Southeastern New Mexico to provide environmentally safe and cost effective means of disposing of such solid wastes in connection with oil and gas operations, and approval of a properly designed facility will help to prevent illegal dumping of solid material in a manner which could endanger the environment.

(10) Applicant appeared at the hearing and presented testimony about the design and operational standards and established a prima facie showing that the facility could be designed and operated so as to protect fresh water supplies and not constitute an unreasonable harm to human health and the environment if standards for such operation are met and followed.

(11) Testimony presented in this matter indicates that the proposed facility can be constructed and operated in a manner that will not cause contamination of underground fresh water resources, will not leach-out and migrate onto off-setting properties, can be operated and maintained in a safe manner and will not cause waste.

(12) "Conditions of Approval" should be adopted by this order which will assure safe operations and provide an adequate monitoring system to detect any leaching process or movement of contaminants that could cause the pollution of nearby underground fresh water supplies.

IT IS THEREFORE ORDERED THAT:

(1) The applicant, C & C Landfarm, Inc., is hereby authorized to construct and operate a commercial "landfarm" facility for the remediation of non-hazardous hydrocarbon contaminated soils utilizing an enhanced biodegradation process on a site located in the SW/4 NE/4 (Unit G) of Section 2, Township 20 South, Range 37 East, NMPM, Lea County, New Mexico.

PROVIDED HOWEVER THAT the proposed facility shall be constructed and operated in accordance with the permit conditions attached hereto as Exhibit "A" which are incorporated herein and made a part of this order, and in accordance with such

additional conditions and requirements as may be directed by the Division Director, and shall be operated and maintained in such a manner as to preclude spills, fires, limit emissions and protect persons, livestock and the environment.

PROVIDED FURTHER THAT, prior to initiating operations, the facility shall be inspected by a representative of the Hobbs District Office in order to determine the adequacy of fences, gates and cattle guards necessary to preclude livestock and unauthorized persons from entering and/or utilizing said facility, and also to determine the adequacy of dikes and berms to assure safe facility operations.

(2) Prior to commencing operations on said facility, the applicant shall submit, to the Santa Fe office of the Division, a surety or cash bond pursuant to General Rule 711, in the amount of \$25,000 in a form approved by the Division.

(3) The Director of the Division shall be authorized to administratively grant approval for the expansion or modification of the proposed disposal facility.

(4) Authority for operation of the "landfarm" facility shall be transferrable only upon written application and approval by the Division Director.

(5) Authority for operation of the "landfarm" facility shall be suspended or rescinded whenever such suspension or rescission should appear necessary to protect human health or property, to protect fresh water supplies from contamination, to prevent waste, or for non-compliance with the terms and conditions of this order or Division Rules and Regulations.

(6) The permit granted by this order shall become effective only upon acceptance and certification by the applicant.

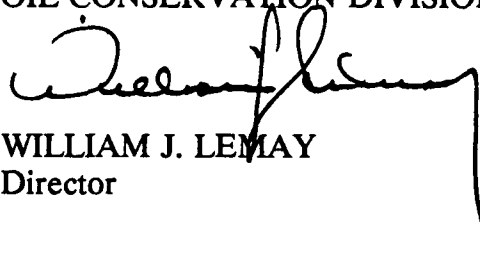
(7) The Division shall have the authority to administratively change any condition of this permit to protect fresh water, human health and the environment. Applicant may request a hearing upon any change which materially affects the operation of the facility.

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

Case No. 10507
Order No. R-9769
Page No. 5

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

A handwritten signature in black ink, appearing to read 'William J. Lemay', is written over the printed name and title.

WILLIAM J. LEMAY
Director

S E A L

Exhibit "A"
Case No. 10507
Order No. R-9769

**C & C LANDFARM, INC. APPLICATION
OCD CONDITIONS OF APPROVAL**

LANDFARM OPERATIONS

1. Disposal will only occur when an attendant is on duty. The facility will be secured when no attendant is present.
2. The facility will be fenced and have a sign at the entrance. The sign will be legible from at least fifty (50) feet and contain the following information: a) name of the facility, b) location by section, township and range, and c) emergency phone number.
3. A redbed dike will be installed on the south, west and north edges of the property as proposed in C & C's correspondence dated March 2, 1992.
4. All contaminated soils received at the facility will be spread and disked within 72 hours of receipt.
5. Soils will be spread on the surface in six-inch lifts or less.
6. Soils will be disked a minimum of one time every two weeks (bi-weekly) to enhance biodegradation of contaminants.
7. Successive lifts of contaminated soils will not be spread until a laboratory measurement of Total Petroleum Hydrocarbons (TPH) in the previous lifts is less than 100 parts per million (ppm), and the sum of all aromatic hydrocarbons (BTEX) is less than 50 ppm, and the benzene is less than 10 ppm. Comprehensive records of the laboratory analysis and the sampling locations will be maintained at the facility. Authorization from the OCD will be obtained prior to application of successive lifts.
8. Only oilfield wastes which are exempt from Federal Resource Conservation and Recovery Act (RCRA), (42 U.S.C. §§6921-6939b), Subtitle C regulations (40 C.F.R. Parts 260-272) will be accepted at the facility. Solids from operations not currently exempt under RCRA Subtitle C or mixed exempt/non-exempt solids will be tested for appropriate hazardous constituents. Test results may be submitted to the OCD along with a request to receive non-exempt solids, and a written OCD approval (case specific) must be obtained prior to disposal. Any

non-oilfield wastes which are RCRA Subtitle C exempt or are non-hazardous by characteristic testing will only be accepted on a case-by-case basis and with prior OCD approval. Comprehensive records of all laboratory analyses and sample locations will be maintained by the operator.

9. Moisture will be added as necessary to enhance biodegradation and to control blowing dust. There will be no ponding, pooling or run-off of water allowed. Any ponding of precipitation will be removed within seventy-two hours of discovery.

CLOSURE

When the facility is to be closed, no new material will be accepted. Existing soils will be remediated until they meet the OCD standards in effect at the time of closure. The area will then be reseeded with natural grasses and allowed to return to its natural state. Closure will be pursuant to all OCD requirements in effect at the time of the closure.

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. 10507
ORDER NO. R-9769*

APPLICATION OF C & C LANDFARM, INC.
FOR A COMMERCIAL SURFACE WASTE
DISPOSAL FACILITY, LEA COUNTY, NEW MEXICO

ORDER OF THE DIVISION

BY THE DIVISION:

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NOW, on this 16th day of November, 1992 the Division Director, having considered the testimony, the record and the recommendations of the Examiner, and being fully advised in the premises,

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PROVIDED FURTHER THAT, prior to initiating operations, the facility shall be inspected by a representative of the Hobbs District Office in order to determine the adequacy of fences, gates and cattle guards necessary to preclude livestock and unauthorized persons from entering and/or utilizing said facility, and also to determine the adequacy of dikes and berms to assure safe facility operations.

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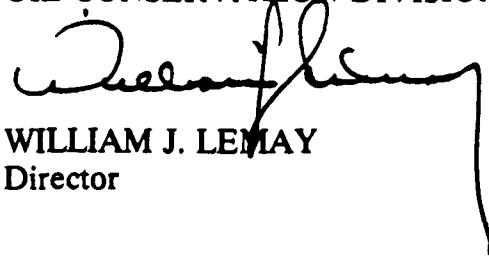
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Case No. 10507
Order No. R-9769
Page No. 5

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

Exhibit "A"
Case No. 10507
Order No. R-9769

**C & C LANDFARM, INC. APPLICATION
OCD CONDITIONS OF APPROVAL**

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Exhibit "A"

Case No. 10507

Order No. R-9769

Page 2

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CERTIFICATE OF TIME DEPOSIT NON-NEGOTIABLE AND NON-TRANSFERABLE

CERTIFICATE # 4000116750

ISSUED TO NAME(S) AND ADDRESS(ES) OF REGISTERED OWNER(S)		C and C Land Farm Inc. P. O. Box 55 Monument, NM 88265		 Northwest Bank New Mexico National Association Hobbs	
ISSUE DATE	MATURITY DATE	TERM	INTEREST RATE	ANNUAL PERCENTAGE YIELD	AMOUNT OF CERTIFICATE
03/31/95	03/31/96	12 mos. <small>D = Days M = Months</small>	5.35%	5.48%	\$ 25,000.00

Interest crediting frequency: ☒ Monthly ☐ Annually ☐ Semi-Annually ☐ Quarterly ☐ At Maturity
 Payment Method: ☒ Add to Principal ☐ Deposit to Account # ☐ DDA ☐ SAS ☐ Pay by check to customer
 Interest Calculation: ☐ Simple ☒ Compounded Monthly ☐ Other
 Rate: ☒ Fixed ☐ Variable, Based Upon: your interest rate and annual percentage yield may change.

Frequency of Adjustment:
 Minimum Balance Requirement \$ 1,000.00 ☐ Additions permitted in a minimum amount of \$
 Additional terms and disclosures for your account are included on reverse side and on the attached sheet. Bank Authorized Signature: *Shank Gf*

Truth in Savings Disclosure and Additional Terms

Rate Information: The interest rate will be paid until the maturity date mentioned above and will not change. Interest begins to accrue on the business day you deposit any noncash item (for example, a check). The annual percentage yield assumes that interest remains on deposit until maturity. A withdrawal of interest will reduce earnings. If you close your account before interest is credited, you will receive the accrued interest.

Minimum Balance Requirement: You must maintain the minimum balance mentioned above on a daily basis to earn the annual percentage yield disclosed.

Balance Computation Method: We use the daily balance method to calculate the interest on this account. This method applies a daily periodic rate to the principal in the account each day.

Transaction Limitations: After the account is opened, you may not make withdrawals from this account until the maturity date (other than credited interest). You cannot withdraw principal from this account without our consent except on or after maturity. (For accounts that automatically renew, there is a seven day grace period after each renewal date during which withdrawals are permitted without penalty.)

Compounding: The compounding frequency will not change during the initial term or any renewal term unless Bank gives Registered Owner(s) not less than thirty days written notice of a change mailed to the mailing address of Registered Owner/Name 1 specified above or to such other address as Registered Owner(s) may instruct Bank in writing.

Additions: If the Additions permitted box is checked, additions to this deposit are permitted but only during the first year of the initial term of the deposit and only in an amount equal to or greater than the minimum amount specified above. Making permissible additions to this deposit will not extend its initial term. Interest will be paid on additions from date of deposit at a rate equal to the rate being paid on funds already on deposit, subject to adjustment if the deposit has a variable interest rate feature.

Renewal Policy:
 Single Maturity: This account will not automatically renew. No interest will accrue after the maturity date.
 Automatic Renewal: This account will automatically renew at maturity. You will have seven (7) calendar days from the maturity date to withdraw funds without being charged a penalty. Each renewal will be the same length as the initial term. The interest rate at renewal will be the lesser of the Initial Index Rate or the rate offered by Bank on deposits of this type and term in effect of each respective renewal date. The compounding frequency at renewal will be the same as that in effect on the last day of the initial term. This certificate may be renewed more than once by the Registered Owner(s). Bank may prevent automatic renewal by mailing written notice of its intention not to renew to Registered Owner(s) not less than thirty days before the Initial Maturity Date, of any subsequent maturity date, to the mailing address of Registered Owner/Name 1 specified above or to such other address as Registered Owner(s) may instruct Bank in writing.

BANK USE ONLY	
<input type="checkbox"/> Individual	<input type="checkbox"/> Proprietorship <input type="checkbox"/> Partnership <input checked="" type="checkbox"/> Corporation
<input type="checkbox"/> Joint	<input type="checkbox"/> Other
<input checked="" type="checkbox"/> Original	<input type="checkbox"/> Temporary
Number of signatures required <u>1</u> CIS # <u>13350</u>	
<input type="checkbox"/> Customer Rate	<input type="checkbox"/> Collateral/Safekeeping <input type="checkbox"/> Pledged
Home Phone <u>505-397-2045</u> Work Phone <u> </u> DOB <u> </u>	
Prepared By <u>Lilah Koenig</u> Branch <u>Hobbs/Main</u> Officer <u>03 /DT</u>	

(BANK FILE COPY)

I have read and agreed to the terms and conditions governing this Deposit.

Complete the section below which applies to you, either Substitute Form W-9 or W-8

Request for Taxpayer Identification Number and Certification (Substitute Form W-9)

Certification: Under penalties of perjury, I certify that:

1) The number shown on this form is my correct Taxpayer Identification Number, and
 2) UNLESS I HAVE CHECKED ONE OF THE BOXES BELOW, I am not subject to backup withholding either because I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or the IRS has notified me that I am no longer subject to backup withholding (does not apply to real estate transactions, mortgage interest paid, the acquisition or abandonment of secured property, contributions to an Individual Retirement Arrangement (IRA), and payments other than interest and dividends).

☐ I am subject to backup withholding. ☒ I am exempt from backup withholding.

Foreign Status Certificate of Foreign Status (Substitute Form W-8)

Certification. Under the penalties of perjury, I certify that, to the best of my knowledge and belief, I qualify as a foreign person.

Signature X

Name of Registered Owner	Signature	CERTIFICATE # 4000116750	SSN/EIN	Date
Jimmie T. Cooper	<i>Jimmie T. Cooper</i>		0404011	03/31/95
Jimmie B. Cooper				03/31/95
Betty Cooper				03/31/95

'93 JUN 15 AM 8 54

Form O & G CCD
Adopted 6-1-86

ASSIGNMENT OF CASH COLLATERAL DEPOSIT

(Must be a federally-insured bank or savings institution
authorized to do business in New Mexico)

Date June 11, 1993 (Amendment to Assignment dated 4/6/93)

Pursuant to Section 70-2-14, NMSA (1978), or successor provisions, C & C Land Farm, Inc. (hereinafter referred to as "operator") of P.O. Box 55, Monument, NM 88265 (address) has deposited with the United New Mexico Bank (name of state or national bank or savings association) of P.O. Box 1290, Hobbs, New Mexico 88241-1290 (address) (herein termed financial institution), the sum of \$25,000.00 dollars in Certificate of Deposit or savings account No. 100065287. Operator hereby assigns and conveys all right, title and interest in the deposited sum to the financial institution in trust for the Oil Conservation Division of the Energy and Minerals Department or successor agency of the State of New Mexico. Operator and the financial institution agree that as to the deposited sum or fund:

- The Oil Conservation Division acquires by this assignment the entire beneficial interest in the fund, with the right to order the trustee in writing to distribute the fund to persons determined by the division to be entitled thereto, including the Division itself, in amounts determined by the Division, or to the operator upon sale or proper plugging of the well covered by this bond.
- Operator retains no legal or beneficial interest in the fund and has only the right to interest, if any, thereon, and to return of the fund upon written order of the Division.
- The financial institution agrees that the fund may not be assigned, transferred, pledged or distributed except upon written order of the Division or a court of competent jurisdiction made in a proceeding in which the Division is a party. The financial institution waives all statutory or common law liens or rights of set-off against the fund.

Operator agrees that the financial institution may deduct from interest due operator any attorney fees incurred by the financial institution if claim or demand via writ, summons or other process arising from operator's business is made upon the financial institution.

C & C Land Farm, Inc.

Jimmie T. Cooper
Signature of Operator,
Personally or by Authorized Officer

Jimmie T. Cooper
President

Title

United New Mexico Bank

Beverly K. Bearden
Signature of Authorized Officer of
Financial Institution

Beverly K. Bearden
Senior Vice President & Cashier

Title

STATE OF NEW MEXICO

) ss.

COUNTY OF Lea

On this 11th day of June, 19 93, before me personally appeared Jimmie T. Cooper and Beverly K. Bearden, to me known to be the person (persons) described in and who executed the foregoing instrument and acknowledged that the (they) executed the same as his (their) free act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and seal on the day and year in this certificate first above written.

Norma Taught
NOTARY PUBLIC

My Commission expires:
11/5/95

ASSIGNMENT OF CASH COLLATERAL DEPOSIT
FOR BOND FOR COMMERCIAL SURFACE WASTE DISPOSAL FACILITY

(Must be a federally-insured bank or savings institution
within the State of New Mexico)

Adopted 6-88

RECEIVED
93 APR 15 07 9 55

Date April 6, 1993 (Amendment to Assignment dated 12/1/92)

Pursuant to Rule 711 of the Rules of the Oil Conservation Division, or successor provisions, C & C Land Farm, Inc. (hereinafter referred to as "owner") of Box 55, Monument, New Mexico 88265 (address) has deposited with the United New Mexico Bank (name of state or national bank or savings association) of 200 East Broadway, Hobbs, New Mexico 88240 (address) (herein termed

financial institution), the sum of \$25,000.00 dollars in Certificate of Deposit or savings account No. 0100065204. Owner hereby assigns and conveys all right, title and interest in the deposited sum to the financial institution in trust for the Oil Conservation Division of the Energy and Minerals Department or successor agency of the State of New Mexico. Owner and the financial institution agree that as to the deposited sum or fund:

- The funds deposited pursuant to the terms of this Agreement are to serve as a cash bond covering a commercial surface waste disposal facility operated by owner.
- The Oil Conservation Division acquires by this assignment the entire beneficial interest in the fund, with the right to order the trustee in writing to distribute the fund to persons determined by the Division to be entitled thereto, including the Division itself, in amounts determined by the Division, or to the operator upon sale of the facility covered by this agreement.
- Owner retains no legal or beneficial interest in the fund and has only the right to interest, if any, thereon, and to return of the fund upon written order of the Division.
- The financial institution agrees that the fund may not be assigned, transferred, pledged or distributed except upon written order of the Division or a court of competent jurisdiction made in a proceeding in which the Division is a party. The financial institution waives all statutory or common law liens or rights of set-off against the fund.

Owner agrees that the financial institution may deduct from interest due owner any attorney fees incurred by the financial institution if claim or demand via writ, summons or other process arising from operator's business is made upon the financial institution. C & C Land Farm, Inc. United New Mexico Bank

Jimmie T. Cooper
Signature of Owner,
Personally or by Authorized Officer
Jimmie T. Cooper
President
Title

Beverly K. Bearden
Signature of Authorized Officer of
Financial Institution
Beverly K. Bearden
Senior Vice President & Cashier
Title

STATE OF NEW MEXICO

COUNTY OF Lea) ss.

On this day of April, 19 93, before me personally appeared the person (persons) described in and who executed the foregoing instrument and acknowledged that they executed the same as their free act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and seal on the day and year in this certificate first above written.

My Commission expires:

NOTARY PUBLIC

ACKNOWLEDGMENT FORM FOR CORPORATION

STATE OF New Mexico)
) ss.
COUNTY OF Lea)

On this _____ day of April, 19 93, before me personally appeared Jimmie T. Cooper, to me personally known who, being by me duly sworn, did say that he is President of C & C Land Farm, Inc. and that the foregoing instrument was signed and sealed on behalf of said corporation by authority of its board of directors, and acknowledged said instrument to be the free act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and seal on the day and year in this certificate first above written.

Norma Taught
Notary Public

11/5/95
My Commission Expires

STATE OF New Mexico)
) ss.
COUNTY OF Lea)

On this _____ day of April, 19 93, before me appeared Beverly K. Bearden, to me personally known, who, being by me duly sworn, did say that she is Senior V.P. & Cashier of United New Mexico Bank and that the foregoing instrument was signed and sealed on behalf of said corporation by authority of its board of directors, and acknowledged said instrument to be the free act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and seal on the day and year in this certificate first above written.

Norma Taught
Notary Public

11/5/95
My Commission Expires:
(Note: Corporate surety attach power of attorney)

APPROVED BY:
OIL CONSERVATION DIVISION

By _____



STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

December 21, 1992



BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

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

C & C Land Farm Inc.
Box 55
Monument, New Mexico 88265

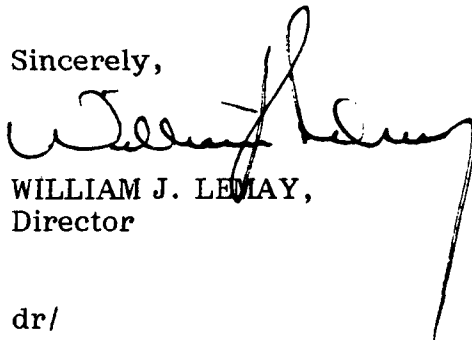
Attention: Jimmie T. Cooper

Re: \$25,000 Cash Commercial Disposal Facility Bond
C & C Land Farm, Inc., Operator
Sec. 3, T-20-S, R-37-E, Lea County
Bond No. OCD-391

Dear Mr. Cooper:

The Oil Conservation Division hereby approves the above-referenced bond effective this date.

Sincerely,


WILLIAM J. LEMAY,
Director

dr/

cc: Oil Conservation Division
Hobbs, New Mexico

Kathy Brown
Oil Conservation Division - Santa Fe



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

December 8, 1992



BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

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

C & C Land Farm, Inc.
Box 55
Monument, New Mexico 88265

Attention: Jimmie T. Cooper

Re: \$25,000 Cash Bond for Commercial
Disposal Facility

Dear Mr. Cooper:

I am returning the above-described bond as the exact location needs to be put on this bond form and your name needs to be Acknowledged and notarized. I am keeping the Assignment of Cash Collateral.

Just as soon as you return this completed bond to me, I will proceed with the processing.

Thank you.

Sincerely,

A handwritten signature in cursive script, appearing to read "Diane Richardson".

DIANE RICHARDSON
Administrator
Bond Department

ASSIGNMENT OF CASH COLLATERAL DEPOSIT
FOR BOND FOR COMMERCIAL SURFACE WASTE DISPOSAL FACILITY

(Must be a federally-insured bank or savings institution
within the State of New Mexico)

Date 12-01-92

Pursuant to Rule 711 of the Rules of the Oil Conservation Division, or successor provisions, C & C Land Farm, Inc. (hereinafter referred to as "owner") of Box 55 Monument, NM 88265 (address) has deposited with the United New Mexico Bank Lea City (name of state or national bank or savings association) of 200 E. Broadway Hobbs NM 88240 (address) (herein termed Financial Institution), the sum of \$25,000.00 dollars in Certificate of Deposit ~~XXXXXX~~ account No. 0100064120. Owner hereby assigns and conveys all right, title and interest in the deposited sum to the financial institution in trust for the Oil Conservation Division of the Energy and Minerals Department or successor agency of the State of New Mexico. Owner and the financial institution agree that as to the deposited sum or fund:

- The funds deposited pursuant to the terms of this Agreement are to serve as a cash bond covering a commercial surface waste disposal facility operated by owner.
- The Oil Conservation Division acquires by this assignment the entire beneficial interest in the fund, with the right to order the trustee in writing to distribute the fund to persons determined by the Division to be entitled thereto, including the Division itself, in amounts determined by the Division, or to the operator upon sale of the facility covered by this agreement.
- Owner retains no legal or beneficial interest in the fund and has only the right to interest, if any, thereon, and to return of the fund upon written order of the Division.
- The financial institution agrees that the fund may not be assigned, transferred, pledged or distributed except upon written order of the Division or a court of competent jurisdiction made in a proceeding in which the Division is a party. The financial institution waives all statutory or common law liens or rights of set-off against the fund.

Owner agrees that the financial institution may deduct from interest due owner any attorney fees incurred by the financial institution if claim or demand via writ, summons or other process arising from operator's business is made upon the financial institution.

Jimmie T. Cooper
Signature of Owner,
Personally or by Authorized Officer

B. K. Bearden
Signature of Authorized Officer of
Financial Institution

Jimmie T. Cooper
Title

Senior Vice President & Cashier
Title

STATE OF NEW MEXICO

COUNTY OF Lea) ss.

On this 1st day of December, 19 92, before me personally appeared B. K. Bearden and Jimmie T. Cooper, to me known to be the person (persons) described in and who executed the foregoing instrument and acknowledged that they executed the same as their free act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and seal on the day and year in this certificate first above written.

My Commission expires:

11/5/95

Norma Laught
NOTARY PUBLIC

0 C D - 3 9 1

per a-4-92

OIL CONSERVATION DIVISION
RECEIVED

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

'92 DEC 18 AM 8 50

\$25,000.00 CASH BOND FOR COMMERCIAL DISPOSAL FACILITY

File with Oil Conservation Division, P. O. Box 2088, Santa Fe, New Mexico 87504

KNOW ALL MEN BY THESE PRESENTS:

That C & C Land Farm, Inc., (an individual)
(partnership) (a corporation organized in the State of New Mexico
with its principal office in the City of Hobbs, State of New
Mexico, and authorized to do business in the State of New Mexico). is
held firmly bound unto the State of New Mexico, for the use and benefit of the Oil
Conservation Division of the Energy, Minerals and Natural Resources Department in the
sum of Twenty Five Thousand (\$25,000.00) Dollars lawful money of the United States.

The conditions of this obligation are such that:

The above principal has heretofore or may hereafter enter into the collection,
disposal or storage of produced water and/or other oil field related wastes in Section
3, Township 20 (North) (South), Range 31 (East) (West), N.M.P.M.,
LEA County, New Mexico.

NOW, THEREFORE, This \$25,000 performance bond is conditioned upon substantial
compliance with all applicable statutes of the State of New Mexico and all rules,
regulations, and orders of the Oil Conservation Division of the Energy, Minerals
and Natural Resources Department, and upon clean-up of the facility site to standards
of the Oil Conservation Division; otherwise the principal amount of the bond to be
forfeited to the State of New Mexico.

The applicant has deposited on behalf of the Division \$25,000 (Twenty-five
thousand dollars) in the manner indicated on the attachment to this bond, being the
principal sum intended to be secured. Applicant pledges the sum as a guarantee that
if its executors, assigns, heirs and administrators will abide by the Laws of the
State of New Mexico and the Rules and Regulations of the Oil Conservation Division in
operating the commercial surface waste disposal facility, described herein, and that
it will properly reclaim the facility site upon cessation of operations. If the
applicant does not properly reclaim and restore the facility site, and otherwise
abide by the Rules and Orders of the Oil Conservation Division, this bond shall be
forfeited in full and such funds as necessary applied to the cost of reclaiming the
facility site. If the principal sum of the bond is less than the actual cost
incurred by the Division in reclaiming the plant site, the Division may institute
legal action to recover any amounts expended over and above the principal sum of the
bond.

NOW THEREFORE, if the above applicant or its successors, assigns, heirs, or
administrators or any of them shall properly reclaim and restore the above-described
collection, disposal or storage site upon cessation of operations, and otherwise
abide by the Rules and Orders of the Oil Conservation Division, then therefore, this
obligation shall be null and void and the principal sum hereof shall be paid to the
applicant, or its successors, heirs, or administrator, otherwise it shall remain in
full force and effect.

Signed and sealed this 1st day of December, 19 92.

Mailing Address

By [Signature]
Signature Title

(Note: Principal, if corporation
Affix corporate seal here.)

OIL CONSERVATION DIVISION
RECEIVED

'92 DEC 18 AM 9 06

ACKNOWLEDGMENT FORM FOR CORPORATE

STATE OF _____)
COUNTY OF _____) ss.

On this _____ day of _____, 19____, before me personally appeared _____, to me personally known who, being by me duly sworn, did say that he is _____ of _____ and that the foregoing instrument was signed and sealed on behalf of said corporation by authority of its board of directors, and acknowledged said instrument to be the free act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and seal on the day and year in this certificate first above written.

Notary Public

My Commission Expires _____

STATE OF NEW MEXICO)
COUNTY OF LEA) ss.

On this 14th day of December, 19 92, before me appeared Himmie T. Cooper, to me personally known, who, being by me duly sworn, did say that he is President of C & C Land Farm, Inc. and that the foregoing instrument was signed and sealed on behalf of said corporation by authority of its board of directors, and acknowledged said instrument to be the free act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and seal on the day and year in this certificate first above written.

Norman Knight
Notary Public

11/5/95

My Commission Expires:

(Note: Corporate surety attach power of attorney)

APPROVED BY:
OIL CONSERVATION DIVISION

By [Signature]