

NM1 - 24

**GENERAL
CORRESPONDENCE**

YEAR(S):

2007 - 1995

Jones, Brad A., EMNRD

From: Jones, Brad A., EMNRD
Sent: Wednesday, January 24, 2007 8:04 AM
To: 'sara.lovett@basicenergyservices.com'
Subject: Basic Energy Services - Chaparral Treating Plant Change of Ownership
Attachments: Change of Ownership CERTIFICATION.doc; PERM024.pdf

Sara,

I have attached two documents. The first is the change of ownership form that must be filled out, signed, and returned to the Oil Conservation Division (OCD). The second is the permit for the Chaparral Treating Plant. A copy of the permit must also be signed and returned to OCD. Please place a copy of the permit in your records. If you have any questions regarding this matter, please do not hesitate to contact me.

Brad

Brad A. Jones
Environmental Engineer
Environmental Bureau
NM Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, New Mexico 87505
E-mail: brad.a.jones@state.nm.us
Office: (505) 476-3487
Fax: (505) 476-3462

Jones, Brad A., EMNRD

From: Chavez, Carl J, EMNRD
Sent: Tuesday, January 23, 2007 9:51 AM
To: Jones, Brad A., EMNRD
Subject: FW: P & S Brine Sales & Chaparral SWD Brine No. 2 Bond Info.

Brad:

The initial contact from Basic Energy Services (BE) is sara.lovett@basicenergyservices.com at (432) 620-5528. Please contact her if you have questions on the transfer. I believe that BES may need to perform an on-line OCD transfer for this facility? In addition, there may be similar certificates and correspondence between transferor and transferee acknowledging the discharge permit. Thank you.

From: Phillips, Dorothy, EMNRD
Sent: Friday, January 19, 2007 11:25 AM
To: Chavez, Carl J, EMNRD
Subject: RE: P & S Brine Sales & Chaparral SWD Brine No. 2

Carl, once you get all you need on these wells, pull the files and attach the rider to each one and take to David Brooks for the OKAY. Then bring to me for the approval letter. I will then approve the change of operator online for the transfer. They have not submitted the online transfer for P & S Brine sales yet the only one is the Chaparral SWD wells.

From: Chavez, Carl J, EMNRD
Sent: Thursday, January 18, 2007 5:12 PM
To: sara.lovett@basicenergyservices.com
Cc: Phillips, Dorothy, EMNRD
Subject: P & S Brine Sales & Chaparral SWD Brine No. 2

Ms. Lovett:

I am currently reviewing the above Ryders from Basic Energy Services LP.(BES). I have yet to receive certificates from BES as requested in a previous e-mail. The OCD requires the original BES bonds for each Brine Well for its files and certifications with signature from BES confirming that it accepts the terms and conditions of the existing BW-2 and BW-25 discharge plan permits.

Please sign and return the certificates with your revised text to me if BES accepts the above condition. If the OCD-EB does receive the signed certificates for the P&S Brine Sale LP and Chaparral SWD from BES, the OCD cannot transfer ownership and/or release any existing Chaparral bonds.

An Internet link to the Underground Injection Control Manual (<http://www.emnrd.state.nm.us/OCD/documents/UICManual.pdf>) is provided for you to consider all aspects of the transfer of ownership and bonding requirements for Class III brine wells in New Mexico. In addition, I have attached the "WQCC Transfer of Discharge Permit Regulations" for your consideration in this process.

Please contact me at (505) 476-3491 or via E-mail (CarlJ.Chavez@state.nm.us) if you have questions. Thank you.

From: Phillips, Dorothy, EMNRD
Sent: Thursday, January 18, 2007 11:33 AM

1/24/2007

To: Chavez, Carl J, EMNRD

Subject: Basic Energy Services, LP OGRID 246368

Carl, I received online a change of operator from Chapparal SWD OGRID 4094 to Basic Energy Services, LP. The permit requests transfer of two wells 30-025-27400 and 30-025-27682. The Permit No. is 44471. I cannot approve until bonding is in place and you have them. These are the riders to the bonds I gave to you and you talked with David Brooks about. The amounts you told me would not change so if you want me to approve you have to bring me the files so I can create the approval letters. Thanks

1/24/2007



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor

Jennifer A. Salisbury

Cabinet Secretary

February 2, 2001

Lori Wrotenbery

Director

Oil Conservation Division

CERTIFIED MAIL

RETURN RECEIPT NO. 7099-3220-0000-5051-1873

Mr. Paul D. Prather
Chaparral Treating Plant
P.O. Box 1769
Eunice, NM 88231

**RE: OCD Rule 711 Permit Approval WM-1-024
 Chaparral Treating Plant
 NW/4 NE/4, Section 17, Township 23 South, Range 37 East, NMPM
 Lea County, New Mexico**

Dear Mr. Prather:

The permit application for the Chaparral Treating Plant (Chaparral) commercial surface waste management facility located in NW/4 NE/4, Section 17, Township 23 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. In addition, a \$25,000 surety bond (No. B05260) has been submitted by Chaparral and approved by the Director. The application consists of the permit application Form C-137 dated September 25, 1997.

The operation, monitoring and reporting shall be as specified in the enclosed attachment. All modifications and alternatives to the approved treating plant methods must receive prior OCD approval. Chaparral 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 Chaparral of liability should your operation result in pollution of surface water, ground water, or the environment. In addition, OCD approval does not relieve Chaparral of responsibility for compliance with other federal, state or local laws and/or regulations.

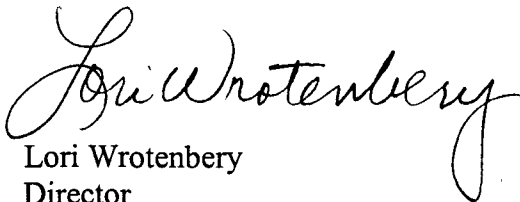
Please be advised that all tanks exceeding 16 feet in diameter and exposed pits, ponds or lagoons must be screened, netted or otherwise rendered non-hazardous to migratory birds. In addition, OCD Rule 310 prohibits oil from being stored or retained in earthen reservoirs or open receptacles.

The facility is subject to periodic inspections by the OCD. The conditions of this permit will be reviewed by the OCD no later than five (5) years from the date of this approval and the facility will be inspected at least once a year. In addition, the closure cost estimate will be reviewed according to prices and remedial work estimates at the time of the five (5) year 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

LW/mjk

xc with attachments:
Hobbs OCD Office

ATTACHMENT TO OCD 711 PERMIT APPROVAL
PERMIT WM-1-024
CHAPARRAL TREATING PLANT
NW/4 NE/4 of Section 17, Township 23 South, Range 37 East, NMPM,
Lea County, New Mexico
(February 2, 2001)

TREATING PLANT OPERATION

1. The facility must be fenced and have a sign at the entrance. The sign must 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. Disposal may occur only when an attendant is on duty. The facility must be secured when no attendant is present.
3. The facility must be maintained such that there will be no storm water runoff beyond the boundaries of the facility.
4. Any design changes to the treating plant must be submitted to the OCD Santa Fe office for approval and a copy must be sent to the Hobbs District office.
5. Facility inspection and maintenance must be conducted on at least a weekly basis and immediately following each consequential rainstorm or windstorm. The OCD Santa Fe and Hobbs offices must be notified within 24 hours if any defect is noted. Repairs must be made as soon as possible. If the defect will jeopardize the integrity of the tank(s), additional wastes may not be placed into the affected tank(s) until repairs have been completed.
6. All saddle tanks or drums located at the facility and containing materials other than fresh water must be placed on an impermeable pad with curb containment. The pad and curb containment must be able to hold one and one-third the volume of the largest tank or all interconnected tanks. The tanks and containers must be labeled as to contents and hazards.
7. All existing above-ground tanks located at the facility and containing materials other than fresh water must be bermed so that the area will contain one and one-third the volume of the largest tank or all interconnected tanks, whichever is greater. All above-ground tanks must be labeled as to contents and hazards.
8. All new or replacement above-ground tanks containing materials other than fresh water must be placed on an impermeable pad and be bermed so that the area will hold one and one-third the volume of the largest tank or all interconnected tanks, whichever is greater.
9. Below-grade sumps and below-grade tanks must be cleaned and visually inspected annually. Results must be recorded and maintained at the facility for OCD review. If sump/tank integrity has failed the OCD must be notified within 48 hours of discovery and

and the sump contents and contaminated soil must be removed and disposed of at an OCD-approved facility. Soil remediation must follow OCD surface impoundment closure guidelines. The permittee must submit a report to the OCD Santa Fe and appropriate District offices that describes the investigation and remedial actions taken.

10. All new or replacement below-grade sumps and below-grade tanks at the facility must have secondary impermeable containment with a leak detection system. The leak detection system must be inspected for fluids weekly. Results must be recorded and maintained for OCD review. If fluids are present they must be removed and properly disposed of or recycled and the primary containment checked for leaks and repaired or replaced. Records of inspections and repairs must be made available to the OCD upon request.
11. Below-grade pipelines associated with the treating plant must be pressure tested annually. Results must be recorded and maintained at the facility for OCD review. If pipeline integrity has failed the OCD must be notified within 48 hours of discovery and the line must be repaired or replaced. Contaminated soil must be removed and disposed of at an OCD-approved facility. Soil remediation must follow OCD surface impoundment closure guidelines. The permittee must submit a report to the OCD Santa Fe and appropriate District offices that describes the investigation and remedial actions taken.
12. Liquid and solid waste generated at the treating plant must be disposed of at an OCD-approved disposal facility.
13. To protect migratory birds, all tanks exceeding 16 feet in diameter and exposed pits and ponds shall be screened, netted or covered.
14. Within 24 hours of receiving notification from the OCD that an objectionable odor has been detected or reported, the facility must implement the following response procedure:
 - a. log date and approximate time of notice that an odor exists;
 - b. log investigative steps taken, including date and time, and conclusions reached; and
 - c. log actions taken to alleviate the odor, which may include adjusting chemical treatment, vapor recovery system, air sparging, solidification, landfarming, or other similar responses.

A copy of the log, signed and dated by the facility manager, must be maintained for OCD review.

H₂S PREVENTION & CONTINGENCY PLAN

1. Chaparral must develop a prevention and contingency plan for ambient H₂S levels to protect public health. **The H₂S prevention and contingency plan must be submitted to the OCD Santa Fe and Hobbs offices for approval by April 2, 2001.** The plan must address how Chaparral will monitor for H₂S to ensure the following:
 - a. If H₂S of 1.0 ppm or greater leaves the property;
 - i. the operator must notify the Hobbs office of the OCD immediately; and
 - ii. the operator must begin operations or treatment that will mitigate the source.
 - b. If H₂S of 10.0 ppm or greater leaves the property:
 - i. the operator must immediately notify the Hobbs office of the OCD and the following public safety agencies:

New Mexico State Police;
Lea County Sheriff; and
Lea County Fire Marshall;
 - ii. the operator must notify all persons residing within one-half (1/2) mile of the fence line and assist public safety officials with evacuation as requested; and
 - iii. the operator must begin operations or treatment that will mitigate the source.

WASTE ACCEPTANCE CRITERIA

1. The facility is authorized to accept only oilfield wastes that are exempt from RCRA Subtitle C regulations and that do not contain Naturally Occurring Radioactive Material regulated pursuant to 20 NMAC 3.1 Subpart 1403 (NORM). All loads of these wastes received at the facility other than wastes returned from the well bore in the normal course of well operations, such as produced water and spent treating fluids, shall be accompanied by a "Generator Certificate of Waste Status" signed by the generator.
2. At no time may any OCD-permitted surface waste management facility accept wastes that are hazardous by either listing or characteristic testing.

3. No waste will be accepted at the treating plant unless it is accompanied by an approved Form C-117-A.
4. No produced water may be received at the facility unless the transporter has a valid Form C-133, Authorization to Move Produced Water, on file with the Division.
5. The transporter of any wastes to the facility must supply a certification that wastes delivered are those wastes received from the generator and that no additional materials have been added.

REPORTING

1. The Treating Plant Operator's Monthly Report (Form C-118 sheet 1 and 1-A), which details the oil recovered and sold during the preceding month, must be submitted to the OCD Hobbs office according to the form directions.
2. The Tank Cleaning, Sediment Oil Removal, Transportation of Miscellaneous Hydrocarbons and Disposal Permit (Form C-117) must be submitted to the OCD Hobbs Office according to the form directions.
3. Records of treating plant inspections and maintenance must be kept and maintained for OCD review.
4. Chaparral must notify the **OCD Santa Fe and Hobbs offices within 24 hours** of any fire, break, leak, spill, blow out or any other circumstance that could constitute a hazard or contamination in accordance with OCD Rule 116.
5. Comprehensive records of all material disposed of at the facility must be maintained. The records for each load must include: 1) generator; 2) origin; 3) date received; 4) quantity; 5) certification of waste status as exempt; 6) NORM status declaration; and 7) transporter.
6. The OCD must be notified prior to any design changes to the treating plant facility. The facility must submit for approval any design changes to the facility to the OCD Santa Fe office and Hobbs District office.
7. The OCD must be notified prior to the installation of any pipelines or wells or other construction within the boundaries of the facility.

FINANCIAL ASSURANCE

1. Financial assurance in the amount of **\$25,000** (the estimated cost of closure) in the form of a surety or cash bond or a letter of credit, which is approved by the Division, is required from Chaparral Treating Plant for the commercial surface waste management facility.
2. The facility is subject to periodic inspections by the OCD. The conditions of this permit and the facility will be reviewed 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 offices must be notified when operation of the facility is to be discontinued for a period in excess of six (6) months or when the facility is to be dismantled. Within six (6) months after discontinuing use or within 30 days of deciding to dismantle the facility, a closure plan must be submitted to the OCD Santa Fe office for approval. The operator must complete cleanup of constructed facilities and restoration of the facility site within six (6) months of receiving the closure plan approval, unless an extension of time is granted by the Director.
2. The closure plan to be submitted must include the following procedures:
 - a. When the facility is to be closed no new material may be accepted.
 - b. All tanks must be emptied and any waste and recyclable material must be hauled to an OCD-approved facility. The empty tanks and equipment must be removed.
 - c. Contaminated soils exceeding OCD closure standards for the site must be removed or remediated.
 - d. The area must be contoured, seeded with native grasses and allowed to return to its natural state. If the landowner desires to keep existing structures, berms, or fences for future alternative uses, the structures, berms, or fences may be left in place.
 - e. Closure must be pursuant to all OCD requirements in effect at the time of closure, and any other applicable local, state and/or federal regulations.

Chaparral Treating Plant
711 Permit WM-1-024
February 2, 2001
Page 6

CERTIFICATION

Chaparral Treating Plant, by the officer whose signature appears below, accepts this permit and agrees to comply with all terms and conditions contained herein. Chaparral Treating Plant 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, public health and the environment.

Accepted:

CHAPARRAL TREATING PLANT

Signature _____ Title _____ Date _____

ATTACHMENT 1
OCD Environmental Bureau Closure Cost Estimate
For
Chaparral Treating Plant
2 acre surface waste management facility
December 28, 2000

Items and prices taken from third party closure cost estimates on file.

Job Foreman/Coordinator: 5 days @ \$250 per day	\$1250.00
BS/W Disposal: 3000 bbl @ \$2.75/bbl	\$8250.00
Vacuum Trucks: 3000 bbl hauling 15 mi. = 24 loads @ \$110	\$2640.00
Tank Cleaning: Jet truck, Vacuum Truck	\$1980.00
Jet water: 250 bbl fresh water	\$ 50.00
Jet water disposal: 250 bbl @\$2.75/bbl	\$ 687.00
Removal of tanks and residual equipment: Roustabout crew/truck \$60 hr x 35 hr	\$2100.00
Operator tandem winch/trailer \$85 hr x 35 hr	\$3000.00
Dirt work/reclamation: \$65 hr x 1-8 hour days reseed location:	<u>\$ 950.00</u>
	\$20,907.00

Confirmatory Soil Samples

6 confirmatory samples taken beneath tanks.

State Contract Laboratory Prices per analysis:

BTEX \$ 40.00 * 7 samples = \$ 280.00

TPH \$ 50.00 * 7 samples = \$ 350.00

Metals \$200.00 * 7 samples = \$1,400.00

\$2,030.00 Analytical

Confirmatory Soil Sampling Time and Labor for 6 samples

Labor 2 personnel \$55.00/hour
Sample 30 min per sample
Travel 1 hour
Delivery & Paperwork 2 hours

Total Time = (30 min/sample * 6 samples) + 1 hour + 2 hours = 6 hours

6 hours * \$55.00/hour * 2 persons = **\$330.00 Sampling Event**

Total Closure, Vegetation, and Post Closure Care Cost for Chaparral

\$ 23,267.00 Subtotal

\$ 1,308.00 NMGRT .05625

\$ 24,575.00 Total Financial Assurance

Existing Commercial Facilities financial assurance may be no less than \$25,000 no more than \$250,000.

CHAPARRAL SERVICE, INC.

P.O. DRAWER 1169

EUNICE, NM 88231

PHONE (505) 394-2545

FAX (505) 394-2426

DATE 12-28-00

TO _____

FAX# (505) 827-8177ATTENTION Marteen KeelingNO. OF PAGES (INCLUDING THIS COVER NOTE) 2FROM Paul PratherMESSAGE _____

FAX-

Attn- Marteen Kelling-

505-827-8177

Chaparral want to take ex. waste
only-

Thank
Pete Pester

Public Regulation Commission

3/6/2000

CHAPARRAL SERVICE, INC.

MAILING ADDRESS
PO DRAWER 1769 EUNICE NEW MEXICO 88231

SCC Number: 0642181

Tax & Revenue Number: 01746236009

INCORPORATED ON JULY 23, 1969 , IN NEW MEXICO.

CORPORATION IS A DOMESTIC PROFIT

CORPORATION IS ACTIVE
GOOD STANDING THROUGH: 9/15/2001

PURPOSE OF THE CORPORATION
OILFIELD SERVICES

CORPORATION DATES
Taxable Year End Date: 06/30/99 **Filing Date:** 09/14/99
Corporate Existence Expiration Date:

SUPPLEMENTAL POST MARK DATES
Supplemental: **Name Change:** **Purpose Change:**

PRINCIPAL ADDRESS
1603 W AVE. "O" EUNICE NEW MEXICO 88231

PRINCIPAL ADDRESS(Outside New Mexico)

REGISTERED AGENT
PAUL D. PRATHER
809 AVE. "F" EUNICE NEW MEXICO 88231

Designation date: 09/14/99 **Agent Post Mark Date:** **Resignation date:**

COOP LICENSE INFORMATION
Number: **Type:** **Expiration Year:**

PRATHER, PAUL D. President
PRATHER, BESSIE A. Vice President
HOLT, HELEN Secretary

HOLT, HELEN *Treasurer*

DIRECTORS

Date Election of Directors: 09/05/00

HOLT, HELEN

1603 W AVE. "O" EUNICE, NM 88231

PRATHER, BESSIE A

1603 W AVE. "O" EUNICE, NM 88231

PRATHER, PAUL D

1603 W AVE. "O" EUNICE, NM 88231

PRATHER, STEVEN

1603 W AVE. "O" EUNICE, NM 88231

New Search Inquiry Page

A. No treating plant shall operate except in conformity with the following provisions:

(1) Prior to the construction of a treating plant, application in the form of an affidavit for treating plant permit shall be filed in DUPLICATE with the Santa Fe Office of the Division and one copy to the appropriate district office. Such application shall be accompanied by:

- (a) a plat showing the location of the plant in relation to governmental surveys (section, township and range) and to highways or roads giving access to the plant site;
- (b) a description of the plant, type and process of treatment and design capacity;
- (c) a diagrammatic plan of plant layout including location of water wells, pits, dikes, dwellings, fences and cattle-guards within 1/4 mile of the site;
- (d) a description of containment dikes and pits, if any, with detailed information on construction and lining;

(Note: any pits, lined pits or below grade tanks used at the site must meet Division requirements for ground water protection);

- (e) a demonstration that any unmerchantable solids or liquids resulting from operation of the facility will be disposed of at a Division approved site;
- (f) a demonstration that the notice requirements of Paragraph ??? (2) of this rule have been met.

(2) The applicant shall give written notice to the owners of the surface of the plant site and an area within one-half (1/2) mile. The applicant shall also give notice of his application by advertisement in a paper of general circulation published in the county in which the treating plant is to be located. Both the written notice and published notice shall state the name of the plant operator, the nature of the proposed operation, the design capacity, and that any person seeking to oppose such application must file a protest with the Division within 20 days of the date of the notice.

(3) Before commencing construction all treating plants shall have a surety or cash bond in the amount of \$25,000, in a form approved by the Division, conditioned upon compliance with statutes of the State of New Mexico and rules of the Division, and satisfactory clean-up of site upon cessation of operation, in accordance with Part (12) ??? of this Rule. If a bond has been secured for a commercial surface waste disposal facility permit at the location, that bond shall be sufficient for the treating plant portion of the facility, providing they are contiguous. If an adequate bond is posted by the applicant with a federal or state agency and the bond otherwise fulfills the requirements of this rule, the Division may consider the bond as satisfying the requirement of this rule. The applicant must notify the Division of any material change affecting the bond filed for the site and must, in any case, report the status of their bond annually to the Division;

(4) The Director of the Division may issue a treating plant permit upon a finding that a complete and proper application has been filed and that no party has objected within 20 days following submittal of the application.

(5) The permit shall be consistent with the application and appropriate requirements of Division rules and The Oil and Gas Act.

(6) The Director of the Division may set any application for a treating plant permit for public hearing.

(7) Such permit shall entitle the treating plant operator to an approved Form C-104, Request for Allowable and Authorization to Transport Oil and Natural Gas, for the total amount of products secured from sediment oils and miscellaneous hydrocarbons processed by the operator. All permits shall be revocable, after notice and hearing, upon showing of good cause and are transferable only upon written approval of the Division Director.

(8) No treating plant operator may accept sediment oil at or into the treating facility unless the same is accompanied by an approved Form C-117-A (Tank Cleaning, Sediment Oil Removal, Transportation of Miscellaneous Hydrocarbons and Disposal Permit).

(9) Except as provided under Rule ??? 311(h), no treating plant operator may accept tank bottoms from pipeline stations, crude oil storage terminals or refineries, pipeline break oil or other miscellaneous hydrocarbons for processing or mixing with recovered pipeline oil unless the same is accompanied by an approved Form C-117-A.

(10) All treating plant operators shall file a monthly report which shall detail the net oil recovered and sold during the preceding month. See Rule 1118.

(11) The operator of each lease from which sediment oil is removed for reclamation shall be promptly notified by the treating plant operator of the amount of pipeline oil recovered therefrom. In the event sediment oil from two or more separate leases is to be commingled prior to treating, the treating plant operator shall determine the amount of pipeline oil attributable to each lease by testing a representative sample of the sediment oil from said lease in accordance with the standard centrifugal test prescribed by the API Manual of Petroleum Measurement Standards, Chapter 10, Section 4. Other test procedures may be used if such procedures reliably predict the percentage of good oil to be recovered from sediment oil.

(12) 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 operator, 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.

(13) Upon cessation of treating plant operations for 6 consecutive months, the operator will complete clean-up and restoration of the facility site within 6 months, unless an extension of time is granted by the Director of the Division. Such clean-up shall be in accordance with a plan acceptable to the Division Director and may include removal or demolition of buildings, removal of all tanks, vessels, equipment or hardware, containment and removal of fluids and chemicals, back-filling and grading of pits, removal of contaminated soil, and reclamation of the general plant site area. Prior to release of the bond covering the plant, a representative of the Division will inspect the site to determine that restoration is adequate.

(14) The Director of the Division may suspend any treating plant permit when it appears that such suspension is necessary to prevent waste, to protect fresh water, or to assure compliance with Division rules or orders.

RULE 116. - NOTIFICATION OF FIRE, BREAKS, LEAKS, SPILLS
AND BLOWOUTS

(as of 3-1-91)

A. The Division shall be notified of any fire, break, leak, spill, or blowout occurring at any injection or disposal facility or at any oil or gas drilling, producing, transporting, or processing facility in the State of New Mexico by the person operating or controlling such facility.

B. "Facility," for the purpose of this rule, shall include any oil or gas well, any injection or disposal well, and any drilling or workover well; any pipe line through which crude oil, condensate, casinghead or natural gas, or injection or disposal fluid (gaseous or liquid) is gathered, piped, or transported (including field flow-lines and lead-lines but not including natural gas distribution systems); any receiving tank, holding tank, or storage tank, or receiving and storing receptacle into which crude oil, condensate, injection or disposal fluid, or casinghead or natural gas is produced, received, or stored; any injection or disposal pumping or compression station including related equipment; any processing or refining plant in which crude oil, condensate, or casinghead or natural gas is processed or refined; and any tank or drilling pit or slush pit associated with oil or gas well or injection or disposal well drilling operations or any tank, storage pit, or pond associated with oil or gas production or processing operations or with injection or disposal operations and containing hydrocarbons or hydrocarbon waste or residue, salt water, strong caustics or strong acids, or other deleterious chemicals or harmful contaminants.

C. Notification of such fire, break, leak, spill, or blowout shall be in accordance with the provisions set forth below:

(1) Well Blowouts. Notification of well blowouts and/or fires shall be "immediate notification" described below. ("Well blowout" is defined as being loss of control over and subsequent eruption of any drilling or workover well, or the rupture of the casing, casinghead, or wellhead or any oil or gas well or injection or disposal well, whether active or inactive, accompanied by the sudden emission of fluids, gaseous or liquid, from the well.)

(2) "Major" Breaks, Spills, or Leaks. Notification of breaks, spills, or leaks of 25 or more barrels of crude oil or condensate, or 100 barrels or more of salt water, none of which reaches a watercourse or enters a stream or lake; breaks, spills, or leaks in which one or more barrels of crude oil or condensate or 25 barrels or more of salt water does reach a watercourse or enters a stream or lake; and breaks, spills, or leaks of hydrocarbons or hydrocarbon waste or residue, salt water, strong caustics or strong acids, gases, or other deleterious chemicals or harmful contaminants of any magnitude which may with reasonable probability endanger human health or result in substantial damage to property, shall be "immediate notification" described below.

(3) "Minor" Breaks, Spills, or Leaks. Notification of breaks, spills, or leaks of 5 barrels or more but less than 25 barrels of crude oil or condensate, or 25 barrels or more but less than 100 barrels of salt water, none of which reaches a watercourse or enters a stream or lake, shall be "subsequent notification" described below.

(4) "Gas Leaks and Gas Line Breaks. Notification of gas leaks from any source or of gas pipe line breaks in which natural or casinghead gas of any quantity has escaped or is escaping which may with reasonable probability endanger human health or result in substantial damage to property shall be "immediate notification" described below. Notification of gas pipe line breaks or leaks in which the loss is estimated to be 1000 or more MCF of natural or casinghead gas but in which there is no danger to human health nor of substantial damage to property shall be "subsequent notification" described below.

(5) Tank Fires. Notification of fires in tanks or other receptacles caused by lightning or any other cause, if the loss is, or it appears that the loss will be, 25 or more barrels of crude oil or condensate, or fires which may with reasonable probability endanger human health or result in substantial damage to property, shall be "immediate notification" as described below. If the loss is, or it appears that the loss will be at least 5 barrels but less than 25 barrels, notification shall be "subsequent notification" described below.

(6) Drilling Pits, Slush Pits, and Storage Pits and Ponds. Notification of breaks and spills from any drilling pit, slush pit, or storage pit or pond in which any hydrocarbon or hydrocarbon waste or residue, strong caustic or strong acid, or other deleterious chemical or harmful contaminant endangers human health or does substantial surface damage, or reaches a watercourse or enters a stream or lake in such quantity as may with reasonable probability endanger human health or result in substantial damage to such watercourse, stream, or lake, or the contents thereof, shall be "immediate notification" as described below. Notification of breaks or spills of such magnitude as to not endanger human health, cause substantial surface damage, or result in substantial damage to any watercourse, stream, or lake, or the contents thereof, shall be "subsequent notification" described below, provided however, no notification shall be required where there is no threat of any damage resulting from the break or spill.

(7) IMMEDIATE NOTIFICATION. "Immediate Notification" shall be as soon as possible after discovery and shall be either in person or by telephone to the district office of the Division district in which the incident occurs, or if the incident occurs after normal business hours, to the District Supervisor, the Oil and Gas Inspector, or the Deputy Oil and Gas Inspector. A complete written report ("Subsequent Notification") of

the incident shall also be submitted in DUPLICATE to the appropriate district office of the Division within ten days after discovery of the incident.

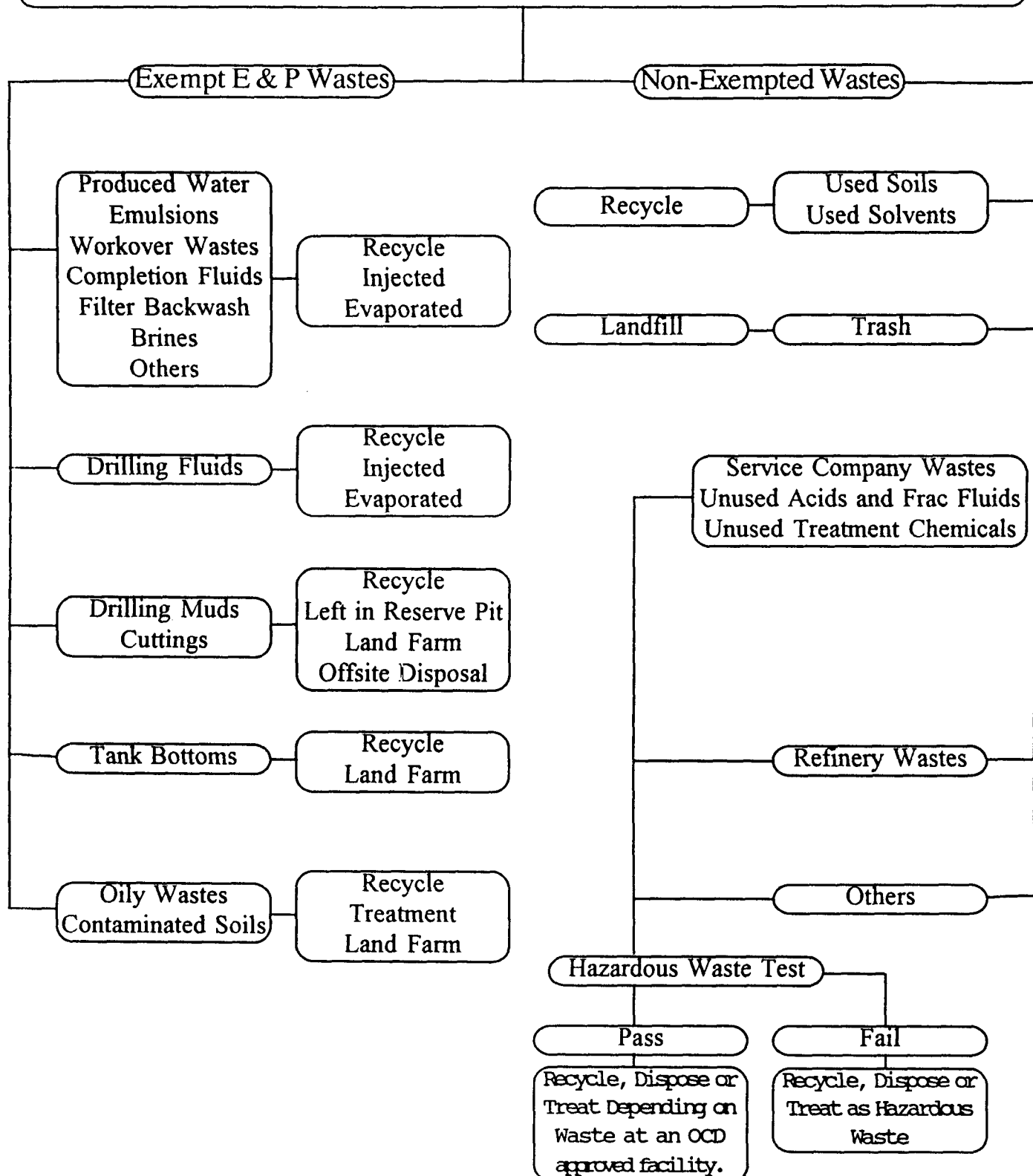
(8) SUBSEQUENT NOTIFICATION. "Subsequent Notification" shall be a complete written report of the incident and shall be submitted in duplicate to the district office of the Division district in which the incident occurred within ten days after discovery of the incident.

(9) CONTENT OF NOTIFICATION. All reports of fires, breaks, leaks, spills, or blowouts, whether verbal or written, shall identify the location of the incident by quarter-quarter, section, township, and range, and by distance and direction from the nearest town or prominent landmark so that the exact site of the incident can be readily located on the ground. The report shall specify the nature and quantity of the loss and also the general conditions prevailing in the area, including precipitation, temperature, and soil conditions. The report shall also detail the measures that have been taken and are being taken to remedy the situation reported.

(10) WATERCOURSE, for the purpose of this rule, is defined as any lake-bed or gully, draw, stream bed, wash, arroyo, or natural or man-made channel through which water flows or has flowed.

● New Mexico ●
OIL FIELD WASTES
CATEGORIES AND DISPOSAL METHODS

OIL AND GAS EXPLORATION AND PRODUCTION WASTES



Please contact the Oil Conservation Division concerning any waste or disposal methods not listed.

EPA WASTE CLASSIFICATION O & G EXPLORATION AND PRODUCTION WASTES*

Oil and Natural Gas Exploration and Production Materials and Wastes Exempted by EPA from Consideration as "Hazardous Wastes" (provided non-exempt waste which is or may be "hazardous" has not been added):

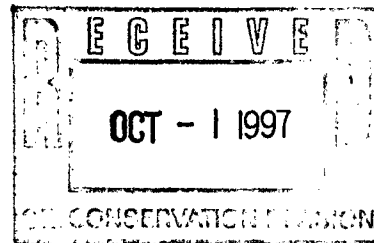
Materials and Wastes Not Exempted (may be a "hazardous waste" if tests or EPA listing define as "hazardous") **:

- | | | |
|--|---|--|
| <ul style="list-style-type: none"> . Produced water; . Drilling fluids; . Drill cuttings; . Rigwash; . Drilling fluids and cuttings from offshore operations disposed of onshore; . Geothermal production fluids; . Hydrogen sulfide abatement wastes from geothermal energy production; . Well completion, treatment, and stimulation fluids; . Basic sediment and water and other tank bottoms from storage facilities that hold product and exempt waste; . Accumulated materials such as hydrocarbons, solids, sand, and emulsion from production separators, fluid treating vessels, and production impoundments; . Pit sludges and contaminated bottoms from storage or disposal of exempt wastes; . Workover wastes; . Gas plant dehydration wastes, including glycol-based compounds, glycol filters, filter media, backwash, and molecular sieves; . Gas plant sweetening wastes for sulfur removal, including amines, amine filters, amine filter media, backwash, precipitated amine sludge, iron sponge, and hydrogen sulfide scrubber liquid and sludge; . Cooling tower blowdown; | <ul style="list-style-type: none"> . Spent filters, filter media, and backwash (assuming the filter itself is not hazardous and the residue in it is from an exempt waste stream); . Packing fluids; . Produced sand; . Pipe scale, hydrocarbon solids, hydrates, and other deposits removed from piping and equipment prior to transportation; . Hydrocarbon-bearing soil; . Pigging wastes from gathering lines; . Wastes from subsurface gas storage and retrieval, except for nonexempt wastes listed below; { . Constituents removed from produced water before it is injected or otherwise disposed of; . Liquid hydrocarbons removed from the production stream but not from oil refining; . Gases from the production stream, such as hydrogen sulfide and carbon dioxide, and volatilized hydrocarbons; . Materials ejected from a producing well during the process known as blowdown; . Waste crude oil from primary field operations and production; . Light organics volatilized from exempt wastes in reserve pits or impoundments or production equipment; . <i>Liquid and solid wastes generated by crude oil and crude tank bottom reclaimers***.</i> | <ul style="list-style-type: none"> . Unused fracturing fluids or acids; . Gas plant cooling tower cleaning wastes; . Painting wastes; . Oil and gas service company wastes, such as empty drums, drum rinsate, vacuum truck rinsate, sandblast media, painting wastes, spent solvents, spilled chemicals, and waste acids; . Vacuum truck and drum rinsate from trucks and drums transporting or containing non-exempt waste; . Refinery wastes; . <i>Liquid and solid wastes generated by refined oil and product tank bottom reclaimers***;</i> . Used equipment lubrication oils; . Waste compressor oil, filters, and blowdown; . Used hydraulic fluids; . Waste solvents; . Waste in transportation pipeline-related pits; . Caustic or acid cleaners; . Boiler cleaning wastes; . Boiler refractory bricks; . Boiler scrubber fluids, sludges, and ash; . Incinerator ash; . Laboratory wastes; . Sanitary wastes; . Pesticide wastes; . Radioactive tracer wastes; . Drums, insulation, and miscellaneous solids. |
|--|---|--|

* Source: Federal Register, Wednesday, July 6, 1988, p.25,446 - 25,459.

** See important note on 1990 disposal restrictions for non-exempt waste on reverse.

*** See reverse side for explanation of oil and tank bottom reclaimer listings.



September 25, 1997

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

RE: Chaparral Treating

Dear Martyne J. Kieling:

Find C-137 application for Chaparral Treating Plant within.
If you have any questions or need additional information,
please call. All changes and additional work should be
completed within sixty days.

Sincerely,

A handwritten signature in cursive script that reads "Eddie W. Seay". The signature is written in dark ink and is positioned above the typed name and address.

Eddie W. Seay, Agent
601 W. Illinois
Hobbs, NM 88240
(505)392-2236

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)

RECEIVED

OCT 1 1997

Environmental Conservation

- ☐ Commercial ☐ Centralized
1. Type: ☐ Evaporation ☐ Injection ☐ Other ☒ Solids/Landfarm ☒ Treating Plant
2. Operator: Chaparral Treating Plant
Address: P.O. Box 1769 Eunice, NM 88231
Contact Person: Paul D. Prather Phone: (505) 394-2545
3. Location: NW 4 NE /4 Section 17 Township 23 Range 37
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: 9-25-97

CHAPARRAL TREATING

- 1) No Drums.
- 2) Drip pans have been installed, and are checked and being emptied as needed.
- 3) Berms are being worked on so as to contain 1/3 more than the total volume, also, a sump pump is being installed at the lowest point of the bermed areas so as if a leak or accidental discharge were to occur, the fluids would be pumped back into another tank. This would prevent any fluids from escaping the bermed area.
- 4) No open top tanks.
- 5) Above ground saddle tanks have had drip pans installed and are being monitored and emptied as needed so as to prevent spills and leaks onto the surface.
- 6) Labels have been installed so as to identify the contents in the tanks.
- 7) Sumps and catch pans below valves at loading and unloading area will be checked and kept empty so as to prevent leakage onto surface.
- 8) Whenever the SWD wells are shut in for its MIT, the lines will be pressured up and a chart recorder used to note any leak off.
- 9) Adequate berms and a secondary containment will be installed so as to prevent any accidental discharge from leaving the facility area.
- 10) Any spill or leak which may occur will be reported to the OCD as per Rule 116, and appropriate action taken.
- 11) Trash bins on location.
- 12) The area in question was not used as a pit, soil was excavated from this area and used for berms and containments. If the OCD wishes, tests can be performed and area closed so as to prevent any future problems or questions.
- 13) Gate is being built and will soon be installed.
- 14) A new sign is being built and will soon be installed.

15) (a) Paul Prather
P.O. Box 1769
Eunice, NM 88231

(b) NA

(c) James Alvin Davis Surface Owner
Box 1327
Hobbs, NM 88240

Surface Owners Within 1 Mile

R.D. Sims
P.O. Box 922
Eunice, NM 88231

Byno Salsman, Elux Ima Jean JT
P.O. Box 184
Center Point, TX 78010

State of New Mexico Land Office
Santa Fe, NM 87505

James Alvin Davis
Box 1327
Hobbs, NM 88240

George Wesley Weir
28 N. Inwood Height Dr.
San Antonio, TX 78248

G. P. Simms
Box 1046
Eunice, NM 88231

B. W. John T. & Deedra Dinwiddie
Box 374
Roswell, NM

Dorothy Doyal, et al
Box 922
Eunice, NM 88231

U. R. Cattle Co.
P. O. Box 347
Eunice, NM 88231

(d) No changes.

(e) All material brought to the facility will have the appropriate documentation before unloading. After the material has been separated, the water will go to the SWD, the solids will be taken to and disposed at an OCD approved waste site, and the oil will be treated and sold.

(f) Contingency plan:

- 1) All drivers are instructed to report any discharge or leak to the office immediately.
- 2) Appropriate notification as per Rule 116 will be done.
- 3) Immediate cleanup will take place.
- 4) Report final cleanup as per OCD.

(g) Drivers are to check for leaks and spills daily but a field supervisor will inspect the facility weekly and note any needed changes and have sumps, drip pans and other general preventive maintenance things taken care of. This will ensure all applicable rules and regulations are being adhered to.

(h) This is a closed system. The H2S which is in the material that is hauled in should be gone. If a problem should exist, a vapor recovery system could be installed to prevent the escape of any H2S.

(i) Closure plan:

- 1) Remove all equipment, tanks, pumps, connections and etc.
- 2) Excavate any contaminated soils and dispose at an approved OCD site.
- 3) Backfill, level and seed the site.

Cost to Close the Facility by a Third Party.

1) The equipment on location at salvage value could be sold and is estimated to be worth \$7,000.00 as used salvage equipment.	\$ 7,000.00
2) Cost to remove and dispose of soil at an approved OCD facility. This estimate was based on a 2 ft. depth.	\$19,000.00
3) To backfill, level and reseed.	\$ 950.00

ESTIMATED TOTAL	\$19,950.00
less salvage cost	7,000.00

TOTAL	\$12,950.00

Chaparral has in place a \$25,000.00 bond.

(j) NA

PRIVATE USE ONLY

CHAPARRAL SERVICE, INC.

IN CASE OF EMERGENCY

CALL: (505) 394-2545

POSTED NO TRESPASSING KEEP OUT













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 27, 1995

CERTIFIED MAIL
RETURN RECEIPT NO.Z-765-962-667

Mr. Paul D. Prather
Owner/operator Chaparral service
P.O. Box 1769
Eunice, NM 88231

RE: Chaparral Treating Plant
Treating Plant Application
NMOCD Rule 312 Permit Approval
Lea County, NM Facility
Unit B, Sec. 17, T 23 S, R 37 E,

Dear Mr. Prather:

The Permit Application for the "Chaparral Treating Plant" located in NW/4, NE/4, Section 17, Township 23 South, Range 37 East, NMPM, Lea County, New Mexico, is hereby approved in accordance with NMOCD Rule 312 under the conditions contained in the enclosed attachment. The application consists of the original application dated January 31, 1995, and the materials dated March 15, 1995 and April 6, 1995, submitted as supplements to the application.

The operation, monitoring and reporting shall be as specified in the enclosed attachment. All modifications and alternatives to the approved waste oil processing methods must receive prior NMOCD approval. Chaparral Treating shall be 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 permit does not relieve you of liability should Chaparral Treating operations result in pollution of surface or ground waters or the environment.

Mr. Paul D. Prather

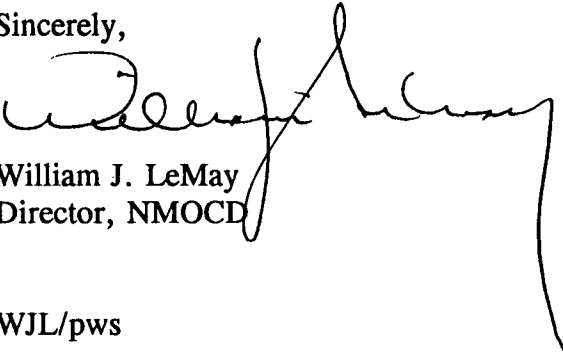
April 27, 1995

Page 2

Please also 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.

If Chaparral Treating has any questions, please do not hesitate to contact Roger Anderson at (505) 827-7152 or Patricio Sanchez at (505) 827-7156.

Sincerely,

A handwritten signature in black ink, appearing to read "William J. LeMay". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

William J. LeMay
Director, NMOCD

WJL/pws

Attachment

xc: Mr. Wayne Price - Environmental Engineer, District I

**ATTACHMENT TO NMOCD 312 PERMIT APPROVAL
CHAPARRAL TREATING**

WASTE OIL PROCESSING OPERATIONS

1. No chemicals (i.e. chlorinated solvents) will be used in the waste oil processing operation without obtaining prior OCD approval. At no time will OCD approve the use of chemicals which are listed as hazardous waste or chemicals which result in the creation of a hazardous waste as listed in the 40 CFR, Part 261, Subparts C and D.
2. Only oil field wastes which are exempt from RCRA Subtitle C (Hazardous Waste) regulations or are Non-Hazardous by characteristic testing analysis will be accepted at the treating plant. To accept wastes from operations not exempt under RCRA Subtitle C or mixed exempt/non exempt wastes, test results must be submitted to the OCD along with a request to receive the non-exempt waste, and a written OCD approval 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.
3. No wastes will be accepted at the treating plant unless it is accompanied by an approved Form C-117-A.
4. Unmerchantable solids and liquids will be disposed of at an OCD approved disposal facility. Waste will be disposed of on a case by case basis after receiving OCD approval.
5. All drips, leaks and spills shall be contained within drip pans and disposed of periodically to prevent overflow. Additional containment will be installed in areas where repeated leaks, spills, overflows, and etc. could reach the ground surface.
6. Berms shall be constructed that can contain 1 1/3 times the volume of the largest tank or 1 1/3 times the volume of all interconnected tanks.
7. Chaparral will submit a work plan for determination of the extent of any contamination related to the use of the former pit at the site. The work plan will be submitted to the OCD by July 31, 1995 in triplicate-two copies to the Santa Fe Environmental bureau, and one to the District I field office.

Mr. Paul D. Prather
April 27, 1995
Page 4

REPORTING

1. 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. (see enclosed.)
2. Chaparral will file a monthly report (Form C-118) which details the net oil recovered and sold during the preceding month.

BOND

Before Commencing operation of the NMOCD Rule 312 Facility, Chaparral shall have a bond in the amount of \$25,000 (Dollars-USA) in a form approved by the Division. Further, before commencing operation Chaparral will submit a detailed closure plan with a cost estimate that includes the following minimum requirements.

1. Remediation of any contaminated soils to the OCD standards in affect at the time of closure.
2. Removal of all piping, liners, surface equipment and all other equipment.
3. Reclamation of the surface to an extent that is protective of public health and the environment and which is consistent with post-closure land use as may be approved by the Director.

CLOSURE

When the facility is to be closed no new material will be accepted. All tanks will be opened up and cleaned out. All wastes (tank cleaning waste, any contaminated soils, etc.) will be disposed of at an OCD approved disposal facility or remediated to OCD standards in effect at the time of closure. The dikes/berms will be leveled and the location graded to its original state. The area will then be reseeded with natural grasses and allowed to return to its natural state. Closure will pursuant to all OCD requirements and standards in effect at the time of closure.

CHAPARRAL SALT WATER DISPOSAL
P. O. BOX 1768
EUNICE, N.M. 88231

April 6, 1995

OIL CONSERVATION DIVISION
RECEIVED
'95 APR 11 PM 8 52

Oil Conservation Division
2040 S. Pacheco
Santa Fe, New Mexico 87505

Re: Closure on work-over pit
Chaparral S.W.D. Lea #1

Dear Mr. P. W. Sanchez:

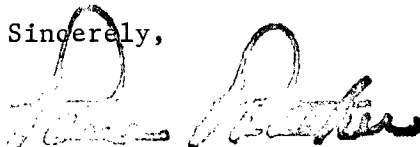
In February, 1992, Chaparral S.W.D. did a work-over on Lea #1. We dug a pit east of the well and swabbed acid water back into the pit.

Upon the completion of the work-over, Chaparral Service, Inc. sent a truck over to the site to empty the pit. When the pit was emptied, Johnson Construction Co. sent out a dozer and covered the pit.

There are no open pits on this location.

Please contact this office if there are any further questions concerning this matter.

Sincerely,



Paul D. Prather
(Dink)

Oil Conservation Division
Mr. Roger C. Anderson
2040 S. Pacheco
Santa Fe, New Mexico 87501

OIL CONSERVATION DIVISION
RECEIVED

'95 APR 5 PM 8 52

Dear Mr. Anderson:

I am writing in reference to Chaparral Treatings' application for a treating plant permit. I requested an "Intervener in the permitting process dated 2-9-95 so Mr. Prather and I could discuss this matter. I am withdrawing my "Intervener" request at this time.

Thank you for your assistance in this matter.

Sincerely,

James A. Davis
3-31-95



MEMORANDUM OF MEETING OR CONVERSATION

☒ Telephone☐ Personal

Time 1:20 pm

Date 4-5

Originating PartyOther Parties

Paul "Dink" Prather

Pat Sanchez

Subject Pit cut at chaparral - closure Report.Discussion

(1) Asked "Dink" Prather to submit a closure Report on the pit in question and he said he would. Same story as before - a work over pit that they snubbed back to.

(2) Also said the well signs at the facility should say LEA #1 & LEA #2.

Conclusions or Agreements

"Dink" to submit a closure Report to Santa Fe.

Signature

Signed



MEMORANDUM OF MEETING OR CONVERSATION

☐ Telephone☒ Personal

Time

1:30 pm

Date

3-28-94

Originating PartyOther Parties

Pat Sanchez

Dave Catanach

Subject

Tracking chaparral SWD wells.
unit A, B Section 17, T23S, R37E

Discussion

Dave called Hobbs to have them see if any problems may have been associated with these wells. (None.) Also well file calls the wells LEA and not Steeler. Therefore not sure why Mr. Prather is calling the "Pit" in question a work over pit. (No reason to work wells over)

* Discussed with R.C.A. @ 2:00 pm —
- clarify well name.

Conclusions or Agreements

R.C.A. - have prather give us a copy of the permits for the "Steeler" wells. Wells on file called Lea.

Signature

Signed



MEMORANDUM OF MEETING OR CONVERSATION

☒ Telephone☐ PersonalTime 9:40 AM -
wait for call back.

Date

3-28-95

Originating PartyOther PartiesPat Sanchez / Prather to
call Back.

"Dink" Prather

121822
Pit Closure Report for Chaparral, sec. 17, T23S, R37E
* Ask when Pit was closed & closure Plan that was
followed.

Discussion

- Pit for work over -

Pulled water, then Back filled.

- pit was open for about two weeks.

I asked him to put together documentation
on pit & provide Dates of closure.Conclusions or Agreements

Said He (Dink) would get Back with me.

Signature

Signed

OIL CONSERVATION DIVISION
RECEIVED

'95 MAR 20 PM 8 52

March 15, 1995

Oil Conservation Division
Environmental Bureau
2040 S. Pacheco
Santa Fe, NM 87505

ATTN: Patricio W. Sanchez

SUBJECT: Chaparral Treating Permit

Dear Mr. Sanchez:

This is in response to your letter dated 2-24-95 and our conversation of the same.

The heating system will operate off of electricity, with a holding capacity of approximately 50 bls. of total fluid, with a treating time of from 2 to 5 hours, depending on gravity of products, weather conditions and temperatures. The system will be bermed as OCD requires.

The treating plant will be operated independently with only the oil sludge from the SWD transferred to the treating system after approval of form 117. This transfer will either be done by metering through a temporary line or by truck. Also, water will be transferred from treating plant to SWD. At this time the tanks will be independent of each system. If in the future a need for change may occur, Chaparral will seek approval from the OCD.

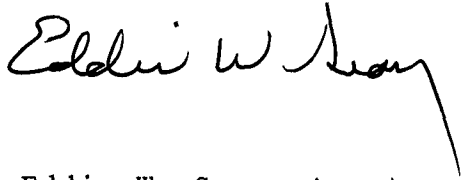
Chaparral will construct berms as OCD requires to contain any fluid which may leak out in case of an accidental discharge. The berms will be around the tank and heating system as OCD requires.

Please find corrected Copy of Public Notice and Affidavit. Also find copy of letter from Mr. Davis concerning his withdrawal of intervention.

Thank you for your time and consideration in this matter. If

you have further 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 is positioned above the typed name and address.

Eddie W. Seay, Agent
601 W. Illinois
Hobbs, NM 88240
(505)392-2236

cc: James Davis
OCD Hobbs

Oil Conservation Division
Mr. Roger C. Anderson
2040 S. Pacheco
Santa Fe, New Mexico 87501

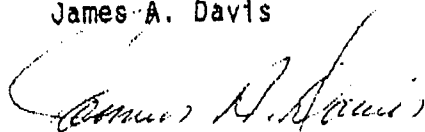
Dear Mr. Anderson:

I am writing in reference to Chaparral Treatings' application for a treating plant permit. I requested an "Intervener" in the permitting process dated 2-9-95 so Mr. Prather and I could discuss this matter. I am withdrawing my "Intervener" request at this time.

Thank you for your assistance in this matter.

Sincerely,

James A. Davis



cc: Mr. Jerry Sexton
Mr. Paul Prather

Need to request an
original from Mr. Davis
to Santa Fe.

• Also need his phone so I
can talk to. (Needs to
date his letter)

AFFIDAVIT OF PUBLICATION

State of New Mexico,
County of Lea.

I, Kathi Bearden

General Manager

of the Hobbs Daily News-Sun, a
daily newspaper published at
Hobbs, New Mexico, do solemnly
swear that the clipping attached
hereto was published once a
week in the regular and entire
issue of said paper, and not a
supplement thereof for a period.

of _____
1 weeks.

Beginning with the issue dated

March 12, 19 95
and ending with the issue dated

March 12, 19 95

Kathi Bearden
General Manager

Sword and subscribed to before

me this 15th day of

March, 1995

Marilyn L. Ruffino
Notary Public.

My Commission expires

March 24, 1998

(Seal)



This Newspaper is duly qualified
to publish legal notices or adver-
tisements within the meaning of
Section 3, Chapter 167, Laws of
1937, and payment of fees for
said publication has been made.

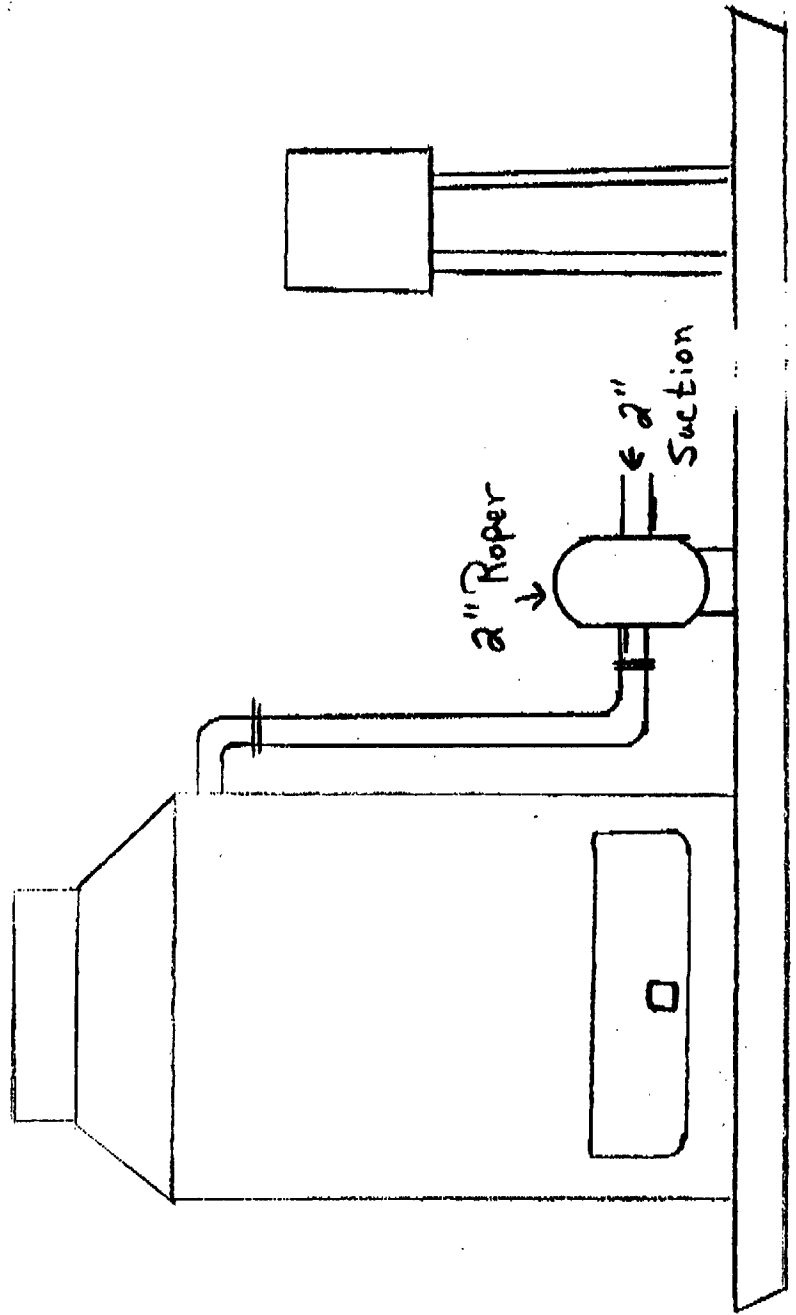
LEGAL NOTICE

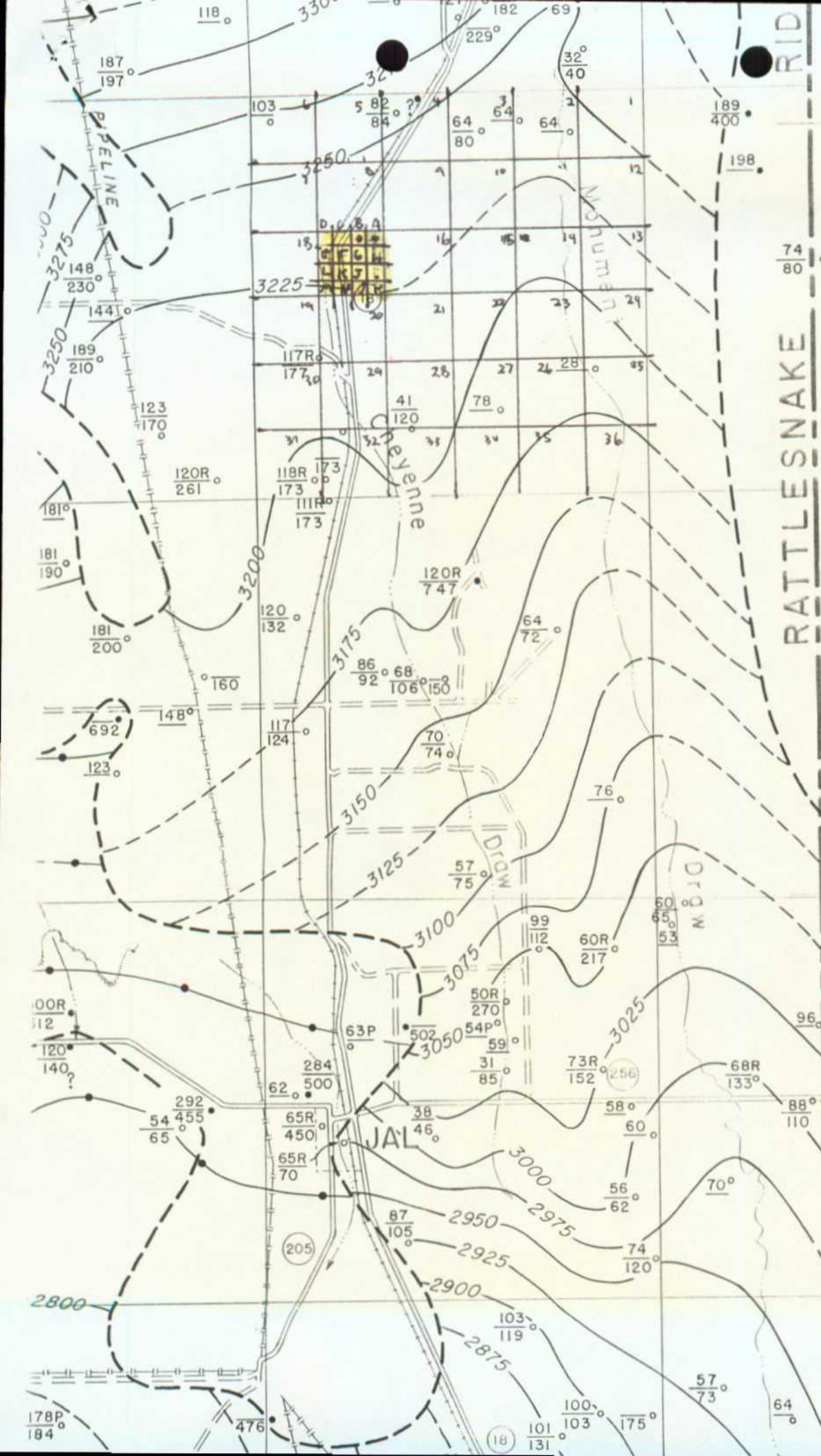
March 12, 1995

Pursuant to Rule 312 of the
State of New Mexico, Oil
Conservation Division, no-
tice is hereby given that
Chaparral Treating is filing
for a treatment plant permit.
The facility is located in Unit
B, Sect. 17, Tws. 23 S., R.
37 E., Lea Co., New Mexico.
The facility will be used to
reclaim usable oil from tank
bottoms and oilfield waste.
The capacity of the facility
will be 3000 bbls. with all ma-
terial stored and handled in
tanks. Any further informa-
tion can be obtained from
Eddie W. Seay, 505-392-
2236.

Any questions or objec-
tions must be filed with the
Oil Conservation Division,
2040 S. Pacheco, Santa Fe,
NM 87505 or call 505-827-
7131 within 20 days of this
notice.

- 1 Used Fire Box - Coil on 6" I Beam Skid
2 2" Roper Pump w/ 7 1/2 Motor w/ Heat Return
3 Auto Fire Control
4 Electronic Ignition
5 Control Panel
6 Painted White
Price \$10,541.00





upper number
is water level
lower number is
total well depth

T. 23 S.

T. 24 S.

T. 25 S.

T.

ANDREWS COUNTY

20'

10'

EXPLANATION

$\frac{150}{252}$

Water well

Upper figure is depth to water; lower figure is depth of well. Open circles are wells finished in Tertiary or Quaternary rocks; solid circles are wells finished in Triassic rocks

F = Flowing
R = Reported
P = Water level measured while pumping
D = Dry
? = Uncertainty as to aquifer
> = More than
< = Less than
(See tables 6 and 7 for detailed well data.)

3925

Water-table contour in Tertiary or Quaternary rocks

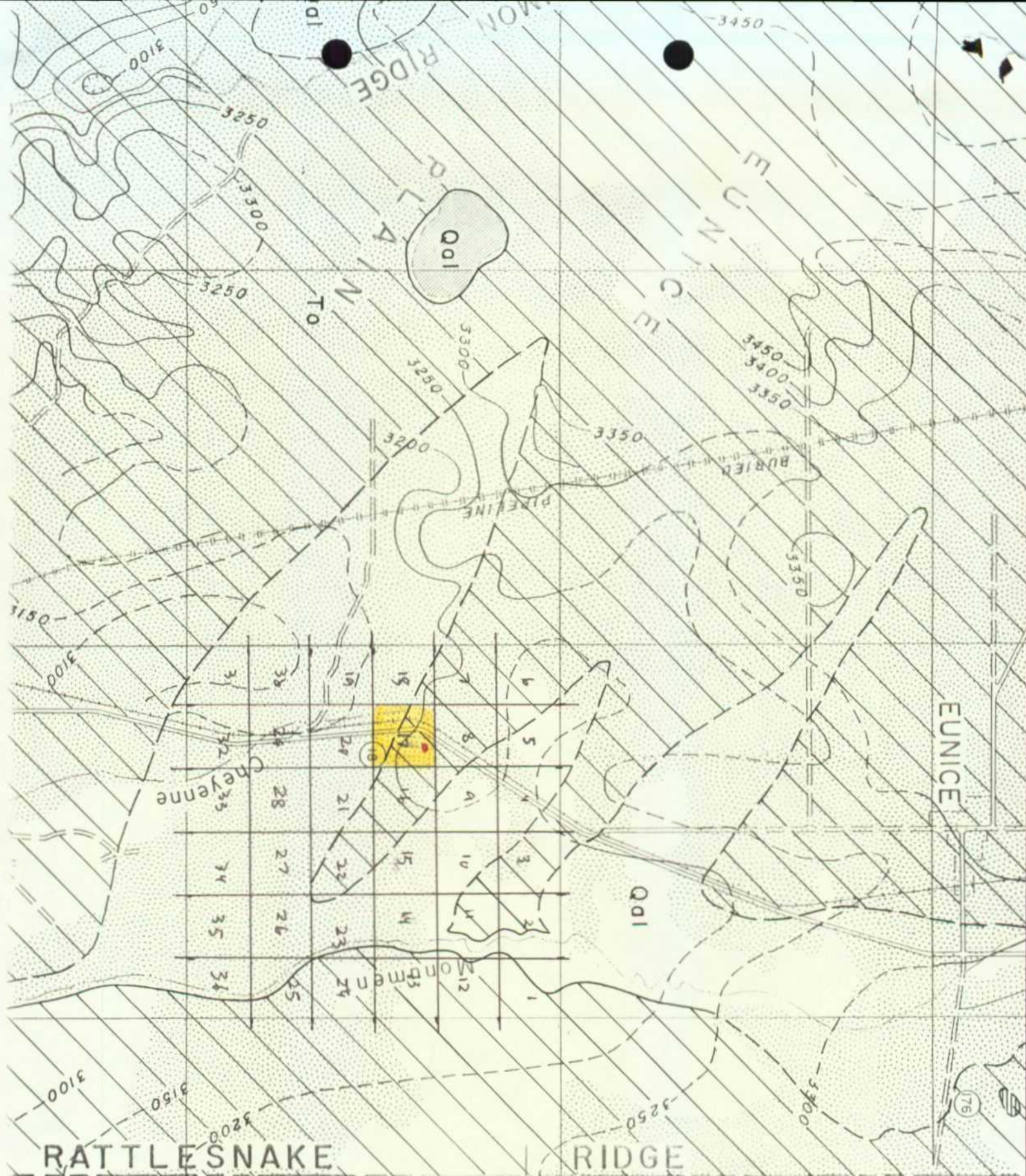
Dashed where inferred or uncertain. Contour interval 25 feet. Datum mean sea level

Water-table or piezometric contour on water body in Triassic aquifers

Dashed where inferred or uncertain. Contour interval 100 feet. Datum mean sea level

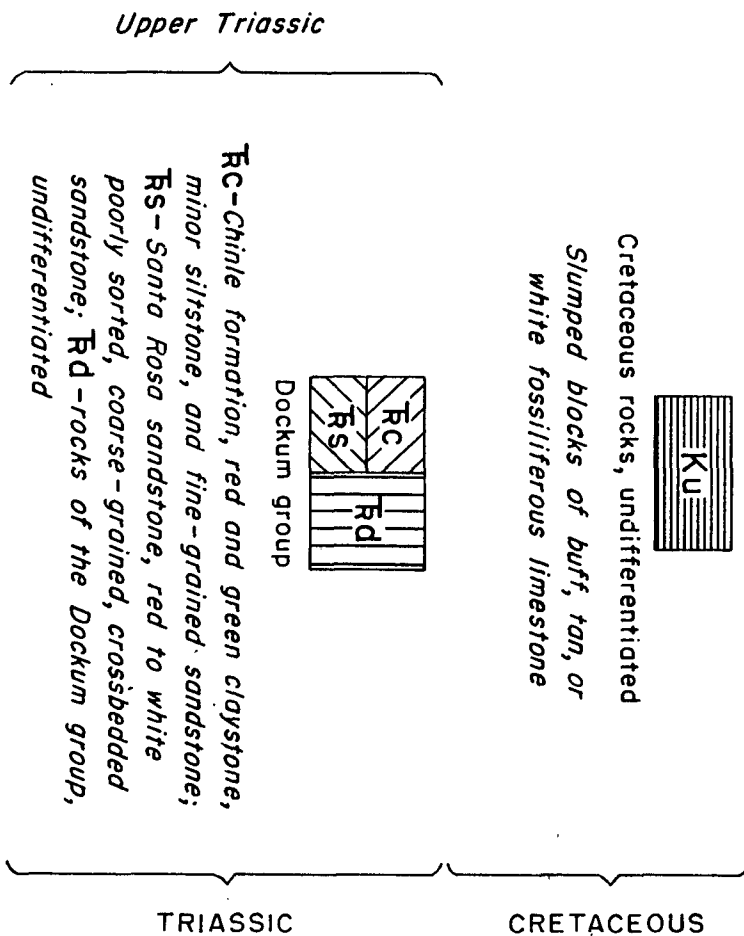
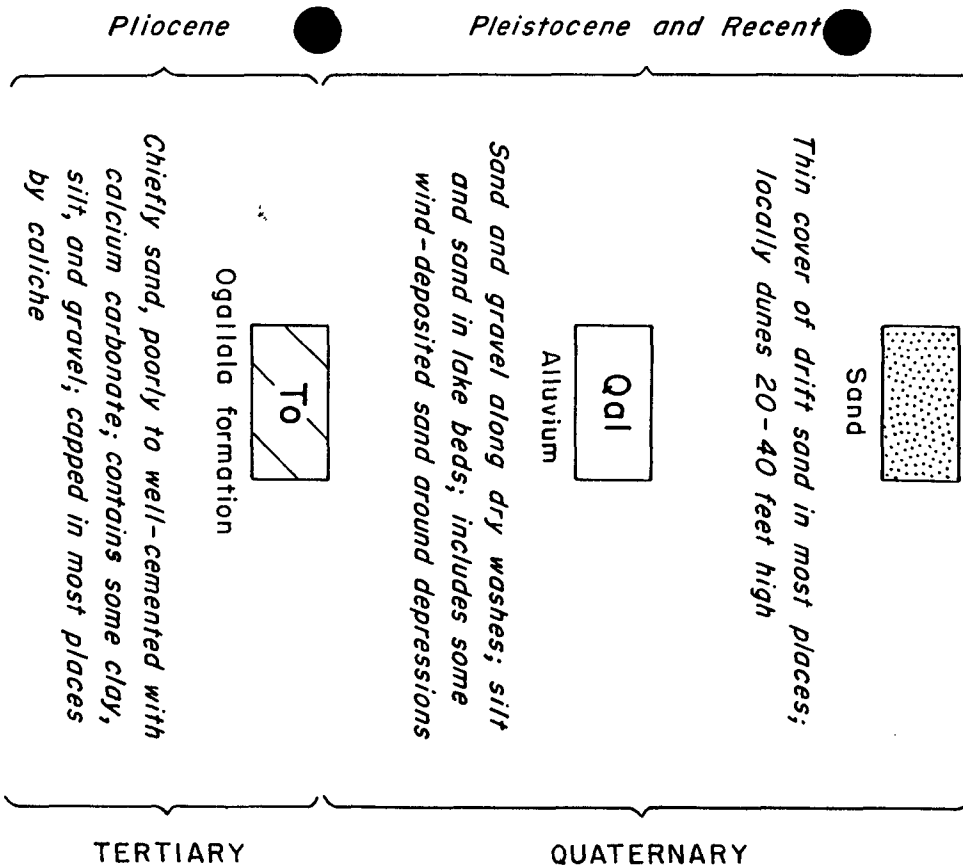
3500

Approximate position of boundary between Triassic rocks and saturated Tertiary and Quaternary rocks



ANDREWS COUNTY TEXAS
(Unit B, Sec. 17, T 23S, R 37E)

EXPLANATION



— 3500 —
 Contours on the red-bed surface
 Dashed where approximate or inferred.
 Contour interval 50 feet. Datum
 mean sea level

TABLE 3. STRATIGRAPHIC UNITS IN SOUTHERN LEA COUNTY, N. MEX.

GEOLOGIC AGE		GEOLOGIC UNIT	THICKNESS (ft)	GENERAL CHARACTER	WATER-BEARING PROPERTIES
Cenozoic Quaternary	Recent	Sand	0-30±	Dune sand, unconsolidated stabilized to drifting, semiconsolidated at depth; fine- to medium-grained.	Above the zone of saturation, hence, does not yield water to wells. Aids recharge to underlying formations by permitting rapid infiltration of rain-water.
	Pleistocene	Alluvium	0-400±	Channel and lake deposits; alternating thickbedded calcareous silt, fine sand, and clay; thickest in San Simon Swale; less than 100 feet thick in most places.	Saturated and highly permeable in places in east end of Laguna Valley. Forms continuous aquifer with Ogallala formation. Wells usually yield less than 30 gpm. Locally above the water table.
Cenozoic Tertiary	Pliocene	Ogallala	0-300±	Semiconsolidated fine-grained calcareous sand capped with thick layer of caliche; contains some clay, silt, and gravel.	Major water-bearing formation of the area. Unsaturated in many localities, such as north side of Grama Ridge, west side of Eunice Plain, Antelope Ridge area, and Rattlesnake Ridge. Greatest saturated thickness along east side of Eunice Plain, west of Monument Draw, where wells yield up to 30 gpm. Highest yields, up to 700 gpm, obtained from wells along south edge of Eunice Plain, east of Jal.
Mesozoic Cretaceous		Undifferentiated	35±	Small isolated and buried residual blocks of limestone, about 3 miles east of Eunice.	Possibly small isolated bodies of water locally.
1,000 BPD < yield < 24,000 BPD					
Mesozoic Triassic	Dockum group	Chinle formation	0-1,270±	Claystone, red and green; minor fine-grained sandstones and siltstones; underlies all of eastern part of southern Lea County area; thins westward; absent in extreme west.	Yields small quantities of water from sandstone beds. Yields are rarely over 10 gpm. Water has high sulfate content.
		Santa Rosa sandstone	140-300±	Sandstone, chiefly red but locally white, gray, or greenish-gray; fine- to coarse-grained; exposed in extreme west; underlies Cenozoic rocks in western part of area, and is present at depth in eastern part.	Yields small quantities of water over most of the area. Some wells are reported to yield as much as 100 gpm. Water has high sulfate content.
Paleozoic	Permian or Triassic	Undifferentiated	90-400+	Siltstone, red, shale, and sandstone; present at depth under all of southern Lea County.	No wells are known to be bottomed in the red beds. Probably can yield very small quantities of high-sulfate water.
Paleozoic	Ordovician through Permian		6,500-17,000±	Thick basin deposits ranging in character from evaporites to coarse clastics; thinnest on the east side of the area over the Central basin platform, thickest toward the southwest.	No presently usable water supply available from these rocks. Source of highly mineralized oil-field waters.
Precambrian				Granite, granodioritic and other igneous and metamorphic rocks; complex structure.	Not hydrologically significant.

The slope and texture of its surface and the composition of the underlying material indicate that it was once part of the Llano Estacado. Furthermore, the slope and altitude of Grama Ridge agree with those of the High Plains.

EUNICE PLAIN

For purposes of this report the term Eunice Plain is used to refer to the eastern part of the area, which has no other specific geographic designation. It is bounded on the north by the Llano Estacado and on the southwest by San Simon Ridge and Antelope Ridge. The westward extension of the Eunice Plain is the Grama Ridge area. On the south the Eunice Plain is bounded by an irregular, low, south-facing scarp which is most prominent at Custer Mountain (fig. 3), where it attains a height of about 60 feet. East and west of Custer Mountain the scarp is less pronounced. To the west it is buried under a mantle of dune sand. To the east it becomes more subdued and irregular, owing to dune sand and to dissection by numerous gullies and draws. Monument Draw traverses the east side of Eunice Plain from north to south. The Eunice Plain is the most highly developed part of the area, including within its limits the towns of Eunice, Jal, and Oil Center, and most of the industrial units and oil fields of the area.

The Eunice Plain is underlain by a hard caliche surface and is almost entirely covered by reddish-brown dune sand. In some places the underlying surface consists of alluvial sediments—most commonly calcareous silt in buried valleys or Quaternary lake basins. It has a general southeast slope toward Monument Draw. The underlying surface is exposed only locally, but it is reflected to some degree in many places by the overlying sand cover a few inches to several feet thick. The dune sand is stable over much of the area, but large areas of migrating sand cover the eastern half of T. 23 S., R. 35 E. and the southern part of T. 23 S., R. 38 E. Large accumulations of drifting sand are found along the west side of Monument Draw, and there are many other small local areas of drifting sand. In the areas of drifting sand, the dunes tend to be longitudinal and trend little south of east. The sand cover is 2 to 5 feet thick over most of the area, but locally is as much as 20 or 30 feet thick, especially in the drift area. The larger drift areas form a discontinuous strip across the plain extending slightly south of east from the San Simon Ridge. These drift areas represent an encroachment of sand from the San Simon Swale area, which has a great accumulation of sand on its east side.

In areas of sand cover, the vegetation is dominantly shin oak with bear grass and bur-grass. The dominant vegetation elsewhere is grama grass, bur-grass, and mesquite.

Monument Draw

The only major drainage feature within southern Lea County is Monument Draw, which heads in the southwest part of T. 20 S., R. 37 E.

In its upper reaches the draw trends a little south of east, but in the northern part of T. 21 S., R. 37 E. it turns and meanders southward to the State line. Because available maps do not show its continuation beyond that point, it is assumed that it fans out and terminates a few miles beyond where it crosses the State line.

The course of Monument Draw is almost perpendicular to the regional topography and drainage. The regional slope is to the southeast, and wherever drainage patterns have developed they are consequent to the slope. Monument Draw, however, cuts across the normal drainage at a sharp angle and conforms to the general trend only in its uppermost reaches. Farther east, in Texas, the regional slope is also east and south-east. In some places along its east side the draw has some well-developed tributary drainage areas several miles long.

Over much of its course Monument Draw is a well-defined, sharply incised cut about 30 feet deep, ranging from about 1,800 to about 2,000 feet wide; but there is no throughgoing drainage course. The draw is partly filled, primarily by dune sand and alluvium, and it is densely overgrown in many places with vegetation.

The sediments on the south side of the northern reach of Monument Draw are capped by the hard caliche surface of the Eunice Plain. Where the draw turns southward, it traverses a broad level area of lake deposits and becomes more shallow and subdued (fig. 5). At the southeast corner of T. 21 S., R. 37 E. the draw almost disappears under a blanket of dune sand. It reappears about 4 miles to the south and continues as a sharply incised feature until it leaves southern Lea County at the Texas State line.

RATTLESNAKE RIDGE AREA

East of Monument Draw the Eunice Plain rises toward a north-trending topographic high, known locally as Rattlesnake Ridge. Throughout most of its length the crest of this ridge closely parallels the State line. Nearly 2 miles east of the State line, in the latitude of Eunice, the crest of the ridge is about 125 feet higher than Monument Draw, and the land slopes westward toward Monument Draw 27 to 28 feet per mile. Rattlesnake Ridge restricts Monument Draw to its north-south trend and is regarded as the drainage divide between the Pecos River basin and the Colorado River basin, Texas (U.S. Weather Bureau, 1949). The ridge is apparently the reflection of a structural feature of Cenozoic origin. It is possibly a fault, but more probably it is a gentle flexure produced by differential compaction of the sediments to the west.

SAN SIMON SWALE

To the west of Eunice Plain is a large depression, covering roughly 100 square miles, known as the San Simon Swale. It is bounded on the northeast by Grama Ridge and San Simon Ridge, and on the southwest by areas of higher altitude. The southwestern boundary is less sharply

State of New Mexico
ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT
Santa Fe, New Mexico 87505



February 24, 1995

CERTIFIED MAIL
RETURN RECEIPT NO. Z-765-962-644

RE: Chaparral Treating Plant
Rule 312 Permit
Lea County, NM Facility
Unit B, Sec. 17, T 23 S, R 37 E,

Dear Mr. Prather:

The Oil Conservation Division (OCD) has received your application dated February 2, 1995 from Mr. Eddie Seay; to permit the proposed "Chaparral Oil Treating Plant" located on **Section 17, Township 23 South, Range 37 East, Lea county, New Mexico.**

The OCD is in the process of reviewing the proposed "Chaparral Oil Treating Plant" and will require the following additional information and clarification:

1. A more detailed description of the "electrical heat system" in relation to volume capacity.
2. How or if this proposed facility will interrelate with the existing salt water disposal system.

Also in reviewing the Chaparral proposal the OCD would also require that the tankage and heat system be enclosed by secondary containment. **The OCD requires Berms that contain 1 1/3 times the volume of the largest tank/vessel or 1 1/3 times the volume of all interconnected tanks or vessels.**

VILLAGRA BUILDING - 408 Galisteo

Forestry and Resources Conservation Division
P.O. Box 1948 87504-1948
827-5830

Park and Recreation Division
P.O. Box 1147 87504-1147
827-7485

2040 South Pacheco

Office of the Secretary
827-5950

Administrative Services
827-5925

Energy Conservation & Management
827-5900

Mining and Minerals
827-5970

Oil Conservation
827-7131

Mr. Paul D. Prather
February 24, 1995
Page 2

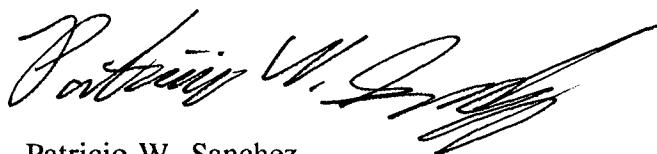
Chaparral will need to refile public notice because of the following errors:

1. Under TwS 23 - should have read TwS 23 S.
2. OCD mailing address in Santa Fe incorrect - should be **Oil Conservation Division, 2040 S. Pacheco, Santa Fe ,NM 87505.**
3. An affidavit from the newspaper in which the public notice was printed showing the date of publication.

Enclosed you will find a letter of protest in which a Mr. James Davis has requested to be an intervener in the proposed 312 permit process. All correspondence regarding this facility also needs to be sent to: **Mr. James A. Davis at Box 1379, Hobbs, NM 88240.**

If you have any questions please feel free to contact me at (505)-827-7156 in Santa Fe. Please mail all OCD correspondence to "Environmental Bureau- Oil Conservation Division, 2040 S. Pacheco, Santa Fe NM 87505".

Sincerely,



Patricio W. Sanchez
Petroleum Engineer

XC: Hobbs OCD, Mr. James A. Davis

State of New Mexico
ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT
Santa Fe, New Mexico 87505



February 24, 1995

CERTIFIED MAIL
RETURN RECEIPT NO. Z-765-962-642

James A. Davis
Box 1379
Hobbs, NM 88240

RE: Chaparral Treating Plant Permit

Dear Mr. Davis:

The Oil Conservation Division (OCD) has received your February 9, 1995 protest to the Chaparral treating plant application. The OCD is the state agency which permits "oil treating plant facilities" with rule 312.

The process that OCD uses to review 312 permit applications is a comprehensive and ongoing method. The applicant submits the initial application, it is thoroughly reviewed, and if needed additional information and commitments are requested to satisfy specific OCD requirements. After all of the required information is submitted and evaluated an ultimate determination is made as to whether or not the facility can be operated in a manner which will comply with OCD regulations.

In determining whether a facility is approvable the OCD must insure that there will be sufficient protection of **human health, ground water, and the environment**. OCD cannot deny an application solely on the basis that the use is incompatible with surrounding land uses or local zoning requirements. The OCD has no jurisdiction or authority to enforce compliance with those regulations.

VILLAGRA BUILDING - 408 Galisteo

Forestry and Resources Conservation Division
P.O. Box 1948 87504-1948
827-5830

Park and Recreation Division
P.O. Box 1147 87504-1147
827-7465

2040 South Pacheco

Office of the Secretary
827-5950

Administrative Services
827-5925

Energy Conservation & Management
827-5900

Mining and Minerals
827-5970

Oil Conservation
827-7131

Mr. James A. Davis

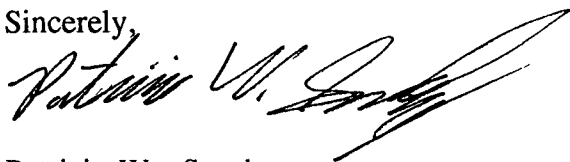
February 24, 1995

Page 2

The OCD is currently reviewing the 312 permit in question and recognizes your role as an intervener. The OCD will provide you with all the correspondence regarding this matter, in addition we will require Chaparral to provide you with all of their correspondence with OCD regarding the permit process.

Please submit all comments regarding this matter to OCD within 7 days from receipt of any correspondence regarding the proposed facility. If there are any questions on this matter, please feel free to contact me at 827-7156.

Sincerely,

A handwritten signature in black ink, appearing to read "Patricio W. Sanchez", with a stylized flourish at the end.

Patricio W. Sanchez
Petroleum Engineer

XC: OCD Hobbs Office, Paul D. Prather - Chaparral

RECEIVED

FEB 14 1995

Environmental Bureau
Oil Conservation Division

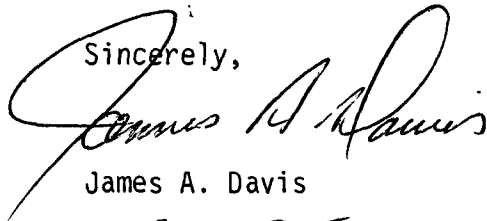
Oil Conservation Division
Mr. Wm. LeMay, Director
2040 S. Pacheco
Santa Fe, New Mexico 87505

To Whom It May Concern:

The following is a formal response to the attached correspondence I received on 1-28-95 from Eddie Seay Consulting. I am protesting the proposed actions; as outlined in the attached correspondence; by Chaparral Treating. I am also requesting "an intervener in the Permitting Process," as per Oil Conservation Division regulations.

Thank you for your attention to this matter.

Sincerely,



James A. Davis

2-9-95

cc: Mr. Roger Anderson
Mr. Jerry Sexton

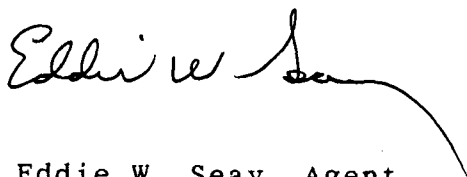
January 27, 1995

Dear Sir:

Pursuant to Rule 312 of the State of New Mexico, Oil Conservation Division, notice is hereby given that Chaparral Treating is filing for a treating plant permit. The facility is to be located in Unit B, Sect. 17, Tws. 23, R. 37 E., Lea Co., New Mexico. The facility will be used to reclaim usable oil from tank bottoms and oil field waste. The capacity of the facility will be 3000 bls. with all material stored and handled in tanks. Any further information can be obtained from Eddie W. Seay, 505-392-2236.

Any questions or objections must be filed with the Oil Conservation Division, P.O. Box 2088, Santa Fe, NM 89501 or call 505-827-7153, within 20 days of this notice.

Sincerely,

A handwritten signature in cursive script, appearing to read "Eddie W. Seay", with a long, sweeping underline that extends to the right.

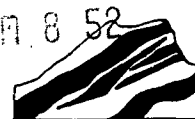
Eddie W. Seay, Agent
601 W. Illinois
Hobbs, NM 88240
505-392-2236

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

EDDIE SEAY CONSULTING

ENVIRONMENTAL,
GEOLOGICAL & REGULATORY
SPECIALISTS

CONSERVATION DIVISION
RECEIVED
PEAK
CONSULTING SERVICES



February 2, 1995

Mr. Chris Eustice
New Mexico Oil Conservation Division
P.O. Box 2088
Santa Fe, NM 87504-2088

SUBJECT: Treating Plant Permit

Dear Chris:

Please find within affidavit for Chaparral Treating Plant.
If you have any question or need further information please
call.

Your consideration in this matter is appreciated.

Sincerely,

Eddie W. Seay, Agent

RECEIVED
FEB 21 1995
Environmental Bureau
Oil Conservation Division

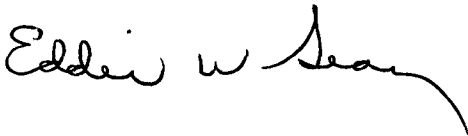
February 2, 1995

TREATING PLANT AFFIDAVIT

Chaparral Service Inc., at Eunice, NM, is seeking a permit for a treating plant facility. The facility will be operated as Chaparral Treating, located in Unit B, Sect. 17, T 23, R 37 E., Lea Co., NM. Contact for the facility will be made through Paul D. Prather, Chaparral Service Inc., P. O. Box 1769, Eunice, NM 88231, or by calling 505-394-2545.

- A. A plot showing location of facility is within.
- B. The facility will be operated as a closed system with all material unloaded into 500 bl. tanks using chemical, gravity and heat for reclamation. There will be 3 - 500 bl. unloading tanks, an electrical heating system and 3 - 500 bl. storage tanks for reclaimed oil and water. No pits or open top tanks will be used. No material will be accepted without approved 117 or appropriate documentation.
- C. A diagram of facility layout is within. No pits, dikes, dwellings or cattle guards are within 1/4 mile except from exit of Hwy 18 which is approximately 1/2 mile. No water wells found in area or listed by State Engineer.
- D. No dikes or pits will be used unless OCD requires.
- E. Chaparral Treating will dispose of unmerchantable solids and liquids at an OCD approved facility.
- F. Notice requirements have been sent and published.

Bond will be furnished upon approval of permit.



EDDIE W. SEAY, AGENT
601 W. ILLINOIS
HOBBS, NM 88240
505-392-2236

CHAPARRAL SERVICE, INC.
P. O. BOX 1769
EUNICE, NM 88231
(505)394-2545

January 31, 1995

State of New Mexico
Oil Conservation Commission
P. O. Box 2088
Santa Fe, NM 87504-2088

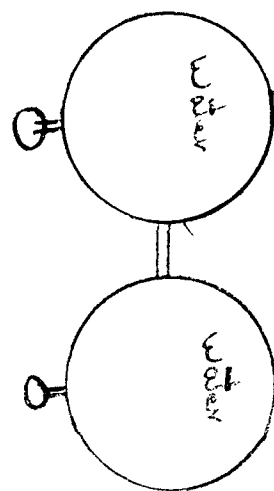
ATTN: Oil Conservation Division

Upon Chaparral Service, Inc. being permitted to build a treating facility, the unmerchantable solids or liquids resulting from the operation of the facility will be disposed of at an approved OCD facility. No material will be moved without approval from OCD.

Applicant

A handwritten signature in cursive script that reads "Paul D. Prather".

Paul D. Prather
Owner/Operator



*
Chaparral SWD #1

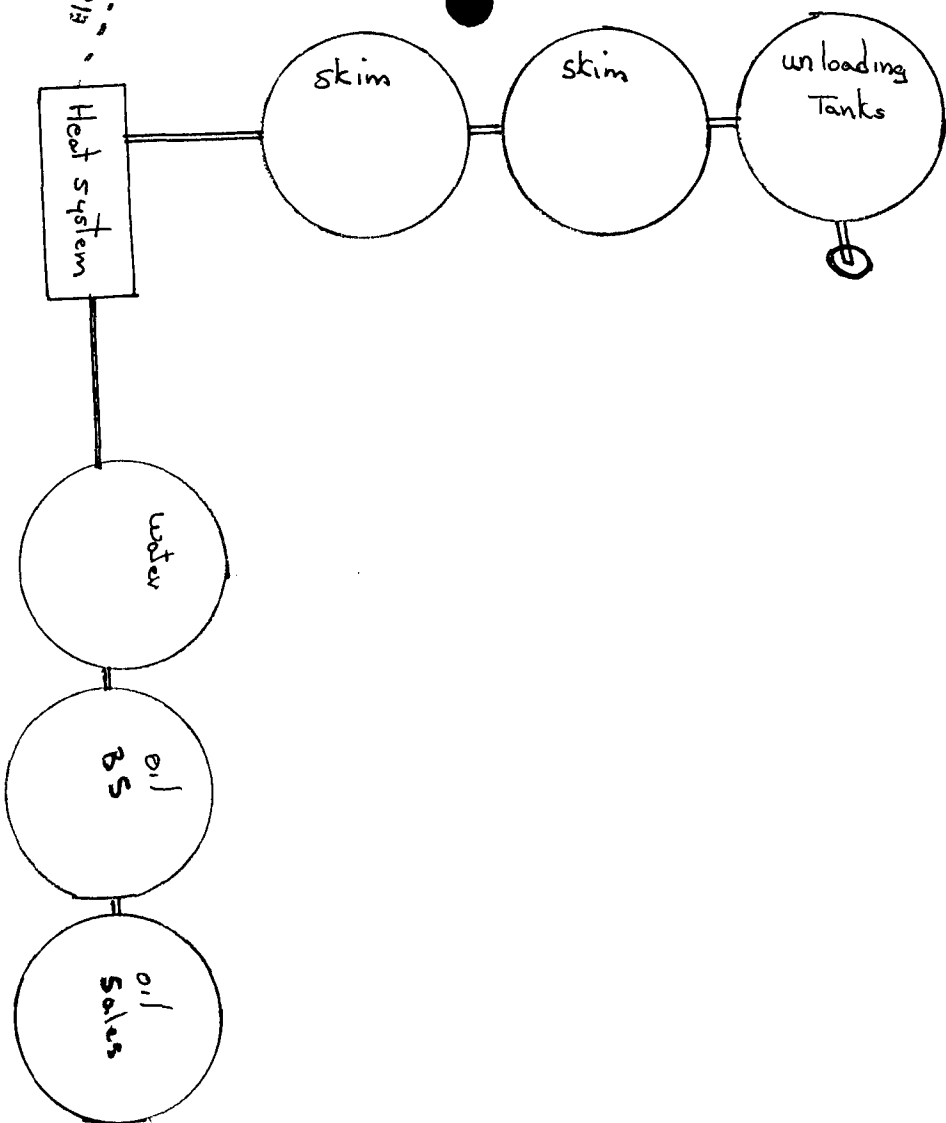
N
S

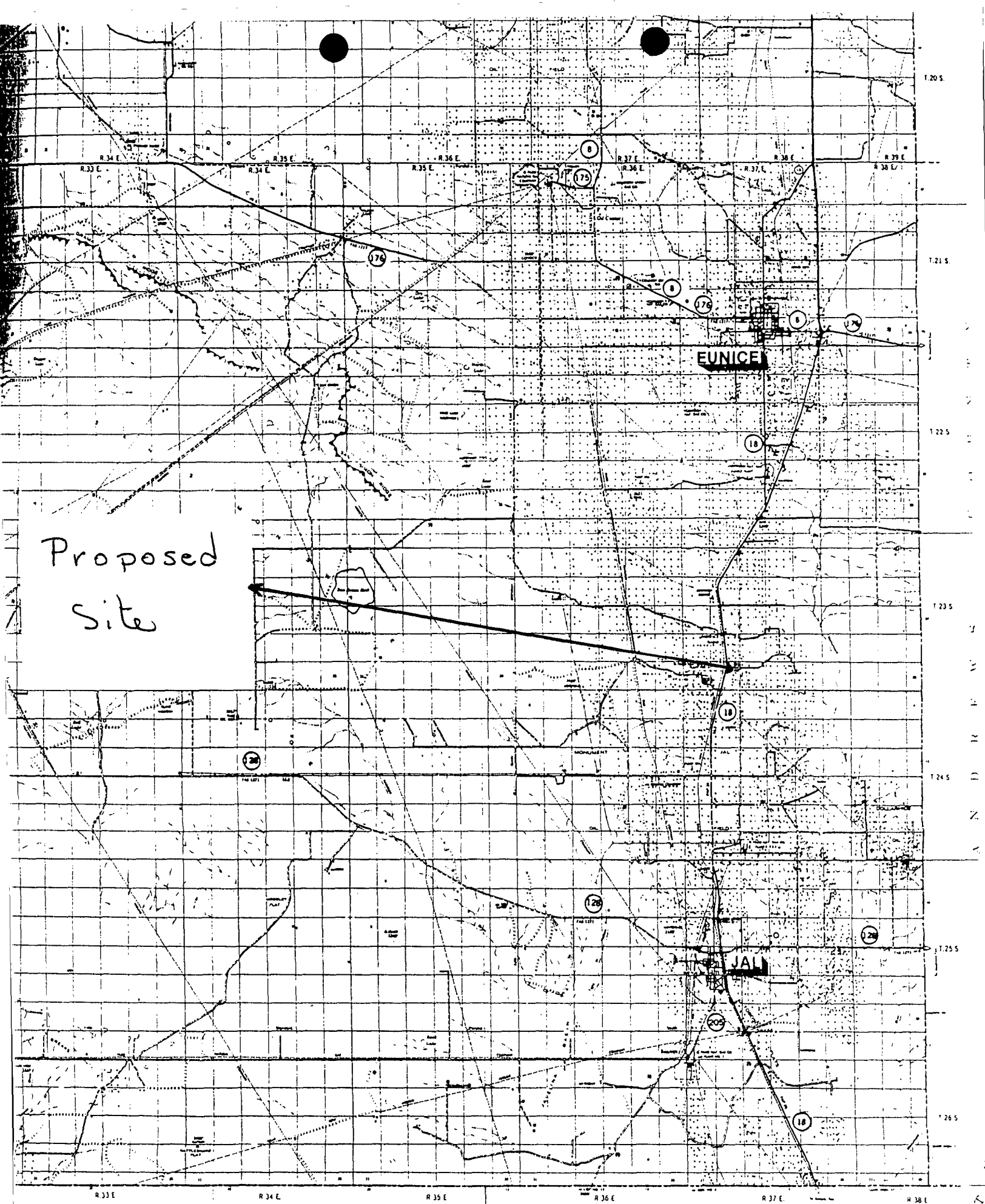
3/10

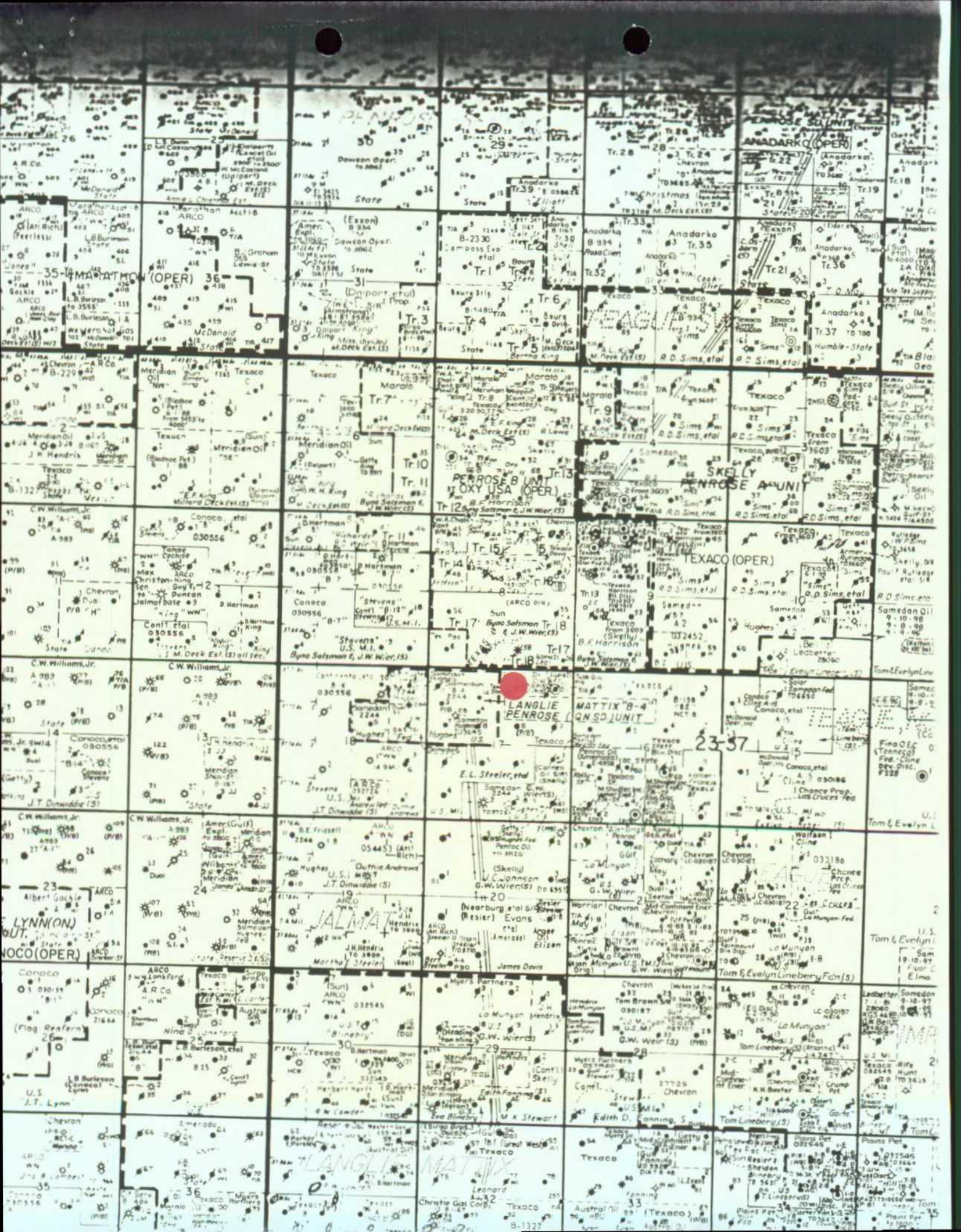
*
oil
well

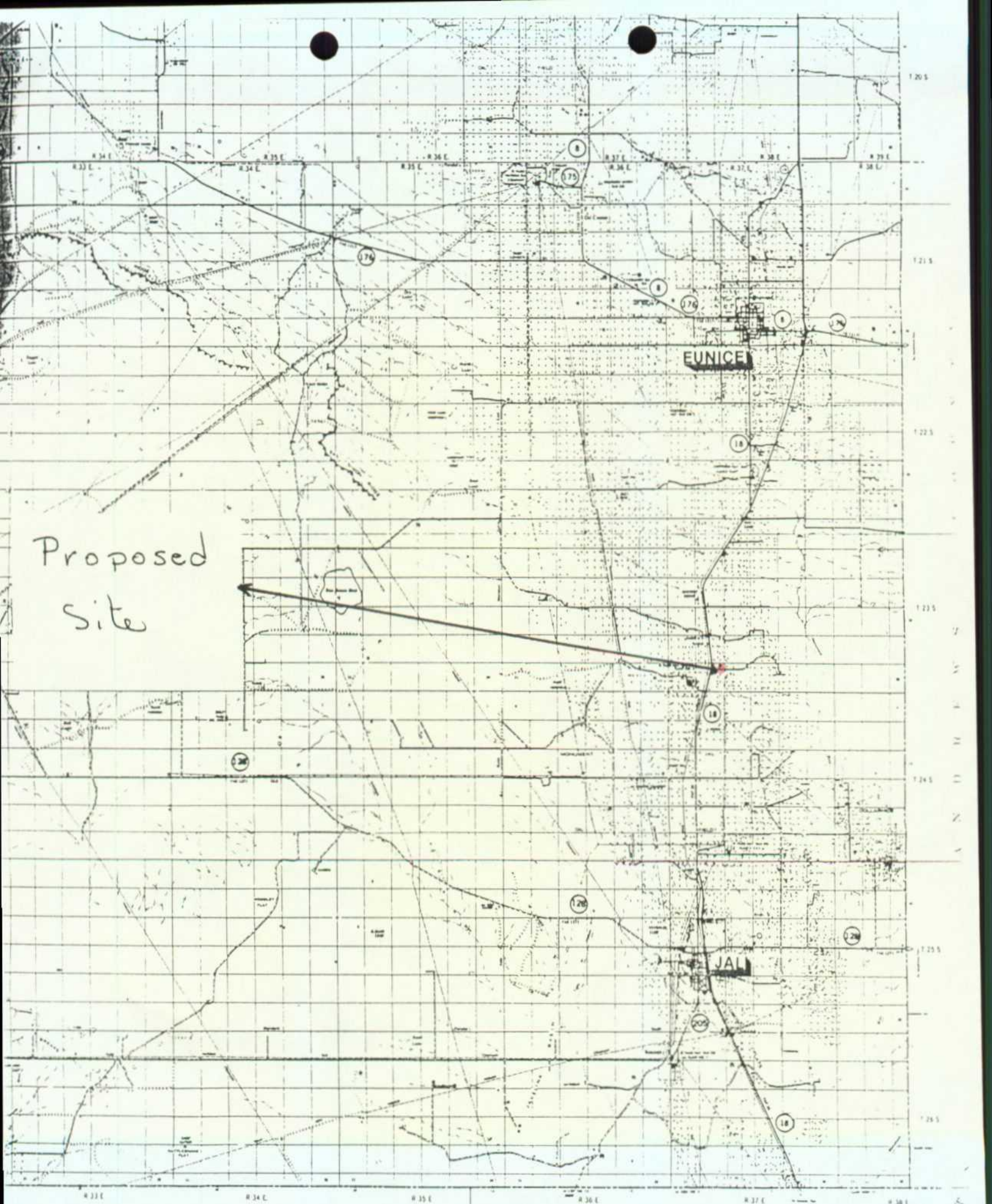
Oil
Tank
Battery

01/2 To Hwy 18









Proposed
Site

EUNICE

JALI

	LOCATION	DATE COLLECTED	CHLORIDE mg/L	CONDUCT M-MHOS	TEMP DEG	WBF	BASIN FILE	REFE FI
3	23S 37E 02 133343	4/01/77	160	1195		GAL	CP	
4								
5	23S 37E 02 42211	10/26/65	111	1085	65F	GAL	CP 00198	
6	23S 37E 02 42211	04/07/77	106	1097	67F	GAL	CP 00198	
7	23S 37E 02 42211	12/05/79	120	1130	61F	GAL	CP 00198	
8	23S 37E 02 42211	11/14/84	246	1872		GAL	CP 00198	
9								
10	23S 37E 02 42211A	10/26/65	115	1090	61F	GAL	CP 00186	
11								
12	23S 37E 03 124441	4/01/77	108	1032	68F	TRC	CP	
13	23S 37E 03 124441	7/06/83	78	1274		TRC	CP	
14	23S 37E 03 124441	11/14/84	74	1273		TRC	CP	
15								
16	23S 37E 03 323444	10/27/65	134	1605	69F	TRC	CP	
17	23S 37E 03 323444	08/00/75	121			TRC	CP	
18	23S 37E 03 323444	04/01/77	104	1518		TRC	CP	
19	23S 37E 03 323444	01/00/78	107			TRC	CP	
20	23S 37E 03 323444	11/14/84	109	1473		TRC	CP	
21								
22	23S 37E 03 42123	10/27/65	515	3135	68F	GAL	CP	
23	23S 37E 03 42123	04/01/77	76	928		GAL	CP	
24	23S 37E 03 42123	12/12/84	87	888		GAL	CP	
25								
26	23S 37E 04 322321	04/01/77	68	900	68F	GAL	CP	
27								
28	23S 37E 06 144230	10/27/65	77	880	68F	GAL	CP 00390	
29	23S 37E 06 144230	10/07/76	89	930	67F	GAL	CP 00390	
30	23S 37E 06 144230	12/05/79	78	889	67F	GAL	CP 00390	
31								
32	23S 37E 10 42123	10/20/65	136	1075	67F	GAL	CP	
33	23S 37E 10 42123	12/05/79	128	1050	66F	GAL	CP	
34	23S 37E 10 42123	12/12/84	135	1055	64F	GAL	CP	
35								
36	23S 37E 10 42200	10/20/65	170	1015	66F	GAL	CP	
37								
38	23S 37E 20 33330	10/21/65	45	670	67F	GAL	CP	
39								
40	23S 37E 23 424221	11/02/65	452	3920	65F	GAL	CP	
41								
42	23S 37E 27 44141	11/02/65	134	1210	68F	GAL	CP	
43								
44	23S 37E 28 22144	09/28/78	24	483		GAL	CP	
45	23S 37E 28 22144	09/28/78	15	273		GAL	CP	
46								
47	23S 37E 31 444321	10/20/65	130	1295	69F	GAL	CP 00038	
48								
49	23S 37E 32 12240A	10/22/65	84	745	74F	GAL	CP 00355	
50								
51	23S 37E 33 132242	10/22/65	33	615	68F	GAL	CP 00160	
52								
53								
54								
55								
56								
57								

(No water wells listed within area)

LEGAL NOTICE

January 31, 1995

Pursuant to Rule 312 of the State of New Mexico, Oil Conservation Division, notice is hereby given that Chaparral Treating is filing for a treating plant permit. The facility is to be located in Unit B, Sect. 17, Tws. 23, R. 37 E., Lea Co., New Mexico. The facility will be used to reclaim usable oil from tank bottoms and oil field waste. The capacity of the facility will be 3000 bbls. with all material stored and handled in tanks. Any further information can be obtained from Eddie W. Seay, 505-392-2236.

Any questions or objections must be filed with the Oil Conservation Division, P.O. Box 2088, Santa Fe, NM 87501 or call 505-827-7159 within 20 days of this notice.

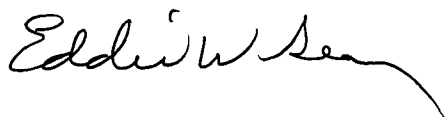
January 27, 1995

Dear Sir:

Pursuant to Rule 312 of the State of New Mexico, Oil Conservation Division, notice is hereby given that Chaparral Treating is filing for a treating plant permit. The facility is to be located in Unit B, Sect. 17, Tws. 23, R. 37 E., Lea Co., New Mexico. The facility will be used to reclaim usable oil from tank bottoms and oil field waste. The capacity of the facility will be 3000 bbls. with all material stored and handled in tanks. Any further information can be obtained from Eddie W. Seay, 505-392-2236.

Any questions or objections must be filed with the Oil Conservation Division, P.O. Box 2088, Santa Fe, NM 89501 or call 505-827-7153, within 20 days of this notice.

Sincerely,

A handwritten signature in cursive script, appearing to read "Eddie W. Seay", with a long, sweeping underline.

Eddie W. Seay, Agent
601 W. Illinois
Hobbs, NM 88240
505-392-2236

Oil Conservation Division
Mr. Wm. LeMay, Director
2040 S. Pacheco
Santa Fe, New Mexico 87505

2

To Whom It May Concern:

The following is a formal response to the attached correspondence I received on 1-28-95 from Eddie Seay Consulting. I am protesting the proposed actions; as outlined in the attached correspondence; by Chaparral Treating. I am also requesting "an intervener in the Permitting Process," as per Oil Conservation Division regulations.

Thank you for your attention to this matter.

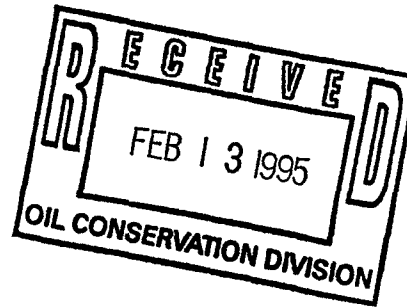
Sincerely,

James A. Davis

James A. Davis

2-9-95

cc: Mr. Roger Anderson
Mr. Jerry Sexton



RECEIVED
FEB 21 1995
Environmental Bureau
Oil Conservation Division

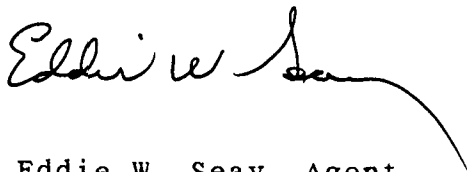
January 27, 1995

Dear Sir:

Pursuant to Rule 312 of the State of New Mexico, Oil Conservation Division, notice is hereby given that Chaparral Treating is filing for a treating plant permit. The facility is to be located in Unit B, Sect. 17, Tws. 23, R. 37 E., Lea Co., New Mexico. The facility will be used to reclaim usable oil from tank bottoms and oil field waste. The capacity of the facility will be 3000 bls. with all material stored and handled in tanks. Any further information can be obtained from Eddie W. Seay, 505-392-2236.

Any questions or objections must be filed with the Oil Conservation Division, P.O. Box 2088, Santa Fe, NM 89501 or call 505-827-7153, within 20 days of this notice.

Sincerely,

A handwritten signature in cursive script, appearing to read "Eddie W. Seay", with a long, sweeping underline that extends to the right.

Eddie W. Seay, Agent
601 W. Illinois
Hobbs, NM 88240
505-392-2236

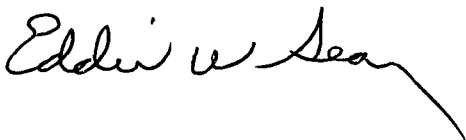
February 2, 1995

TREATING PLANT AFFIDAVIT

Chaparral Service Inc., at Eunice, NM, is seeking a permit for a treating plant facility. The facility will be operated as Chaparral Treating, located in Unit B, Sect. 17, T 23, R 37 E., Lea Co., NM. Contact for the facility will be made through Paul D. Prather, Chaparral Service Inc., P. O. Box 1769, Eunice, NM 88231, or by calling 505-394-2545.

- A. A plot showing location of facility is within.
- B. The facility will be operated as a closed system with all material unloaded into 500 bl. tanks using chemical, gravity and heat for reclamation. There will be 3 - 500 bl. unloading tanks, an electrical heating system and 3 - 500 bl. storage tanks for reclaimed oil and water. No pits or open top tanks will be used. No material will be accepted without approved 117 or appropriate documentation.
- C. A diagram of facility layout is within. No pits, dikes, dwellings or cattle guards are within 1/4 mile except from exit of Hwy 18 which is approximately 1/2 mile. No water wells found in area or listed by State Engineer.
- D. No dikes or pits will be used unless OCD requires.
- E. Chaparral Treating will dispose of unmerchantable solids and liquids at an OCD approved facility.
- F. Notice requirements have been sent and published.

Bond will be furnished upon approval of permit.



EDDIE W. SEAY, AGENT
601 W. ILLINOIS
HOBBS, NM 88240
505-392-2236

CHAPARRAL SERVICE, INC.

P. O. BOX 1769
EUNICE, NM 88231
(505)394-2545

January 31, 1995

State of New Mexico
Oil Conservation Commission
P. O. Box 2088
Santa Fe, NM 87504-2088

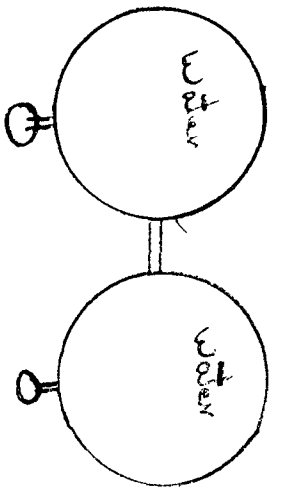
ATTN: Oil Conservation Division

Upon Chaparral Service, Inc. being permitted to build a treating facility, the unmerchantable solids or liquids resulting from the operation of the facility will be disposed of at an approved OCD facility. No material will be moved without approval from OCD.

Applicant

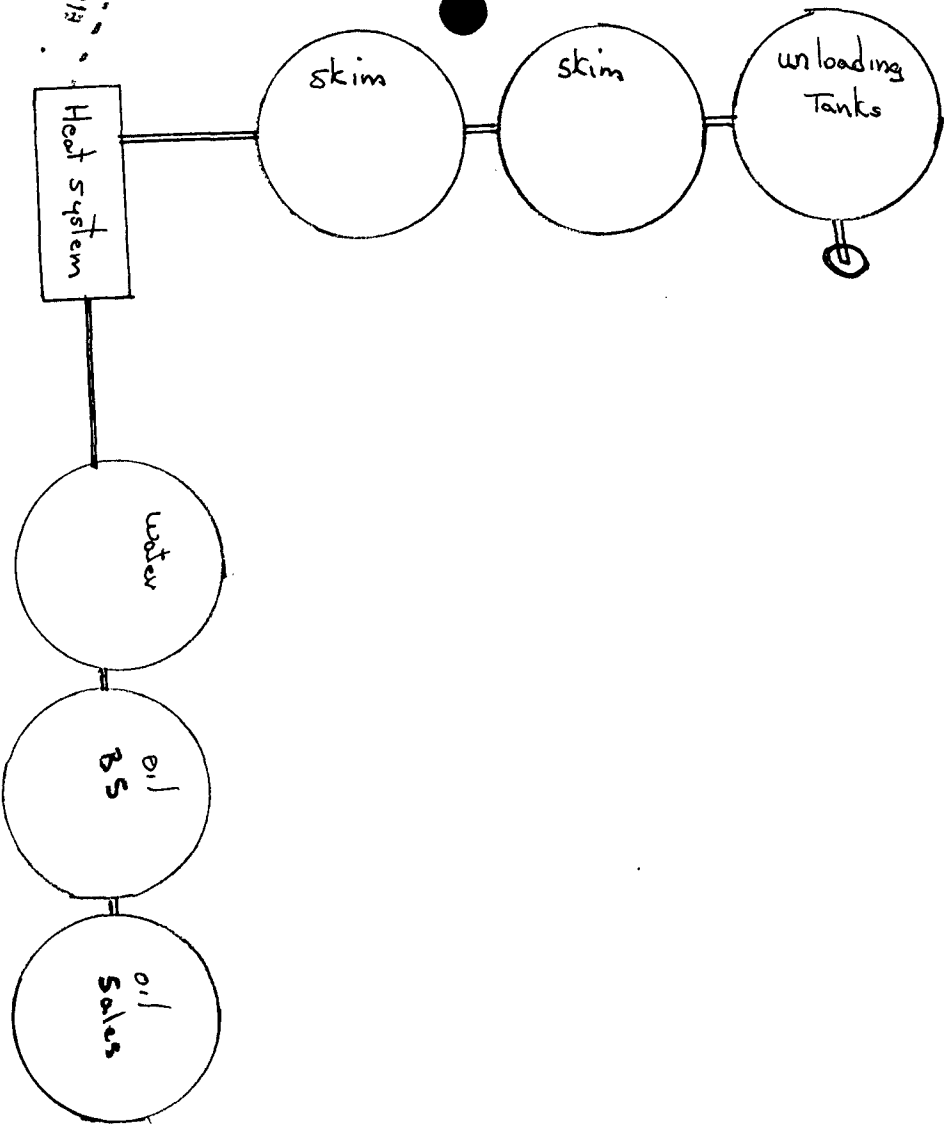


Paul D. Prather
Owner/Operator



*
Chaparral SUD #1

N
↓
S

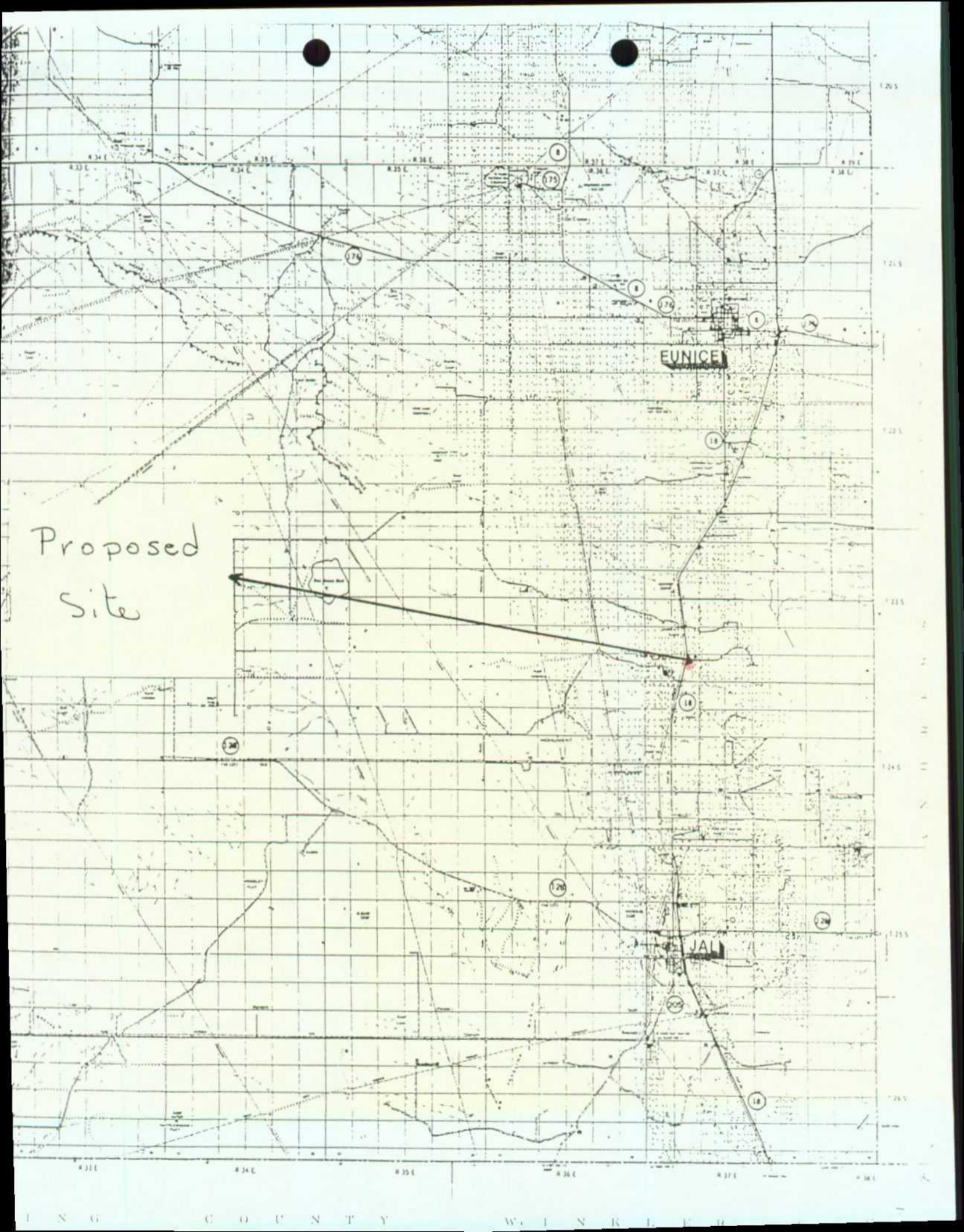


3/10

*
oil

Oil
Tank

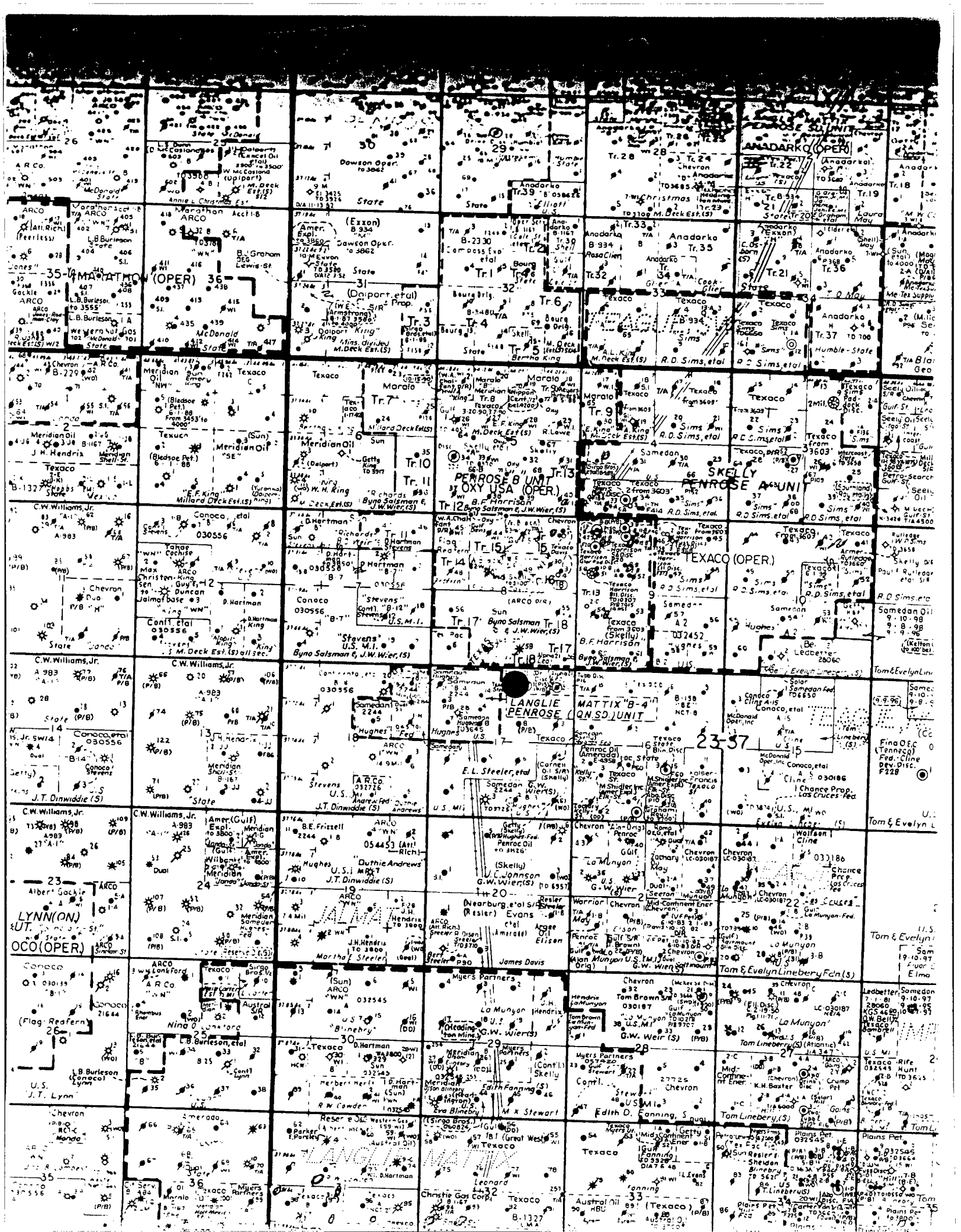
oil
To Hwy 18



Proposed
site

EUNICE

JAL



	LOCATION	DATE COLLECTED	CHLORIDE mg/L	CONDUCT M-MHDS	TEMP DEG	WBF	BASIN FILE	REFI F.
3	23S 37E 02 133343	4/01/77	160	1195		GAL	CP	
4								
5	23S 37E 02 42211	10/26/65	111	1085	65F	GAL	CP 00198	
6	23S 37E 02 42211	04/07/77	106	1097	67F	GAL	CP 00198	
7	23S 37E 02 42211	12/05/79	120	1130	61F	GAL	CP 00198	
8	23S 37E 02 42211	11/14/84	246	1872		GAL	CP 00198	
9								
10	23S 37E 02 42211A	10/26/65	115	1090	61F	GAL	CP 00186	
11								
12	23S 37E 03 124441	4/01/77	108	1032	68F	TRC	CP	
13	23S 37E 03 124441	7/06/83	78	1274		TRC	CP	
14	23S 37E 03 124441	11/14/84	74	1273		TRC	CP	
15								
16	23S 37E 03 323444	10/27/65	134	1605	69F	TRC	CP	
17	23S 37E 03 323444	08/00/75	121			TRC	CP	
18	23S 37E 03 323444	04/01/77	104	1518		TRC	CP	
19	23S 37E 03 323444	01/00/78	107			TRC	CP	
20	23S 37E 03 323444	11/14/84	109	1473		TRC	CP	
21								
22	23S 37E 03 42123	10/27/65	515	3135	68F	GAL	CP	
23	23S 37E 03 42123	04/01/77	76	928		GAL	CP	
24	23S 37E 03 42123	12/12/84	87	888		GAL	CP	
25								
26	23S 37E 04 322321	04/01/77	68	900	68F	GAL	CP	
27								
28	23S 37E 06 144230	10/27/65	77	880	68F	GAL	CP 00390	
29	23S 37E 06 144230	10/07/76	89	930	67F	GAL	CP 00390	
30	23S 37E 06 144230	12/05/79	78	889	67F	GAL	CP 00390	
31								
32	23S 37E 10 42123	10/20/65	136	1075	67F	GAL	CP	
33	23S 37E 10 42123	12/05/79	128	1050	66F	GAL	CP	
34	23S 37E 10 42123	12/12/84	135	1055	64F	GAL	CP	
35								
36	23S 37E 10 42200	10/20/65	170	1015	66F	GAL	CP	
37								
38	23S 37E 20 33330	10/21/65	45	670	67F	GAL	CP	
39								
40	23S 37E 23 424221	11/02/65	452	3920	65F	GAL	CP	
41								
42	23S 37E 27 44141	11/02/65	134	1210	68F	GAL	CP	
43								
44	23S 37E 28 22144	09/28/78	24	483		GAL	CP	
45	23S 37E 28 22144	09/28/78	15	273		GAL	CP	
46								
47	23S 37E 31 444321	10/20/65	130	1295	69F	GAL	CP 00038	
48								
49	23S 37E 32 12240A	10/22/65	84	745	74F	GAL	CP 00355	
50								
51	23S 37E 33 132242	10/22/65	33	615	68F	GAL	CP 00160	
52								
53								
54								
55								
56								
57								

(No water wells listed within area)

LEGAL NOTICE

January 31, 1995

Pursuant to Rule 312 of the State of New Mexico, Oil Conservation Division, notice is hereby given that Chaparral Treating is filing for a treating plant permit. The facility is to be located in Unit B, Sect. 17, Tws. 23, R. 37 E., Lea Co., New Mexico. The facility will be used to reclaim usable oil from tank bottoms and oil field waste. The capacity of the facility will be 3000 bls. with all material stored and handled in tanks. Any further information can be obtained from Eddie W. Seay, 505-392-2236.

Any questions or objections must be filed with the Oil Conservation Division, P.O. Box 2088, Santa Fe, NM 89501 or call 505-827-7153m within 20 days of this notice.

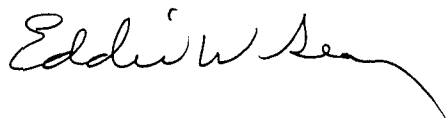
January 27, 1995

Dear Sir:

Pursuant to Rule 312 of the State of New Mexico, Oil Conservation Division, notice is hereby given that Chaparral Treating is filing for a treating plant permit. The facility is to be located in Unit B, Sect. 17, Tws. 23, R. 37 E., Lea Co., New Mexico. The facility will be used to reclaim usable oil from tank bottoms and oil field waste. The capacity of the facility will be 3000 bls. with all material stored and handled in tanks. Any further information can be obtained from Eddie W. Seay, 505-392-2236.

Any questions or objections must be filed with the Oil Conservation Division, P.O. Box 2088, Santa Fe, NM 89501 or call 505-827-7153, within 20 days of this notice.

Sincerely,

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

Eddie W. Seay, Agent
601 W. Illinois
Hobbs, NM 88240
505-392-2236

Z 106 612 610



Receipt for Certified Mail

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

PS Form 3800, March 1993

Sent to R.D. Sims	
Street and No. Box 922	
P.O., State and ZIP Code Eunice, NM 88231	
Postage	\$ ✓
Certified Fee	✓
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	✓
Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	\$ 0.55
Postmark or Date 1005 USPS	

Z 106 612 608



Receipt for Certified Mail

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

PS Form 3800, March 1993

Sent to James Alvin Davis	
Street and No. Box 1379	
P.O., State and ZIP Code Hobbs, NM 88240	
Postage	\$ ✓
Certified Fee	✓
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	✓
Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	\$ 2.55
Postmark or Date 11 21 1995 USPS	

Z 106 612 609



Receipt for Certified Mail

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

PS Form 3800, March 1993

Sent to Byno Salsman	
Street and No. P.O. Box 184	
P.O., State and ZIP Code Center Point, TX 78010	
Postage	\$ ✓
Certified Fee	✓
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	✓
Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	\$ 2.55
Postmark or Date 11 21 1995 USPS	

Z 106 612 610



Receipt for Certified Mail

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

PS Form 3800, March 1993

Sent to R.D. Sims	
Street and No. Box 922	
P.O., State and ZIP Code Eunice, NM 88231	
Postage	\$ L
Certified Fee	L
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	L
Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	\$ 2 55
Postmark or Date 27 1995 USPS	

Z 106 612 609



Receipt for Certified Mail

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

PS Form 3800, March 1993

Sent to Byno Salsman	
Street and No. P.O. Box 184	
P.O., State and ZIP Code Center Point, TX 78010	
Postage	\$ L
Certified Fee	L
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	L
Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	\$ 2 55
Postmark or Date 27 1995 USPS	

Z 106 612 608



Receipt for Certified Mail

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

PS Form 3800, March 1993

Sent to James Alvin Davis	
Street and No. Box 1379	
P.O., State and ZIP Code Hobbs, NM 88240	
Postage	\$ L
Certified Fee	L
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	L
Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	\$ 2 55
Postmark or Date 27 1995 USPS	

NMOCD Inter-Correspondence

To: Roger Anderson-Environmental Bureau Chief

From: Wayne Price-Environmental Engineer District I *Wayne Price*

Date: February 8, 1995

Reference: Our telephone conversation

Subject: Chaparral SWD file

Comments:

Please find enclosed the Chaparral file you requested from me. This is the file that you gave me during my visit to Santa Fe right after I went to work for the NMOCD. You had ask me to check into the pit that was on site.

I mentioned this to Jerry Sexton a short time after you gave me the file, this was on February 2, 1994. I ask if I could go and check it out, he said no that he would have Charlie Perrin, one of our field inspectors check it out.

I was in the area sometime after that and happen to met charlie Perrin, I ask him if he would show me where the pit was. He showed me the area behind the tanks and made a comment to the effect "what pit are you taking about". The area where the pit was had been covered.

I have no knowledge at this time how this pit was closed.

The chaparral SWD was a terrible mess and there was evidence that they were dumping liquids on the location and the road coming into the facility. I discussed this with Jerry Sexton and he said he would handled it. I went back later on and took pictures of the site for the file.

Roger please note during the time that Frank Chavez interviewed Charlie Perrin, Frank indicated to me that Charlie never ever discussed this situation with me or any other situation and that I mis-interpreted what he said or meant by his comments at the time of the site visit. So therefore, Frank indicated to me that my side of the story was not substantiated by the field inspectors.

At this time I provided Frank a copy of a note written by Charlie in his hand writing indicating problems of another old pit. Charlie had given this to me in confidence and did not want to be exposed. Frank left my office and had another meeting with Charlie. After that meeting Charlie Perrin has never spoken to me since.