

NM -

12

GENERAL CORRESPONDENCE

YEAR(S):

2000-1980

State of New Mexico

ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

2040 South Pacheco

P.O. Box 6429

Santa Fe, New Mexico 87505-5472

Bellevue Refinery EIO Sampling

Nearby wells

#1 Salisbury wing well 12/19/84 T.D. 60'

pH 6.2 Icap - Ca 150 ppm
mg 12
Si 10
Sr 2.8

No organics

#2 Johnson well 12/19/

pH 6.4 Icap .15 Pb
440 Ca
.49 Fe
52 mg
15 Sr.

No organics



7/24/85

General Cude Processing

Provenza Water pit



7/24/85

General Credit
Processing



7/24/85 General
Crude Processing



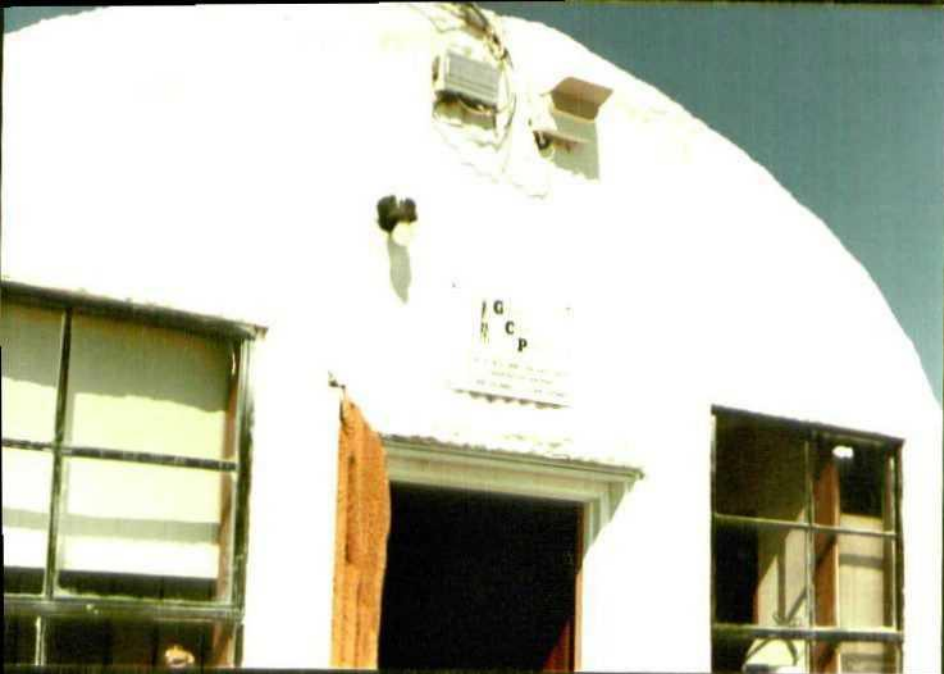
7/24/85

General Crude
Processing



7/24/85

General Brindle
Processing -
last photo



7/24/85

General's Cruise Possession

~~Beginning~~ photo
kit



7/24/85

General Crude

Processing

1st photo



7/24/85

General Corder

Processing - Howard

Whitlock



7/24/85

General Cude Processing
Trailing Tank



7/24/85

Gen. Crude Processing

Scorps knock off Pro

SUNDAY

DECEMBER 13, 1998

Farmington, N.M.

\$1

VOLUME 111
NUMBER 135

WEATHER - C8



Sunny,
a few
clouds

Today's high: 44
Today's low: 22

The

Daily



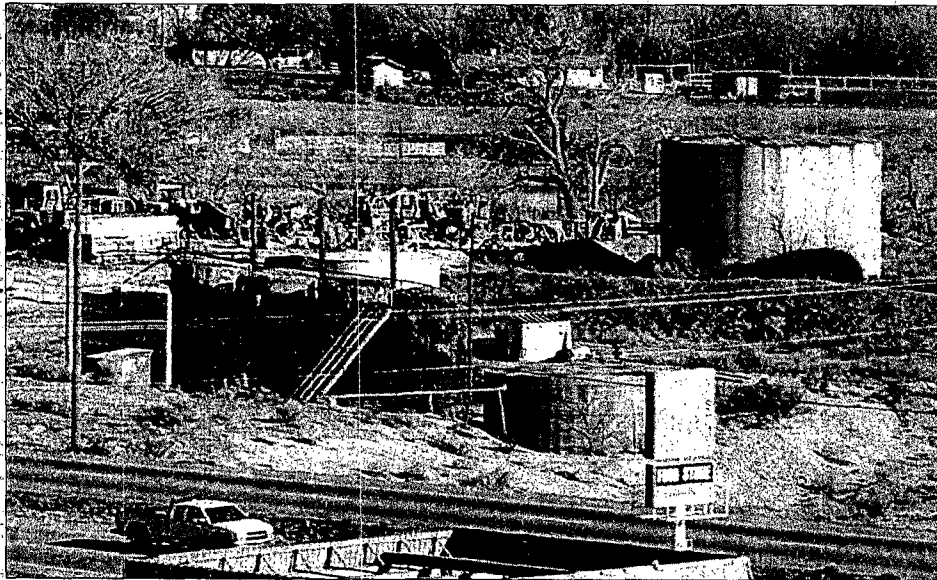
Jeffery Jones/The Gallup Independent
Firefighters extinguish a blaze Saturday in Continental Divide.

Gas-lin

CONTINENTAL DIVIDE
(AP) — A ruptured gas line outside this small community triggered an explosion Saturday that sent flames billowing about 200 feet in the air, lighting the sky as far as Gallup, 25 miles to the West.

The blast left a crater about 65 feet across burning and singeing trees and electric power poles in the vicinity.

TANK SITE buried by



Northeast of Farmington-Lake along U.S. 550, this abandoned waste oil processing plant has be

vo in tourney final. C1 —

y Times

e blast rocks small town

"It look liked somebody dug a hole and hit hell," said firefighter Joy Woolman, whose unit was called in from Spring Cedar, about 11 miles from Continental Divide, to help battle the blaze.

More than 300 people living in a five-mile radius from the blast were evacuated. Continental Divide straddles Interstate 40.

No injuries or deaths were reported by the 6 a.m. blast,

officials said.

"We were very, very fortunate this happened outside the residential area," said state police Lt. G.R. Cook, who was one of the first police officials on the scene.

"If this happened just over the hill (about a half-mile away) it would have caused major casualties."

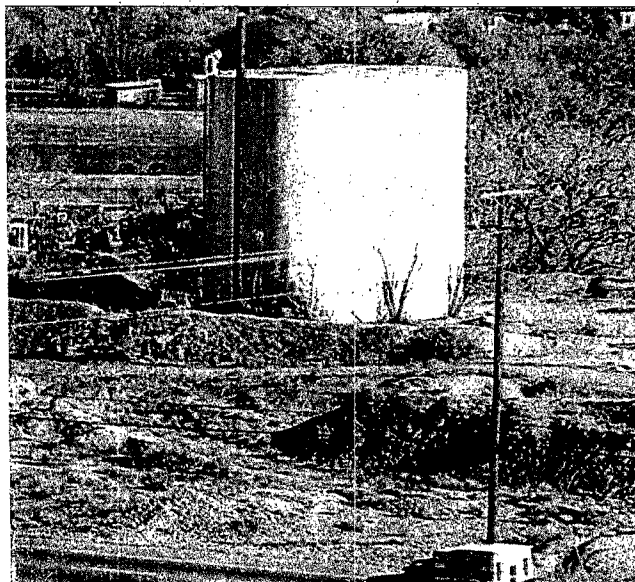
Both sides of the El Paso Natural Gas Company pipeline were shut down as well as some of the

feeder pipelines. The fire was under control by 8:30 a.m., although there were still some hot spots late in the day, Cook said.

The explosion caused electric power outages from Ramah to Sanders, Ariz. I-40 was closed for about two hours between Gallup and Grants, police said. State highways 371 and 118 also were temporarily closed.

■ See **Explosion** Page A3.

BUREAUCRACY



Photos/Marc F. Henning/The Daily Times

en deteriorating for nearly 10 years

Council eyes Diné water pact

Tentative agreement remains in effect

DAVE BURGE
STAFF WRITER

A contract which would authorize Farmington city government to continue selling water to a Navajo Nation utility company has a provision to protect the city during shortages, a top city official said.

"They (the Navajos) would have to share equally in any shortage," said Joe Schmitz, the city's director of Community Development.

The Farmington City Council is being asked to approve the tentative agreement between the city and the Navajo Tribal Utility Authority Tuesday.

The water would be used by

Abandoned plant keeps crumbling as paper mounts

KERRY BENEFIELD
STAFF WRITER

The abandoned oil processing plant that sits on East Main Street has been neglected for years. Rusting barrels ooze oil byproducts and pools of unidentified sludge cover the ground.

The property, sandwiched between a church and a tractor rental company, is not fenced off on all sides and is accessible from the roadway.

A battered stretch of barbed wire fence, stretching some 20 yards, is partially buried in the dirt, leaving the property and all of its tanks and ladders within reach of pedestrians. Broken glass and abundant trash indicate trespassers have roamed the grounds.

The state Environmental Department calls it "a complete mess."

The federal Environmental Protection Agency calls it "a concern."

But that concern hasn't translated into action. Inac-

tion, brought on by a litany of bureaucratic paralysis, has left the plant deteriorating for almost 10 years.

Since the federal EPA expressed interest in cleaning the site about a decade ago, three different on-site coordinators have been assigned, but none of them managed to move beyond paperwork and commit to actual clean-up.

The latest state specialist assigned to advance the cleanup efforts said he has handed his action plan to the federal EPA and believes that he has completed his duties.

"They've been dinking around here for so many years," NMED environmental specialist Jim Horner said. "We have completed our end of it. It's just a matter of getting through the federal bureaucracy of it. I know there will be hang-ups, there always are."

"New Mexico simply does not have the resources to remedy this site. (The EPA) is looking for a responsible party. They are



A bucket catches the waste oil dripping from an open line.

in the driver's seat."

Horner said that just more than a year ago the NMED developed a cleanup plan which was estimated would cost between \$100,000 and \$200,000, depending on the types and amounts of substances found. The EPA must now approve the plan, secure funding, and then will likely assign the NMED to do the clean-up.

EPA officials say they cannot give the go-ahead for allocating resources to the site until they determine the extent of the contamination.

Gary Moore, the current EPA on-site coordinator

■ See **Clean-up** Page A3.

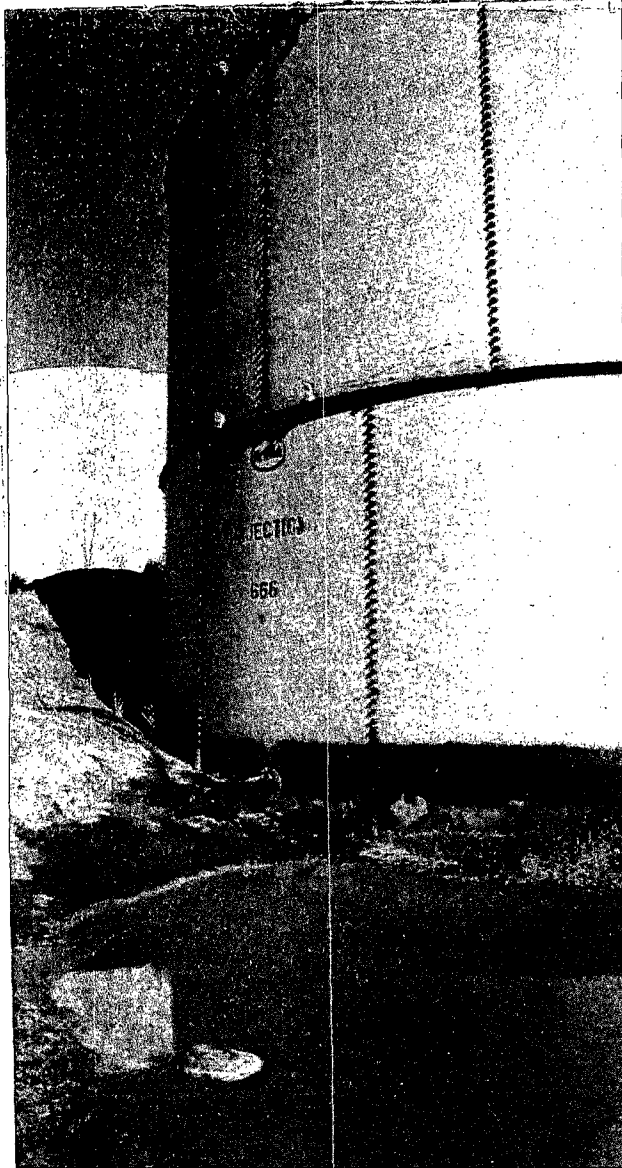
Panel OKs 4th impeachment a

By a vote of 21-16, the committee accused the president of abuse of power.

WASHINGTON (AP) — Marked by partisanship to the end, the House Judiciary Committee on Saturday approved a fourth and final article of impeachment against President Clinton, submitting his case to the full House for its verdict. A Democratic call for the lesser punishment of censure was rejected.

By a vote of 21-16, the committee accused the president of abuse of power, saying he had "given perjurious, false and misleading" answers to some of the 81 questions the panel recently asked about his relationship with Monica Lewinsky.

The vote was along straight party lines, in keeping with Friday's approval of three other arti-



A pool of oil byproduct collects near one of the larger tanks.

rticle, nixes censure

cles alleging perjury and obstruction of justice.

Republicans lined up solidly against the Democratic proposal to censure Clinton for "reprehensible conduct with a subordinate" — Lewinsky. The vote was 22-14, with one lawmaker voting present.

With that, the impeachment inquiry into the nation's 42nd

president, triggered by Independent Counsel Kenneth Starr's evidence, became the pressing concern of all 435 members of the House.

Clinton was overseas at the time the committee acted. An aide, Gregory Craig, stepped outside the White House to deliver a stinging statement of rebuttal:

■ See **Impeach** Page A3.

The water would be used by the Navajos to supply drinking water to the Shiprock area.

A tentative agreement was reached in November between Farmington and the Navajo utility company for a five-year contract with a five-year option. The Navajos have since requested that the agreement be for 10 years with a 10-year option.

Schmitz said the city's staff is recommending approval of the new length.

The previous contract lasted 30 years and was extended twice in 1998, while negotiations took place over a new deal.

Under the new accord, the Navajo Tribal Utility Authority will pay \$1.14 per 1,000 gallons. This represents a 15-percent increase over the old contract price of 98 cents per 1,000 gallons.

The last rate increase took effect in 1992.

The contract allows the Navajos to buy up to 3 million gallons a day. Over the past five years, they bought an average of 1.2 million gallons a day.

Based on that average usage, Schmitz estimates the city will receive \$500,000 a year under the new deal.

■ See **Water** Page A3.

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Explosion

(Continued from Page A1)

Utility officials on the scene Saturday said they wouldn't be able to determine the cause of the explosion until the fire was completely controlled and inspectors could examine the site.

"It may be days before we can tell what caused the blast," said Sam Armenta, director of the Albuquerque office of El Paso Natural Gas.

Diana Luck, the northwest area manager for Public Service Company of New Mexico, said the explosion disrupted service to about 40 customers. She said PNM would try to restore service by today.

Allen Ebright and Verna Emerson said they were awakened by the early morning blast, which rocked their trailer home about 150 yards from the blast crater.

"When I went outside, it looked like a mushroom," said Emerson, who stood next to the charred remains of what used to be a small barn about 100 feet

from her home. "It was real hot — flaming hot. I thought it was the end of the world."

"There was a loud explosion then a lot of wind," Ebright said. "It felt like aircraft were flying overhead."

Banjo Garcia, another Continental Divide resident awakened by the blast, said the heat from the flames melted ice on the windows of his home and he could feel the warmth on his skin.

"It was close to hell," Garcia said.

"I kicked in a couple of doors of neighbors and said, 'get out, get out.'"

Garcia said flaming embers ignited the grass and pinon and juniper trees on the flat landscape as the gas fire intensified with blast after blast of flames. He said it sounded "like helicopters coming in, a big whoosh."

Houston-based El Paso Energy gathers and transports natural gas in the midwestern, northeastern and western United States along 28,000 miles of interstate pipelines.

El Paso Natural Gas handles its western region.

Water

(Continued from Page A1)

"Selling the water and getting more money for it is definitely in our best interests at this time," Schmitz said.

"The key part is, we have an adequate supply of water right now."

Another key provision of the pact is the city can do a "cost of service study" once a year and adjust rates accordingly.

"We feel this is a good deal," Schmitz said.

Clean-up

(Continued from Page A1)

based in Dallas has been on the job for a just matter of weeks and has yet to visit the location.

"It's been passed down quite a bit," he said of the assignment.

The site became active in 1954, initially as a crude oil processing plant, but in 1980 the owners applied for a permit to reprocess used oil like that routinely discarded from automobile engines.

Tankers and equipment were then leased to area oil companies who stored materials on-site.

Horner said record-keeping for the site before 1980 was "very sketchy."

Six years of haggling with county fire officials and environmental agents in the early 1980s ended in an 1,000 square foot, out of control pit burn in 1986 which drew the attention of state and federal environmental authorities.

"It was a complete mess. The fire department had to shut the burn down," Horner said. "It should have been just dug up and hauled out. Instead, there was all of this nonsense."

The EPA checked on the site again in 1990 when there were reports of waste being flushed into a nearby tributary of the

Impeach

(Continued from Page A1)

Impeachment, he said, will "divide the country, gridlock the government and defy the will of the people."

In a prediction that Republicans may pay a political price for their actions, he added, "in the end, the American people will make the final judgment about whether the impeachment of the president is in the national interest."

Inside the committee room, the debate grew ever sharper as the panel neared the end of its historic inquiry into the behavior of the nation's 42nd president.

president had "dishonored the office" he holds and noting that he remains subject to criminal prosecution after his term ends.

"It is the American public's preferred outcome," said Rep. Rick Boucher, D-Va. He added that while the president's "conduct was reprehensible, it did not threaten the nation" and does not warrant impeachment.

Republicans argued that the censure resolution amounted to little and was of doubtful constitutionality.

"This president mocks the people, mocks the Congress and this



There's so much information that we don't know what's in those tanks. There hasn't been a full characterization of what's out there. We need to follow our steps so we can keep legal access."

Gary Moore, EPA on-site coordinator

Animas River. The EPA said the allegations were not valid, but Horner said that the site's proximity to the waterway should still be taken into consideration.

"There's no oil being released to the tributary, but the threat is there. We don't want anything there," he said.

When the plant was abandoned by its owners, who completed their bankruptcy filing in 1993, they walked away from storage tanks oozing sludge, disconnected pipes, and a pit seeping ground pollution.

Twelve large tanks were on-site in 1996. That number has since been reduced, but a significant number of barrels and tanks remain. Oily materials can be seen in a number of different pools on the property and neighbors say they know the

original "catch-all" burn pit continues to leak suspect materials.

"We couldn't pursue them anymore," Horner said of the protection offered the former owners by their bankruptcy status. "We're stuck with nobody to go after. That's the problem when there's no responsible party."

Howard Whitlock, named as president of General Crude Processing in the 1993 bankruptcy documents, could not be reached for comment. Former business associates not associated with the plant said that his telephone line was disconnected years ago.

"We've been sitting on this awhile," Richard Franklin, one of the original EPA on-site coordinators, said. "The sam-

ples that I looked at do not classify (the substances) as a hazardous waste."

Moore said that the years of correspondence and the string of different people involved has led to repetition, confusion, and wasted time.

"There's so much information that we don't know what's in those tanks," he said. "There hasn't been a full characterization of what's out there."

Another sticking point, according to Moore, is that in order to secure federal funding for the cleanup, precise protocol must be followed.

"We need to follow our steps so we can keep legal access," he said.

Horner said that such bureaucracy has created a 2-foot thick stack of folders filled with records and correspondence between the government agencies, property owners and legal advisors dating back nearly two decades.

Horner, who said the NMED considers the site a "high priority," said that he plans to be in contact with Moore every 10 days "to see how he's proceeding."

"The EPA has to be the go-between to get the funding. This is a problem that has to be addressed."

HOLIDAY
DEALS

Democratic Rep. John Conyers of Michigan told committee members: "This does, sometimes to some people, begin to take on the appearance of a coup."

Republicans bristled at that.

Rep. Steve Buyer, R-Ind., told of having trouble sleeping. He said he had jogged at 2:30 a.m. down Washington's darkened, historic mall, stopping along the way at some of the Capital's most hallowed sites as he pondered the historic proceedings unfolding in the committee.

"Part of my conscience is driven by my military service," he said.

With no doubt about the outcome of the committee's deliberations, all sides were focusing on a vote expected next week in the House — the first presidential impeachment proceedings to get that far since Andrew Johnson sat in the White House in 1868.

Clinton's defenders were cheered by comments from New York Republican Gov. George Pataki, who told the New York Times he favors censure. That alternative "is an attractive and appropriate step," he said in comments likely to give political leeway to a half-dozen so Republican lawmakers from his state who are undecided on whether to impeach the president.

Moments after the vote on the fourth article of impeachment, Democrats sought passage of their alternative of censure, saying the

censure is just what he wants," said Rep. Bob Goodlatte, R-Va.

The vote, like those on articles of impeachment, was nearly exactly along party lines. All Republicans and Democratic Rep. Robert Scott of Virginia opposed the proposal, and Rep. Maxine Waters, D-Calif., voted present.

Democrats then made one final attempt to win a promise from Republicans that they will permit the entire House to vote on censure, but Hyde declined to make a commitment.

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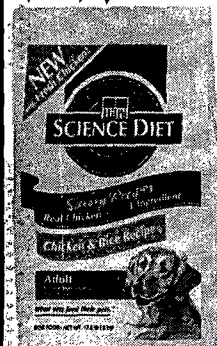
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players,"

Senate

ater. A number of offices, stores and services will be closed today in observance of Martin Luther King Day.

Clean-up

(Continued from Page A1)

we got," Duncan said. "People overwhelmingly said, 'Stay out of our lives.'"

As a result, local officials are left with little or no muscle to demand that the Federal Environmental Protection Agency officials or the NMED step up their cleanup plans.

The EPA has batted the project around for years, passing on the responsibility when bigger impact assignments come along. At least three on-site coordinators have been given the General Crude site in the last six years.

Gary Moore, the latest on-site coordinator, said he expects to gain legal access to the property early this week and hopes to make his first visit to the site in early February.

"I want to take a look, see exactly what we may be dealing with as far as tanks," he said. "For all intents and purposes, the property has been abandoned."

Howard Whitlock, president of General Crude, filed for bankruptcy in 1993 and is no longer legally bound to pay for cleaning up the site and its environs.

The NMED has estimated that cleaning up the property and clearing the way for a new

I want to take a look, see exactly what we may be dealing with as far as tanks. For all intents and purposes, the property has been abandoned."

Gary Moore
EPA on-site coordinator

owner would cost in the neighborhood of \$200,000. A more accurate estimate cannot be made without a lengthy investigation of the materials still remaining at ground level and deep into the soil.

"We'll have to profile the sludge and the soil, but there is movement," Horner said. "I expect to be there in February. It is still a relatively lengthy process."

Horner said that the role of the state will be to outline a remediation plan for the EPA and to propose avenues of fund-

ing the project, most likely through the U.S. Coast Guard clean-up fund.

From there, the Feds are in the driver's seat as overseers of the project, he said. Horner guessed that the EPA would then put a state crew on the day to day operation.

"The Coast Guard has to go through their protocol after they classify what's going on," he said. "Once the funding is procured, the state will (again) take control of the clean-up."

The site first drew the attention of the EPA almost 10 years ago after a control burn turned ugly and had to be shut down. In 1990, officials were again called to the site after there were reports of waste being flushed into a nearby tributary. Those allegations proved unfounded.

Owners of the site filed for bankruptcy in 1993, leaving behind a number of tanks, barrels and unidentified sludge on the property. Officials say they have no means of forcing the former owners to pay for the clean-up efforts.

"It's a situation we deal with all the time," Gary Moore said. "They just went belly up."

(Continued from Page A1)

Domenici said his budget committee could not fill in details of the tax cut and would have to recruit help from other panels such as the Senate Finance Committee and House budget writers.

Domenici said he believes the plan will have support, adding: "We'll have something more precise in a week to 10 days."

7:15 9:30
A N
ANIN
THE
PRINCE
EGYPT
11:40 2:10
6:45 9:00
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IN DREA
11:40 2:10
7:20 9:40

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

MEMORANDUM OF MEETING OR CONVERSATION

Telephone ☒ Personal Time 11:20 Date 12-5-00

Originating Party

Other Parties

Martyn Krieling
Denny Foust

Roger Anderson

Subject B-Line Refinery / Mesa Oil Recyclers.

Can waste from this Clean up Go to an OGD permitted
S.W.M. Facility?

Discussion Waste Generated at the Mesa Oil Recycler Site
Previously the B-Line Refinery. Will be considered Primarily
oil field type waste and can be handled by an OGD
Permitted Facility. If tested Non-Hazardous. All waste
at the Site is considered Non-Exempt.

The last operator was Mesa Oil and The Facility Clean up
has been turned over to The NMED & Superfund Cleanup
System.

Conclusions or Agreements

Distribution

Denny Foust
Tierra File

Signed

Martyn Krieling

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

MEMORANDUM OF MEETING OR CONVERSATION

✓ Telephone _____ Personal _____ Time ~~11:30~~ 11:30 Date 12-5-00

Originating Party

Other Parties

Dorothy Nobis Tierra SOS 334-8894 Marjorie Kieling

Subject Bob Savage ^{Independent?} B-line Refinery Waste

Bob Savage called Tierra wanting to know if waste generated at the B-line Refinery could be taken to Tierra an OCD permitted site.

Discussion

~~Bob~~ I told Dorothy that ~~the~~ ^{OCD} Had Determined that the waste is Primarily Oilfield and could go to an OCD Permitted Site as long as it is tested Non-Hazardous Because it is Non-Exempt

Bob Savage is thinking About Purchasing the Land

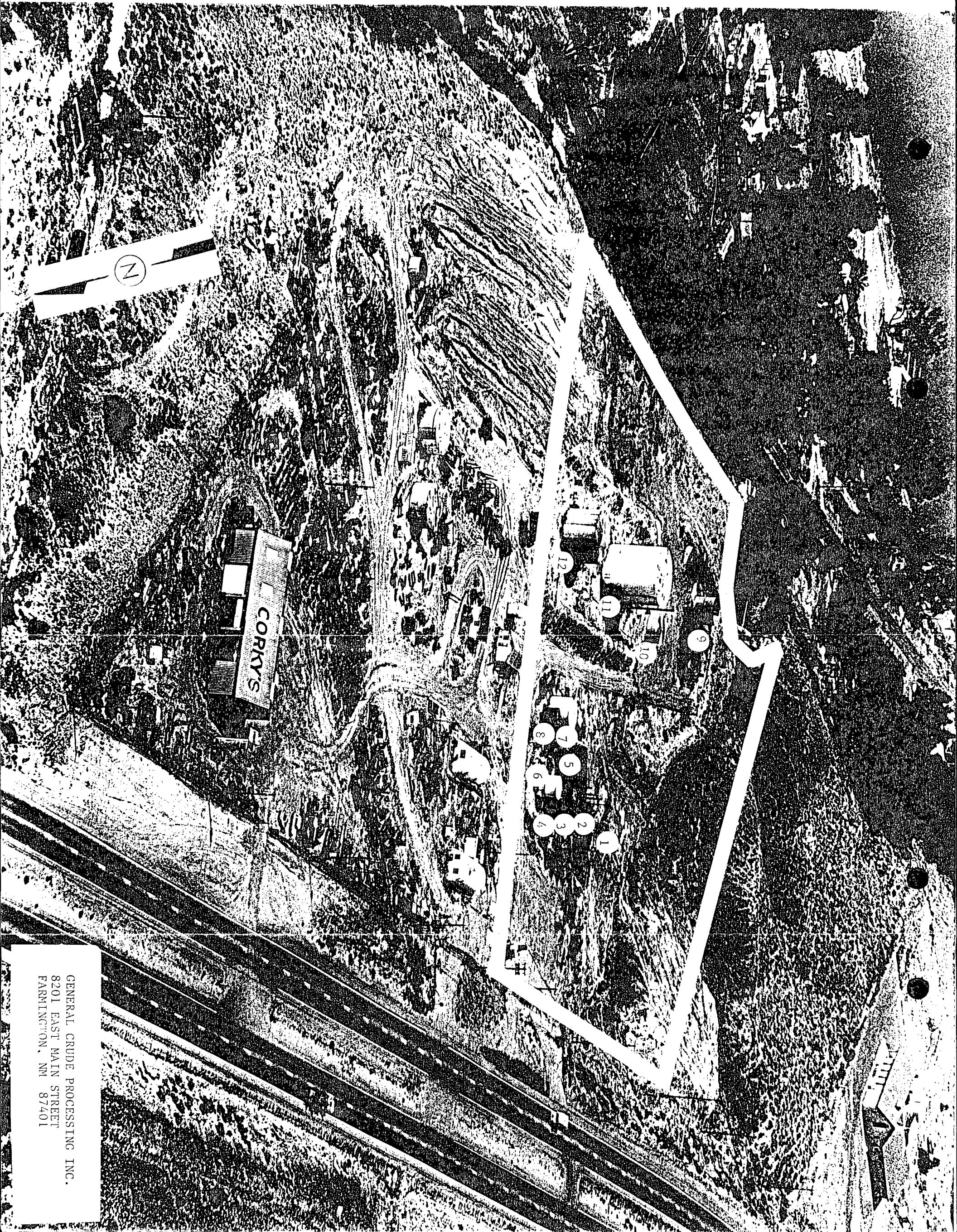
Conclusions or Agreements

Distribution

Denny Foust
Tierra File

Signed

Marjorie Kieling



GENERAL CRUDE PROCESSING INC.
8201 EAST MAIN STREET
FARMINGTON, NM 87401

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Env. Bureau

April 23, 1992

Mr. Michael Space
Ground Water Protection and Remediation Bureau
State of New Mexico Environmental Department
3141 Montgomery, N.E.
Albuquerque, New Mexico 87109

RE: General Crude Processing, Inc.
Highway 550, Flora Vista, New Mexico

Dear Mr. Space.

General Crude Processing has retained Envirotech Inc., to assist in preparation of a Corrective Action Plan and an investigation of the hydrocarbon contamination at the General Crude Processing Facility, Flora Vista, New Mexico. As per our recent conversation, General Crude Processing requests this investigation and proposed remediation action be conducted under the jurisdiction of the New Mexico Oil Conservation Division (NMOCD).

The General Crude Processing facility has always operated under NMOCD jurisdiction. NMOCD order No. R-6354 granted authority for the facility operation. Several crude oil treaters have operated this facility since it was constructed some 35 years ago.

This facility stored and treated off-specification crude oil to remove BS&W. Once the crude was treated, the merchantable crude was returned to the original crude producer for sale.

Neither General Crude Processing Inc., nor any of its officers or directors have ever authorized or had any knowledge of any thing other than crude oil and/or used oil being stored or treated at this facility.

In-as-much as this is and always has been a crude oil treating facility, there is little doubt proper jurisdiction is the Oil Conservation Division. The Oil Conservation Division has an Environmental Inspector, Mr. Denny Foust stationed in Aztec, New Mexico. His location, experience and qualifications provide the best possible opportunity for mitigation and remediation of the environmental impact of this site on the residents and groundwater of the area.

Page 2
April 23, 1992
Mr. Michael Space

Until resolution of the issue of jurisdiction, no field investigation work can be undertaken, but Envirotech will sample and test each of the tanks contents to determine the material contained in each.

The hydrocarbon material in the #10 tank, of the accompanying photograph, has leaked into a shallow berm around the tank and must be removed before it leaks or overflows during a storm event. We have contacted Mesa Oil Inc., to remove this oil and await your authorization to proceed.

In order to comply with your February 10, 1992 Notice of Violation, while we await clarification of correct jurisdiction of this facility, we submit the following Proposed Corrective Action Plan.

Section A-1 of your correspondence requests information on the facility ownership and operation. Utilizing your correspondence format we will provide the following available information.

- A-1(a) General Crude Processing Inc.
C/O Benson & Associates
802 East 20th Street
Farmington, N.M.
505-325-9889
- A-1(b) General Crude Processing Inc.
8201 East Main Street
Farmington, New Mexico 87401
- A-1(c) Discharge is an accumulation of 30 years of operating spills and/or previously acceptable oil field operating practices.
- A-1(d) Source of discharge has been spills or operation practices that were previously acceptable for a crude oil treating facility.
- A-1(e) Discharged material is crude oil and/or oil field hydrocarbon wastes.
- A-1(f) Numerous soil stains and/or hydrocarbon accumulations indicate numerous spill incidents, of small volume, but no accurate data is available.

A-1(g) Upon receipt of your authorization, the hydrocarbon materials will be collected by a permitted and

regulated recycler, Mesa Oil Inc., and removed from the property for recycling.

A-2 Drums - Empty drums will be inspected and sent to a drum recycler for disposal. OSHA trained Envirotech personnel will sample the remaining drum contents, to characterize the contents. Upon completion of characterization by appropriate analysis, which may include TCLP, a plan for disposal shall be presented to NMED.

Standing Pools of Oil - Upon receipt of NMED authorization, all hydrocarbon accumulations will be removed from the site by Mesa Oil Inc., for recycling.

Paragraph #1 on Page 2

Investigation of horizontal and vertical extent of the soil contamination at Site.

Soil borings and/or investigation pits will be advanced to the extend of contamination, utilizing headspace OVM, to field determine the contamination interface. Laboratory confirmation samples shall be collected and analyses for TPH by modified 8015 or 418.1, as appropriate.

It is anticipated numerous borings will be required to determine the horizontal and vertical extent of contamination due to the number of observable surface stains and bermed areas to be investigated.

Once the extent of contamination is determined, and upon receipt of authorization by NMED and NMOCD, all highly contaminated soil will be removed from the site and treated at Envirotech's NMOCD Permitted Soil Remediation Facility, Hilltop, New Mexico.

Page 4
April 23, 1992
Mr. Michael Space

Paragraph #2 on Page 3

Monitor Wells

The site geology indicates sandstone bedrock to be at approximately 35 feet below ground

surface level. This bedrock horizon is observable on the west and south sides of the property as a result of erosional actions in the ephemeral channel on the west and the old San Juan River channel embankment on the south.

Visual inspection of the bedrock out cropping indicates that no groundwater is present above the bedrock and that no hydrocarbon fluid has migrated to the extent of the property boundary.

The flood plain of the San Juan River extends to the south property line. Three (3) stock/irrigation wells are located at the base of this hill and will be sampled as groundwater monitor wells, to determine impact to groundwater. Groundwater is approximately 150 feet below the site surface elevation, based on interviews of the well owners.

Paragraph 3 on Page 3

Storage Tanks

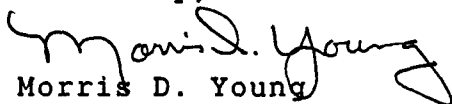
General Crude Processing currently plans to remove all tanks from the site and permanently close them.

Page 5
April 23, 1992
Mr. Michael Space

We appreciate working with you on this project and request immediate attention to the issue of NMOCD jurisdiction of this site. We also request immediate authorization to remove hydrocarbon fluids from the site to prevent additional environmental impact to this site.

If we can provide any additional information, please contact General Crude Processing Attorney, Mr. Robert Benson.

Sincerely,


Morris D. Young
President

MDY/tjg

c: Mr. Howard Whitlock - General Crude Processing
Mr. Robert Benson - Benson & Associates
✓ Mr. William J. Lemay - Director NMOCD
Mr. Denny Foust - NMOCD, Aztec Office
Mr. Frank Chavez - Aztec District Supervisor NMOCD



STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

Bond No Good
INS. Co Bankrupt

GARREY CARRUTHERS
GOVERNOR

February 11, 1988

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

Tri City
P. O. Box 217
Flora Vista, New Mexico 87415

Attention: Howard F. Whitlock,
President

Re: \$10,000 Treating Plant Bond
No. FS 113534

Dear Mr. Whitlock:

I am in receipt of your letter of January 30th requesting that we cancel your treating plant permit for General Crude Processing Company, Inc. as you are no longer operating this plant. I have checked with Frank Chavez, Supervisor of our Aztec district office, and he has advised me that there is still oil in storage on the location. Under these circumstances, your treating plant bond cannot be cancelled and it will also be necessary to get a replacement bond.

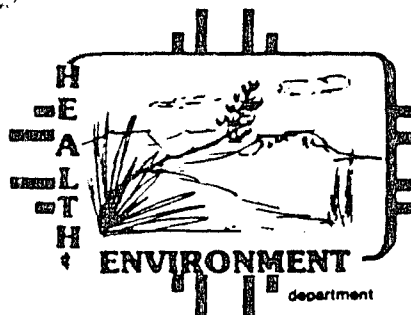
I would appreciate your advising me what your plans are regarding the oil in storage. If you plan to clean up this location so that your bond can be cancelled, please contact Mr. Chavez at 334-6178 and he will advise what he requires.

Sincerely,

DIANA RICHARDSON
Administrator
Bonding Department

TONEY ANAYA
GOVERNOR

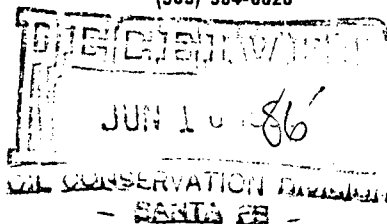
DENISE D. FORT
DIRECTOR



STATE OF NEW MEXICO

ENVIRONMENTAL IMPROVEMENT DIVISION

P.O. Box 868, Santa Fe, New Mexico 87504-0968
(505) 984-0020



June 9, 1986

David Boyer
Environmental Bureau Chief
Oil Conservation Division
P.O. Box 2088
Santa Fe, New Mexico 87501

Dear Mr. Boyer:

This is in response to your request of April 11, 1986 for a interpretation of Air Quality Control Regulation (AQCR) 301 pertaining to open burning of natural gas at oil and gas wells during workover operations and emergency releases at compressor stations and gasoline plants. You also asked that a general permit be issued to OCD to allow open burning of hydrocarbons spilled or lost during pipeline breaks and other transport failures.

The Division recognizes that the natural gas used during workover and maintenance operations at the wellhead may contain small quantities of other liquid and gaseous hydrocarbons. The intent of AQCR 301 was to allow open burning of the natural gas stream which may include these constituents. The intent of the regulation as it pertains to compressor stations and gas plants is to allow burning of natural gas to handle emergency situations where there is excess gas over and above what the facility is capable of handling. The term "natural gas" refers to the typical gas stream that compressor stations and gasoline plants normally handle or process.

In reference to your second request, I view your request for the Division to issue OCD a general open burning permit for OCD related activities as a request for EID's delegation of its authority to enforce AQCR 301. Such delegation of authority is not allowed by the Air Quality Control Act ("Act"). Therefore, your request must be denied. Further, the Division is charged under the Act with the protection of ambient air quality standards. The regulation is intended to protect such standards. The EID must review each permit requested to determine whether the ambient standards will be violated. Such a review cannot be done if OCD is given a general permit. Also, a number of oil and petroleum products are known to contain chemicals that, if released to the air through burning, produce toxic substances which have a potential adverse impact on human health. The Division must continue to evaluate open burning requests on a case by case basis to assure that the ambient air is protected and pollutants do not adversely impact human health.

Your letter also states that OCD district supervisors have been allowing open burning of unsalvageable waste oil. AQCR 301, as presently worded, does not allow OCD to permit such burning. Therefore, this practice must cease immediately.

*Sick - After
you have a
chance to read
this, let's talk
about how it
will impact
General Order,
Division "No & Cont"
orders, etc.
Harc.*

Future requests for open burning must be forwarded to this office for evaluation. The Division will enforce the open burning prohibition against any facility that does not obtain a permit from this office, including those allowed by OCD to burn. Please advise me if you have any further questions regarding this matter.

Sincerely,



J. David Duran
Program Manager
Stationary Sources Compliance Section

JDD/md

xc: Michael J. Burkhardt, Chief, Air Quality Bureau
Louis Rose, Division Attorney



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION



1935 - 1985

TONY ANAYA
GOVERNOR

April 11, 1986

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-5800

Mr. Bob Kirkpatrick
Air Quality Bureau
Environmental Improvement Division
P. O. Box 968
Santa Fe, New Mexico 87504-0968

Dear Mr. Kirkpatrick:

EID Air Quality Control Regulation 301, Regulation to Control Open Burning, allows the burning of natural gas at compressor stations and at oil and gas wells in drilling, completion, and workover operations when necessary to avoid a serious hazard to safety. Because there are other hydrocarbons associated with natural gas which may also require burning under the same condition, the Oil Conservation Division wishes to interpret the regulation to apply to natural gas and associated hydrocarbons at compressor stations or oil or gas wells.

Also, it has been the policy in the past for OCD district supervisors to allow burning of unsalvageable waste oil (for example, after a spill on site) when burning was the most expeditious method for safety or ground water protection reasons, or when no other reasonable alternative for cleaning up the site was feasible. We desire to continue this policy for OCD-related burnings.

Therefore, the OCD would like to apply for a general permit to allow open burning for OCD-regulated activities, especially for the above conditions and for "disposal of hydrocarbons spilled or lost from (gathering) pipeline breaks or other transport failure, and other special circumstances." This permit for the specified disposal is required by AQCR 301.F. and burning would be at the discretion of the OCD district supervisors, subject to the conditions contained in Subsection E.

Your prompt attention to this matter will be appreciated.

Sincerely,

A handwritten signature in cursive script, appearing to read "David Boyer".

DAVID BOYER
Environmental Bureau Chief

DB:JB:dp



MEMORANDUM OF MEETING OR CONVERSATION

☒ Telephone ☐ Personal

Time 4 PM

Date 5/16/86

Originating Party

Other Parties

Alex Ruglisi (827-2800)

Dave Boyer OCTD

EID Surface Water

Subject

General Crude Processing

Discussion

Surface Water staff was in Farmington and saw General Crude from highway. They were concerned about pit and inquired about status. (Their concern came from the fact that the pit is at the head of an arroyo, a natural water course, and the "refuse" could be moved into the watercourse, by leaching or otherwise. This is a violation of WQCC Surface Water Regulation 2-201 "Disposal of Refuse" Discarded Oil W/ refuse.)

Conclusions or Agreements

I told Ruglisi that OCTD had ordered General Crude to close the pit and that we intended to pursue the matter so that the pit is removed.

Distribution

General Crude File
R.L. Stamets

Signed

Dave Boyer



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

GARREY CARRUTHERS
GOVERNOR

February 11, 1988

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

Tri City
P. O. Box 217
Flora Vista, New Mexico 87415

Attention: Howard F. Whitlock,
President

Re: \$10,000 Treating Plant Bond
No. FS 113534

Dear Mr. Whitlock:

I am in receipt of your letter of January 30th requesting that we cancel your treating plant permit for General Crude Processing Company, Inc. as you are no longer operating this plant. I have checked with Frank Chavez, Supervisor of our Aztec district office, and he has advised me that there is still oil in storage on the location. Under these circumstances, your treating plant bond cannot be cancelled and it will also be necessary to get a replacement bond.

I would appreciate your advising me what your plans are regarding the oil in storage. If you plan to clean up this location so that your bond can be cancelled, please contact Mr. Chavez at 334-6178 and he will advise what he requires.

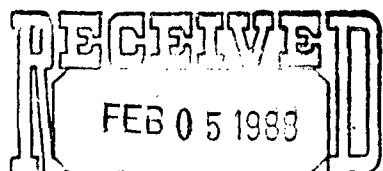
Sincerely,

A handwritten signature in cursive script that reads "Diana Richardson".

DIANA RICHARDSON
Administrator
Bonding Department



P. O. BOX 217 • FLORA VISTA, NEW MEXICO 87415 • TELEPHONE (505) 334-7505
GENERAL CRUDE PROCESSING COMPANY, INC.



OIL CONSERVATION DIVISION
SANTA FE

January 30, 1988

Energy, Minerals & Natural
Resources Department
P. O. Box 2088
Santa Fe, New Mexico 87504

Attention: Diana Richardson

Re: Treating Plant Bond
FS 113534

Dear Ms. Richardson:

We no longer exist as a treating Plant. We have not picked
up or processed any crude oil for two years as of October, 1987

Please cancel our treating plant license.

Sincerely,

Howard F. Whitlock
President

HFW/bfw

"PROPANE & GAS"

BOTTLES • MOTOR FUEL • DOMESTIC & COMMERCIAL



STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

GARREY CARRUTHERS
GOVERNOR

January 15, 1988

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

General Crude Processing
8201 E. Main
Farmington, New Mexico 87504

Re: \$10,000 Treating Plant bond
No. FS 113534

Gentlemen:

In checking our records, I note that you have a \$10,000 Treating Plant Bond on file in this office. On April 14th and July 24th I wrote you requesting a replacement bond as the insurance company on this bond has filed for bankruptcy. To date I have not received a replacement bond. I am now enclosing a copy of our Order No. R-8284 which states that all treating plant bonds must be replaced with \$25,000 bonds by January 1, 1988.

Since you are in violation of the Oil Conservation Division Rules and Regulations, we would appreciate your taking care of this matter immediately. Please advise me no later than January 28th as to when I may expect to receive your replacement bond.

Thank you.

Sincerely,

DIANA RICHARDSON
Administrator
Bonding Department

enclosure

ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION



GARREY CARRUTHERS
GOVERNOR

July 24, 1987

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-5800

General Crude Processing
8201 E. Main
Farmington, New Mexico 87504

Re: \$10,000 Treating Plant Bond
General Crude Processing Co., Principal
Allied Fidelity Insurance, Surety
Bond No. FS 113534

Gentlemen:

On April 14th I wrote you advising you that it will be necessary to obtain a replacement bond for your bond captioned above as Allied Fidelity Insurance is bankrupt. To date, I have not received this bond nor any response from you.

As I advised you in April, the treating plant bond will be going up to \$25,000 on January 1, 1988.

Under the Oil Conservation Division rules, you cannot operate without a bond and since you do not have a bond in good standing, we will be forced to have you cease any operations if this has not been satisfactorily settled by August 3, 1987. Also, at that time I will give this to our legal department for further action.

If you have any questions, please feel free to contact me.

Sincerely,

A handwritten signature in cursive script that reads "Diane Richardson".

DIANE RICHARDSON
Administrator
Bonding Department

ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION

GARREY CARRUTHERS
GOVERNOR

April 14, 1987

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-5800*need
new*General Crude Processing
8201 E. Main
Farmington, New Mexico 87504Re: \$10,000 Treating Plant Bond
General Crude Processing Co., Principal
Allied Fidelity Insurance, Surety
Bond No. FS 113534

Gentlemen:

We have received papers from Allied Fidelity Insurance Co. wherein they have filed for bankruptcy. Because of this action, it will be necessary for General Crude Processing to get a replacement bond to cover the above-captioned treating plant.

The amount of the treating plant bond will be going up to \$25,000 on January 1, 1988 for existing treating plants.

Please furnish us with this bond as soon as possible. Also, I would appreciate your advising me within ten days what insurance company you will be getting your new bond through.

Thank you for your assistance with this.

Sincerely,

A handwritten signature in cursive script that reads "Diane Richardson".

DIANE RICHARDSON
Administrator
Bonding Department



STATE OF NEW MEXICO

ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION

TONY ANAYA
GOVERNOR

October 6, 1986

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501-2088
(505) 827-5800

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Howard Whitlock
General Crude Processing
8201 E. Main
Farmington, New Mexico 87401

Dear Mr. Whitlock:

To confirm the agreement reached between us on October 2, 1986, concerning the elimination of the pit located on General Crude Processing premises, you will continue backfilling the pit with dirt until it is mounded over. The area will be graded to divert water flow away from the pit during the period of time required to complete the backfilling, and also as a final measure. All work will be completed by December 31, 1986, with no extensions of time to be granted.

Please inform the Aztec District Office when the work is completed so that an inspection can be scheduled.

Sincerely,

A handwritten signature in cursive script, appearing to read "R. L. Stamets".

R. L. STAMETS
Director

RLS:JB:dp

cc: Frank Chavez, Aztec District Office



STATE OF NEW MEXICO

ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION

TONY ANAYA
GOVERNOR

June 25, 1986

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501-2088
(505) 827-5800

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Howard Whitlock
General Crude Processing
8201 E. Main
Farmington, N.M. 87401

Dear Mr. Whitlock:

On March 19, 1986, an attempt was made to burn the fluid in the waste pit located on your premises. The results were incomplete. The EID Air Quality Bureau has since been contacted and their regulations will not allow further open burning without a permit. Based upon our discussions with them, we believe a permit would not be granted for this case.

Because of this change in circumstances, you are directed to remove all remaining fluid from the pit by vacuum truck on or before July 15, 1986, and to dispose of it in a manner which will not constitute a hazard to any fresh water supplies and which has been approved by the OCD. Further, by August 1, 1986, you must backfill the pit and mound soil over it to divert water flow away from the area.

Because of the long time it has taken to complete the required cleanup of this pit, any extension of these deadlines will only be granted under extreme circumstances.

Sincerely,

R. L. STAMETS
Director

RLS:JB:dp

cc: Frank Chavez, OCD, Aztec



TONEY ANAYA
GOVERNOR

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION



1935 - 1985

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-5800

March 21, 1986

MEMORANDUM

TO: R. L. STAMETS, DIRECTOR

FROM: JAMI BAILEY, FIELD REPRESENTATIVE, OCD *JB*

SUBJECT: BURNING OF GENERAL CRUDE PROCESSING PIT, MARCH 19, 1986

On February 28, 1986, during an inspection of facilities by Frank Chavez, Roger Anderson, and myself, Howard Whitlock of General Crude Processing agreed to clean up oil spills in the area, construct a firewall between the waste oil pit and the treating tank battery at this facility, and burn the contents of the pit in order to eliminate it. This was confirmed in our letter to him dated March 3, 1986:

- a) "By March 7, 1986, all spills in the area of the tank which overflowed will be cleaned up.
- b) By April 1, 1986, a firewall will be constructed on the southwest side of the treating tank battery between the tank battery and the present pit. The volume of the bermed area will have a capacity one-third larger than the capacity of the enclosed tanks. (Rule 310)
- c) By April 1, 1986, the surface area of the oil pit will be reduced and the area and pit will be prepared for burning. Burning of the contents of the pit will be scheduled for the first suitable day after April 1, and will be supervised by the Oil Conservation Division and the fire department. After the pit has been burned, it will be mounded over and water will be diverted away from the area."

The surface area of the pit at that time was approximately 25' x 25'.

Last week, Charles Gholson informed me that Whitlock had prepared the General Crude Processing pit site for burning this week. He asked if any Santa Fe personnel wanted to witness it. I told him I felt our presence was not necessary and confirmed that the fire department would be present. Charlie estimated 80 bbls of oil were involved. I informed you, Dave Boyer, and Jeff Taylor that the burning was scheduled for the near future.

The following is a verbatim log of events that I recorded the day of the burning, March 19, 1986:

This morning, Charlie called to say that the fire had been lit and that the Fire Marshal had questioned him under whose authority the fire had been allowed. He had referred the Fire Marshal to this office and straightened out the confusion, he thought. This morning he estimated the pit to be 40' x 25' with 24" emulsified oil on top, equalling approximately 343 bbls of oil.

11:15 a.m. - Fire Marshal McGonigle called and talked to Dave, asking how much longer we expected the pit to burn. (The Fire Marshal had been onsite earlier in the morning, but had expected the fire to be out by now. I asked him if he was asking for the fire to be extinguished. He answered not at this time, but would request such action if it continues much longer. I told him I would contact OCD staff and call back - notes of Boyer.)

11:30 a.m. - I talked to Ernie Busch, asking him to contact Charlie to find out status of the burning. Ernie said the pit area had been reduced from size of previous inspections. Dave also talked to him and asked him to have Charlie call us.

Boyer - 12 noon - I called the Fire Marshal but he was gone for lunch. I left message to return my call when he returned at 1:30.

12 noon - Dave talked to Ernie for status report and asked to have Charlie call us at 1:15.

12:30 p.m. - Jeff Taylor was informed of events.

1 p.m. - Dick Stamets was informed of events.

1:15 p.m. - Charlie called Dave: Fluid in the pit was boiling, vapors could be seen rising, flashing and producing heavy dark smoke for 4-5 minutes. Then the smoke would die down, lighten to white color, and the cycle would resume. Charlie and Whitlock lit the fire together this morning.

2 p.m. - I tried to contact the Fire Marshal, but he was not available.

2:30 p.m. - Dick Stamets said he was going to call Aztec to tell them to have the fire put out by 4 p.m.

2:35 p.m. - Charlie called to say the Fire Marshal was having the fire put out immediately by either the county or the Flora Vista Volunteer Fire Department. He said the Fire Marshal was filing suit against Whitlock and naming OCD in the suit, unknown grounds.

2:45 p.m. - Meeting in Dick's office with Frank Chavez, Jeff Taylor, Dick Stamets and Jami Bailey. Dick said Paul Biderman had been informed, that news media were to be referred to Mr. Stamets if statements were to be made. Frank said he had written statements from EID Air Quality stating that they did not have to be notified of OCD-related burnings. Whitlock had told the Aztec office that he had talked to the fire department yesterday (3/18) about the burning. Whitlock had not been told to talk to Air Quality personnel.

3:15 p.m. - Charlie called to say that the fire had been put out by the Flora Vista Fire Department under the direction of the Fire Marshal. Fluid level had been lowered 12-14", but there was still oil on the surface. Underestimation of the volume of oil involved was due to the heat breaking the emulsion below the 5-6" of oil on the surface. The fire department had been informed of the scheduled burning yesterday, but apparently McGonigle did not get the message. This morning Mr. McGonigle okayed the burning, after some discussion. Charlie stated that he had wanted the fire started early this morning (7:30) so that it would be out before the normal afternoon winds began.

SUMMARY

The burning of the pit created a lot of smoke and a lot of community excitement, but no reports of any real damage were relayed to this office. The fact remains that there is still oil in the pit which still needs to be removed. I do not recommend burning again in such a high visibility area, but rather I recommend hauling the oil to a pit in an isolated area and either burning or, preferably, land farming it at that site.

JB:dp

OIL CONSERVATION DIVISION NEW MEXICO OIL CONSERVATION DIVISION
RECEIVED FIELD TRIP REPORT

INSPECTION
CLASSIFICATION
FACILITY
HOURS

MAY 20 AM 9 11

Name Charles Gholson Date 3-19-86 Miles 36 District 3

Time of Departure 7:00 AM Time of Return 2:30 PM Car No. 8776

In the space below indicate the purpose of the trip and the duties performed, listing wells or leases visited and any action taken.

Signature Charles Gholson

O O F 7 2

One other - 30N-12W - East of Farmington to supervise the burning of a waste oil pit at General Crude Processing. I arrived at the site about 7:10 AM. The Facility Operator Mr. Howard Whitlock, told me that the San Juan County Fire Marshall had been informed that we would start burning the pit at 7:30 AM. We had a 100 bbl water truck with a full load of water and a high pressure hose standing by. We lit the fire at 7:30 AM. The fire burned to a height of about 20' for 30 minutes or until free oil on top of pit was burned. The remainder of the contents of the pit was apparently an oil/water emulshion. The intense heat was breaking the emulshion. ~~The intense heat was breaking the emulshion and~~ oil would rise to the top. This would burn intensively for 5 to 10 minutes. It would then die down and water would vaporize for 5 to 10 minutes. Oil would again rise to the top and cycle would repeat itself. The pit continued burning in this manner until about 2:15 PM, when it was extinguished by the County Fire Marshall, Mr. Don McGonigle and the Flora-Vista Volunteer Fire Department. Mr. McGonigle arrived at the site shortly after 8:00 AM. We discussed the situation and concurred that as there was very little wind, we had the water truck standing by and a nearby 1500 bbl oil tank was not getting hot, it would not be necessary to have a fire truck standing by. ~~The wind~~ gradually picked up and became variable. Shortly ~~afternoon~~ the wind shifted to the Northwest at 12 - 15 MPH. Mr. McGonigle began receiving complaints

| Mileage | Per Diem | Hours | (over- |
|-----------------|-------------------|------------------|--------|
| UIC | UIC | UIC | |
| RFA | RFA | RFA | |
| Other <u>36</u> | Other <u>6.00</u> | Other <u>7.5</u> | |

TYPE INSPECTION
REPORTED

INSPECTION
CLASSIFICATION

NATURE OF SPECIFIC WELL
OR FACILITY INSPECTED

B - Borehole
P - Plugging
C - Plugging Cleanup
T - Well Test
F - Fluid/Water
I - Waterflow
M - Mudlog or Spill
V - Water Contamination
O - Other

U - Underground Injection Control - any inspection of or related to injection project, facility, or well or resulting from injection into any well. (S/D, 2ndry injection, and production wells, water flow, or pressure tests, surface injection equipment, plugging, etc.)

R - Inspections relating to Reclamation Fund Activity

O - Other - Inspections not related to injection or the reclamation fund

E - Indicates some form of enforcement action in the field (show immediately below the letter U, R, or O)

D - Drilling
P - Production
I - Injection
C - Combined production/
injection operations
S - S/D
U - Underground Storage
G - General Operation
F - Facility or Location
M - Meeting
O - Other

Of This

from area residents. He came to the site and informed me that he was going to extinguish the fire. I returned to Aztec and informed Mr. Stamets, Mr. Boyer, Ms. Bailey, and Mr. Taylor ~~of his decision~~. Mr. Stamets directed me to inform him that we concurred with his decision. I returned to the site and the fire was extinguished.



TONY ANAYA
GOVERNOR

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION



1935 - 1985

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-5800

March 3, 1986

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Howard Whitlock
General Crude Processing
8201 E. Main
Farmington, N. M. 87401


Dear Mr. Whitlock:

This letter is to confirm the compliance schedule agreed to during the February 28, 1986, inspection of your treating plant by OCD personnel:

- a) By March 7, 1986, all spills in the area of the tank which overflowed will be cleaned up.
- b) By April 1, 1986, a firewall will be constructed on the southwest side of the treating tank battery between the tank battery and the present pit. The volume of the bermed area will have a capacity one-third larger than the capacity of the enclosed tanks. (Rule 310)
- c) By April 1, 1986, the surface area of the oil pit will be reduced and the area and pit will be prepared for burning. Burning of the contents of the pit will be scheduled for the first suitable day after April 1, and will be supervised by the Oil Conservation Division and the fire department. After the pit has been burned, it will be mounded over and water will be diverted away from the area.

Your scrupulous compliance with this schedule will obviate the need for OCD to take legal or other action.

Sincerely,


R. L. STAMETS
Director

RLS:JB:dp

cc: Frank Chavez, OCD - Aztec



MEMORANDUM OF MEETING OR CONVERSATION

| | | | |
|---|--|---|-----------------|
| <input type="checkbox"/> Telephone | <input checked="" type="checkbox"/> Personal | Time 9:30 | Date 2/28/86 |
| <u>Originating Party</u> | | <u>Other Parties</u> | |
| Jimmie Bailey | | Howard Whitlock, - General Crude Proc. Frank Chavez, O.C.D. Officer, Roger Anderson - O.C.D. | |
| <u>Subject</u> Inspection of General Crude Processing, + Schedule for Closing Pit. | | | |
| <u>Discussion</u> Inspection was made to determine compliance with 4 items in O.C.D. 12/30/85 letter: (1) Elimination of pit. Whitlock committed to building a firewall on the SW edge of treating ^{tanks} area battery, compacting pit area to reduce surface area, + burning pit under supervision of O.C.D. + fire dept. sk will have area prepared for burning ^{on or after} April 1. (2) Leaking tanks, fittings, piping, etc. Leaks were not apparent. (3) Produced water disposal. Whitlock has only treated oil from Tesoro since December, + p.w. was returned to the lease where he picked up the waste oil. (4) Oil spill cleanup. Spills were found at the base of a holding tank that had overflowed. Whitlock, committed to clean up spill by March 7. We observed clean up in <u>conclusions or Agreements</u> action later the same day (2/28). O.C.D. will witness pit burning on 1 st suitable day after April 1. Fire dept. will be present during this burning. | | | |
| <u>Distribution</u> File R.L. Stomets D. Boyer | | <u>Signed</u> Jimmie Bailey | |



TONY ANAYA
GOVERNOR

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION



1935 - 1985

February 4, 1986

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-5800

MEMORANDUM

TO: R. L. STAMETS, DAVID BOYER, FRANK CHAVEZ, JEFF TAYLOR

FROM: JAMI BAILEY, FIELD REPRESENTATIVE

SUBJECT: GENERAL CRUDE PROCESSING

At various times since 1980 General Crude Processing, (located in the Vulnerable Area, and the only the treating plant in the San Juan Basin) has committed themselves to skimming out their emulsified oil pit "when the weather warms up". There is still waste petroleum in the pit. Either 1) the weather hasn't been warm enough since April 1980; 2) General Crude skims some out, but then dumps more in; or 3) no genuine effort has been made to empty the pit. If No. 2 is true, a directive should be sent ordering them to cease any further discharge of any sort to the pit.

The following is a summary of events concerning General Crude Processing:

- 1) March 24, 1980. General Crude Processing application for a treating plant permit submitted and signed by Tim Mulville.
- 2) April 1980. Don McGonigle, San Juan County Fire Marshal, set a deadline of June 15, 1980, to complete removal of waste petroleum located in the pond.
- 3) April 14, 1980. Tim Mulville confirmed the June 15 deadline in a letter to the Fire Marshal.
- 4) May 7, 1980. Case No. 6887, Examiner Hearing on the application of General Crude Processing for an oil treating plant permit. Tim Mulville, Managing Partner of General Crude, testified that all waste petroleum presently located in the pond would be removed by June 15. The pond was referred to as a "water storage pit". He also testified that they were planning on

installing a 1500 barrel tank to hold emulsion drained from the heater-treaters, "so basically the only thing that will eventually go into the [unlined] pit will be water." That water was to be trucked back to the leases for disposal.

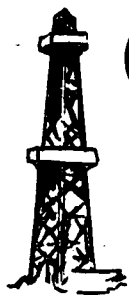
- 5) May 22, 1980. Order No. R-6354 authorized the oil treating plant, providing that "the disposal of waste water accumulated in conjunction with the operation of the above-described plant on the surface of the ground, or in any pit, pond, lake, depression, ... or in any other place or in any manner which will constitute a hazard to any fresh water supplies is hereby prohibited."
- 6) May 6, 1981. A field check report by E. C. Barry, Water Resources Spec. I of the State Engineers Water Rights Bureau indicated waste oil was in the pit and recommended having the pit lined or shutting down the operation for the dumping of waste oil. A copy of this report was sent to the OCD on May 25, 1981.
- 7) Twice in 1985, Frank Chavez directed Howard Whitlock, President of General Crude, to clean up the pit. There is no documentation.
- 8) July 29, 1985. I inspected the facilities and sampled the oil pit (sample on hand, not sent to the lab) and the flowing irrigation ditch behind the facilities (no contamination detected). Photos of the pit and oil soaked ground are on file.
- 9) September 13, 1985. David Boyer met with Howard Whitlock and Bob Moore (BLM-Farmington). Whitlock said he would eliminate the "produced water pond" this fall.
- 10) September 27, 1985. I sent General Crude a letter including the 7/29 inspection report, a listing of violations of OCD rules, and requested voluntary compliance with these rules. A December 25, 1985, deadline was given to eliminate leaks and clean up past spills, eliminate the pit, and inform us specifically of locations of produced water disposal.
- 11) December 20, 1985. Whitlock requested an extension of time to clean up the pit. No mention of the other issues was made.
- 12) December 30, 1985. OCD issued an extension until February 1, 1986, to submit an acceptable detailed plan and schedule of compliance. He was informed that failure to submit such a plan would result in action by the OCD.

- 13) January 29, 1986. Whitlock's response was far from adequate, with no compliance indicated in providing leak-proof tanks or piping for oil and emulsions, and no documentation concerning disposal locations for produced water or waste oil. The pit was not emptied because the weather still was not warm enough. Note: Daytime temperatures in Farmington were in the 50's during January.

I cannot recommend another extension on the deadline for the pit closure. It has been nearly six years since General Crude Processing first agreed to completely remove waste oil from the pit. Following an inspection by OCD staff members next week, I recommend that we follow through on one or more of the three actions that we listed in our December 30, 1985 letter, namely:

- 1) Setting a show cause hearing wherein General Crude Processing would be expected to show why the treating plant permit should not be rescinded.
- 2) Legal action to force a clean-up of the site.
- 3) Legal action seeking a fine or fines for violation of the rules.

This is the only treating plant in the area, and there is a need for their service. Therefore, I recommend enforcement of actions No. 2 and No. 3. Instigation of these actions may "warm up" the environment enough to get the pit closed.



General Crude Processing

RECEIVED
JAN 29 1986
U.S. DEPARTMENT OF ENERGY
OIL CONSERVATION DIVISION

January 29, 1986

Mr. R. L. Stamets
Energy & Minerals Department
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Dear Mr. Stamets:

This letter is in regard to your letter dated December 30, 1985.

A. We have pulled some of the pit but with the cold weather the oil and emulsion can not be pulled or picked up with a vacuum truck.

B. We do now have tank and piping for produced water without leaking.

C. Produced water and waste oil will be transported back to the lease from where we picked it up.

D. We have cleaned up all oil and spills on our property.

We would still like the extension of time to finish cleaning the pit. With warm weather we can skim the pit and recover the crude from the pit.

Thank You,

Howard F. Whitlock
President

HFW/bfw

cc: Frank Chavez
Jeff Taylor, General Counsel



TONEY ANAYA
GOVERNOR

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION



1935 - 1985

December 30, 1985

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-5800

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Howard Whitlock
General Crude Processing
P.O. Box 2609
Farmington, New Mexico 87401

Dear Mr. Whitlock:

We have received your letter dated December 20, 1985, requesting a six months extension on the elimination of the produced water/oil pit located on your premises.

On September 27, 1985, in an effort to gain your voluntary compliance with Oil Conservation Division rules and orders, you were directed to do the following by December 25:

- "a) Eliminate the produced water/oil pit. The pit will be emptied, the contaminated soil dried and buried, and the surface regraded.
- b) Provide storage tanks, fittings, and piping for produced water, oil, and emulsions, that have sufficient integrity to store these fluids without leaking. Lined pits and below grade storage tanks must be approved before installation.
- c) Advise the Division specifically where the produced water and waste oil will be transported. Order No. R-7940 prohibits, beginning October 1, 1985, removal of produced water from the vulnerable area for disposal except to facilities approved by the Division.
- d) Clean up all oil spills on premises."

We have not been notified that any of the four items has been attended to, or that any progress has been made toward compliance with the specified OCD rules and orders. Your request for an extension of time addresses only the "clean up" of your pit.

A letter to the San Juan County Fire Marshal dated April 14, 1980 and signed by Tim Mulville of General Crude Processing indicated that "removal of waste petroleum presently located in [the] pond will be complied with by June 15, 1980." This commitment has still not been fulfilled. General Crude Processing is in violation of Division Orders No. R-6354 and No. R-7940, and Rules 3, 310, and 313. Given these violations and lack of response to the self-imposed June 15, 1980 deadline and the OCD December 25, 1985 deadline, your request for a six months extension is denied at this time.

An extension is granted, however, until February 1, 1986. Any further extension will be predicated upon your submittal of an acceptable detailed plan and schedule for compliance with the requirements of items a-d outlined on the previous page. Failure to complete and submit such a plan, or acceptable alternative, should be expected to result in this office taking one or more of the following actions:

- 1) Setting a show cause hearing wherein you would be expected to show why your treating plant permit should not be rescinded.
- 2) Legal action to force a clean-up of the site.
- 3) Legal action seeking a fine or fines for violation of the rules.

Please contact Jami Bailey if you have any questions on this matter. Ms. Bailey and our Environmental Bureau staff will be happy to assist you in preparation of the plan called for above.

Sincerely,



R. L. STAMETS
Director

RLS/JB/dp

cc: Frank Chavez
Jeff Taylor, General Counsel



MEMORANDUM OF MEETING OR CONVERSATION

☐ Telephone

☒ Personal

Time

Date 12/30/85

Originating Party

Other Parties

Jimmie Bailey

Subject

December 20, 1985 letter from General Crude Processing.

Discussion

Response to items listed in the letter:

- 1. Photo in file*
- 2. Sample bottle on file*
- 3. No possible verification*
- 4. I was in the area for several days and the pit is highly visible from the highway. I noticed the condition of the pit the next day on my way to the Aztec office.*

Commitment was made in letter dated April 14, 1980 to remove

waste petroleum in pond by June 15, 1980. Five and one-half

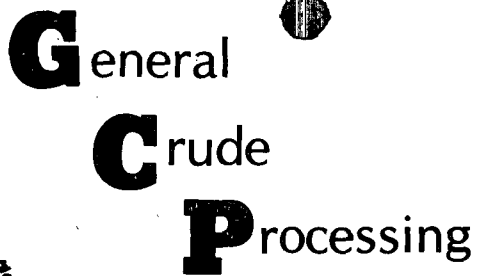
Conclusions or Agreements

years later, it's still there.

Distribution

Signed

Jimmie Bailey





General Crude Processing

I told you the 30,000 barrel tank was empty. You started tapping on the side of the tank. That is when I showed you the open clean out hole in the bottom of the tank. The 10' X 10' pool of oil by the tank was larger but I pushed it up smaller so we could pick it up with a pump truck.

This company, for what it is worth, has done some service for the oil field in conserving oil. We have processed and saved several barrels of crude for the oil companies.

On the Well Service Companies questionnaire it indicated we processed 530 barrels of normally wasted, not disposed of crude. Our job has been to clean up oil that would normally go to waste or be burned. I don't have the correct figures on the amount of oil processed and recovered but I am sure Mr. Chavez does.

We are interested in cleaning up the pit and will do it. We need to operate our business while we are cleaning up the pit. The sunshine heats the surface and you can pull only a few barrels at a time from the surface of the pit. We have pulled several barrels out of the pit. We are not using the pit. We also have a dike built to keep the water from entering the pit.

All I ask for is time to take care of the pit and to process and recover the oil from the pit to the benefit of all of us.

Thank You,

Howard F. Whitlock
President

cc: R. L. Stamets
Frank Chavez

HFW/bfw

**MEXICO OIL CONSERVATION COMMISSION
TREATING PLANT OPERATOR'S MONTHLY REPORT**

Form C-118
Revised 1-1-59
Sheet 1

Report of GENERAL CRUDE PROCESSING COMPANY Month of DECEMBER, 1985
Address 8201 E. MAIN STREET FARMINGTON NEW MEXICO 87401
(Street) (City) (State)

| TOTAL STOCKS PIPELINE OIL BEGINNING OF MONTH (Attach additional sheets if necessary) | | |
|--|--|---------|
| PLANT NAME | LOCATION | BARRELS |
| GENERAL CRUDE PROCESSING Note: This is not pipeline oil. This is pit oil for all reporting. | 8201 E. MAIN FARMINGTON, N.M. 87401 | |
| TOTAL ALL PLANTS | | 2796.08 |
| TOTAL PIPELINE OIL RECOVERED (Attach additional sheets if necessary) | | |
| PLANT NAME | LOCATION | BARRELS |
| GENERAL CRUDE PROCESSING | 8201 E. MAIN FARMINGTON, N.M. 87401 | |
| TOTAL ALL PLANTS | | 141.8 |
| DELIVERIES PIPELINE OIL (Attach additional sheets if necessary) | | |
| FROM | TO | BARRELS |
| GENERAL CRUDE PROCESSING | TESORO PETROLEUM CORP. FARMINGTON, N.M. 87401 | |
| TOTAL ALL PLANTS | | 264.0 |
| TOTAL STOCKS PIPELINE OIL END OF MONTH (Attach additional sheets if necessary) | | |
| PLANT NAME | LOCATION | BARRELS |
| GENERAL CRUDE PROCESSING | 8201 E. MAIN FARMINGTON, N.M. 87401 | |
| TOTAL ALL PLANTS | | 2673.88 |

RECEIVED
JAN 22 1986
OIL CON. DIV.
DIST. 3

I hereby certify that this report is true and complete to the best of my knowledge and belief.

NAME OF TREATING PLANT OPERATOR HOWARD F. WHITLOCK
By Howard F. Whitlock Title President Date 1/14/86

NEW MEXICO OIL CONSERVATION COMMISSION
PIPELINE QUALITY OIL RECOVERED BY TREATING PLANTS

Form C-118
(Revised 1-1-59)
Sheet 1A

| ERMIT NUMBER | LEASE OPERATOR | LEASE NAME | GROSS VOLUME SEDIMENT OIL | NET BBLs. P.L. OIL RECOVERED |
|-----------------|-----------------------|----------------|------------------------------|---------------------------------|
| 3-230 | TESORO PETROLEUM CORP | HANSEN FEDERAL | 164.0 | 65.6 |
| 3-228 | TESORO PETROLEUM CORP | SANTA FE | 299 | 76.2 |
| | | TOTAL | 463.0 | 141.8 |

The

NAH

By



TONEY ANAYA
GOVERNOR

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

September 27, 1985

50 YEARS



1935 - 1985

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-5800

CERTIFIED RETURNED
RECEIPT REQUESTED

Mr. Howard Whitlock
General Crude Processing
P.O. Box 2609
Farmington, New Mexico 87401

Dear Mr. Whitlock:

On July 24, 1985 I inspected your facilities as noted on the attached inspection report. At that time I discovered and discussed with you storage and disposal practices that may, over time, contaminate ground water supplies in the area.

Division Order No. R-6354 granted you authority to operate an oil treating plant, but stipulated a prohibition on the disposal of waste water accumulated in conjunction with the operation of the plant on the surface of the ground, or in any pit, pond, lake, depression, draw, streambed, or arroyo, or in any watercourse, or in any other place or in any manner which constitutes a hazard to any fresh water supplies.

Your facilities are located within the Vulnerable Area of the San Juan Basin as defined by the Oil Conservation Division, Order No. R-7940 (enclosed). This order, issued June 12, 1985, states that within the Vulnerable Area, disposal of produced water or fluids produced in connection with the production of oil and natural gas, or both, in unlined pits or on the surface is prohibited, except for disposal of produced water specifically exempted. General Crude Processing facilities do not qualify for exemptions, as your response to the Well Service Companies Questionnaire indicates that you dispose of 530 bbls of waste oil and 300 bbls of produced water monthly.

Findings numbered 27-29 of Order No. R-7940 state that evidence shows that contaminants of produced water disposed of in unlined pits enter the subsurface and could

contaminate fresh waters, causing them to become unfit for use at points of current or foreseeable future use. These findings and others in Order No. R-7940 demonstrate that disposal into unlined pits of wastewater accumulated in conjunction with the operation of the plant do constitute a hazard to fresh water supplies. Therefore, continued use of unlined pits at the facility for disposal or temporary storage prior to disposal of produced water will cause you to be in violation of Order No. R-6354, the order authorizing you to operate an oil treating plant.

In addition to the above, the inspection report shows that you are currently in violation of Oil Conservation Division Rule 3, Rule 310, and Rule 313.

Rule 3 States:

- a. The production or handling of crude petroleum oil or natural gas of any type or in any form, or the handling of products thereof, in such a manner or under such conditions or in such amount as to constitute or result in waste is hereby prohibited.
- b. All operators, contractors, drillers, carriers, gas distributors, service companies, pipe pulling and salvaging contractors, treating plant operators or other persons shall at all times conduct their operations in or related to the drilling, equipping, operating, producing, plugging and abandonment of oil, gas, injection, disposal, and storage wells or other facilities in a manner that will prevent waste of oil and gas, the contamination of fresh waters, and shall not wastefully utilize oil or gas, or allow either to leak or escape from a natural reservoir, or from wells, tanks, containers, pipe or other storage, conduit or operating equipment.

Rule 310 states:

Oil shall not be stored or retained in earthen reservoirs, or in open receptacles. Dikes or fire walls shall not be required except such fire walls must be erected and kept around all permanent oil tanks, or battery of tanks that are within the corporate limits of any city, town, or village, or where such tanks are closer than 150 feet to any producing oil or gas well or 500 feet to any highway or inhabited dwelling or closer than 1000 feet to any school or church, or where such tanks are so located as to be deemed an objectionable hazard within the discretion of the

Division. Where fire walls are required, fire walls shall form a reservoir having a capacity one-third larger than the capacity of the enclosed tank or tanks.

Rule 313 states:

Emulsion, Basic Sediments, and Tank Bottoms

Wells producing oil shall be operated in such a manner as will reduce as much as practicable the formation of emulsion and basic sediments. These substances and tank bottoms shall not be allowed to pollute fresh waters or cause surface damage. If tank bottoms are removed to surface pits, the pits shall be fenced and the fence shall be kept in good repair.

According to our records the Aztec District Supervisor directed you on two previous occasions within the past year to clean up and close the pit and to clean up the spilled oil on your premises, which you have failed to do.

You are advised that Article 70-2-31 of the Oil and Gas Act directs that "Any person who knowingly and willfully violates any provision of the Oil and Gas Act [70-2-1 to 70-2-36 NMSA 1978] or any provision of any rule by order issued pursuant to that act shall be subject to a civil penalty of not more than one thousand dollars (\$1000) for each violation. For purposes of this Subsection, in the case of a continuing violation, each day of violation shall constitute a separate violation."

This letter is an attempt to gain your voluntary compliance with said rules and orders. Therefore, within 90 days, or by December 25, 1985, you are directed to:

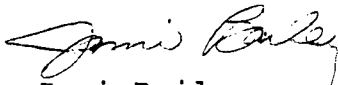
- a) Eliminate the produced water/oil pit. The pit will be emptied, the contaminated soil dried and buried, and the surface regraded.
- b) Provide storage tanks, fittings, and piping for produced water, oil, and emulsions, that have sufficient integrity to store these fluids without leaking. Lined pits and below grade storage tanks must be approved before installation.
- c) Advise the Division specifically where the produced water and waste oil will be transported. Order No. R-7940 prohibits, beginning October 1, 1985, removal of produced water from the vulnerable area for disposal except to facilities approved by the Division.

d) Clean up all oil spills on premises.

A one-time maximum extension may be considered by this agency, provided that a work schedule is supplied proving that substantial progress is being made toward completion of the above requirements. Failure to take this action will result in legal action being instituted to require compliance and collect assessed penalties.

If you have any questions concerning this matter please call me in Santa Fe at (505) 827-5884.

Sincerely



Jami Bailey
Field Representative

enclosure

xc: R. L. Stamets
Frank Chavez

P 612 457 958

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL

(See Reverse)

| | |
|---|----|
| Sent to | |
| MR. HOWARD WHITLOCK | |
| Street and No. | |
| P.O. Box 2609 | |
| P.O. State and ZIP Code | |
| Farmington, New Mexico 87401 | |
| Postage | \$ |
| Certified Fee | |
| Special Delivery Fee | |
| Restricted Delivery Fee | |
| Return Receipt Showing to whom and Date Delivered | |
| Return receipt showing to whom, Date, and Address of Delivery | |
| TOTAL Postage and Fees | \$ |
| Postmark or Date | |

* U.S.G.P.O. 1983-403-517

PS Form 3800, Feb. 1982

WELL SERVICE COMPANY INSPECTION

NAME OF COMPANY: General Crude Processing - Howard Whitlock

LOCATION: 8201 E. Main, Farmington

INSPECTION DATE: 7 / 24 / 85

REPORT: 2 heating tanks inoperable / 2 operable: large bulges
on sides of tanks. Oil leaks apparent on ground from pipes
leading to settling tanks, treating tanks; on surface around
tanks and small ponds by tanks. Water(?) storage pit has 8"
crude on surface. Stirred with stick, could not see oil/water
interface. Whitlock claimed pit 4' deep, but could have been
deeper. Whitlock said 6" skimmed off surface last week, and
would be skimmed today WAS NOT.

SAMPLES TAKEN 8507241550 Water(?) Pit

8507241600 Halford irrigation ditch behind Co. facilities

RECOMMENDATIONS: Close evaporation pit on grounds of violation
of Rule 3, Rule 310, Rule 313, permit order, Vulnerable area
definition (disposes 300 Bbls. produced water monthly, in
landfill and evaporation pond), engineering of water(?) storage pit.

FOLLOW UP: 12/25/85 deadline to clean up



MEMORANDUM OF MEETING OR CONVERSATION

☐ Telephone ☒ Personal

Time 1 PM

Date 9/13/85

Originating Party

Other Parties

Howard Whitlock

David Boyer O&A - Santa Fe

General Crude Processing

Bob Moore - BLM Farmington

Subject

Treating Plant at Flora Vista

Discussion

At Whitlock's request, met with him and BLM to discuss possible relocation of site to Crouch Mesa. ... would be either on land purchased from BLM or private land. BLM said will take lot of time to get appraisal, process paper and transfer. Whitlock said delay in country schedule to build road has caused him to drop plans for this site though he is looking elsewhere. He said he is drawing down produced water pond and will eliminate it this fall although he needs place to put water. He does not want any new permit to be tied to cleanup at existing site.

Conclusions or Agreements

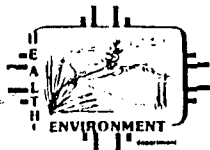
I told him O&A letter was coming directing him to close pit and clean up site. Letter was under review in S.F. by staff.

Distribution

General Crude File

Signed

David Boyer



REPORT TO:

DAVID G. BOYER

NEW MEXICO OIL CONSERVATION DIV

P.O. BOX 2088

SANTA FE, NM 87501

S.L.D. Priority:

S.L.D. No.: OR-733-A,B

DATE REC.: 7/24/85

PHONE 827-5812

USER CODE: 82235

CONTAINERS WHICH ACCOMPANY THIS FORM ARE COLLECTIVELY REFERRED TO AS SAMPLE.

SUBMITTER: DAVID BOYER/NM OCS CODE

LOCATION: HALFORD DITCH CODE

SOURCE: IRRIGATION DITCH BEHIND GEN. CRUCE CODE

COLLECTED: 7/24/85 BY BAILEY CODE

SAMPLE TYPE: WATER SOIL OTHER CODE

NEAREST CITY: FARMINGTON CODE

pH=; Conductivity= umho/cm at °C; Chlorine Residual=

Dissolved Oxygen= mg/l; Alkalinity=; Flow Rate=

Sampling Location, Methods and Remarks (i.e. odors, etc.)

I certify that the statements in this block accurately reflect the results of my field analyses, observations and activities. Doni Bailey

Method of shipment to the Laboratory Hand CarriedThis form accompanies 2 Septum Vials, Glass Jugs,

Containers are marked as follows to indicate preservation (circle):

NP: No preservation; sample stored at room temperature.

P-Ice Sample stored in an ice bath (not frozen).P-Na₂S₂O₃: Sample preserved with Na₂S₂O₃ to remove chlorine residual.

I (we) certify that this sample was transferred from _____
to _____ at (location) _____ on
(date & time) _____ and that the statements in this block are correct

Evidentiary Seals: Not Sealed Intact: Yes No

Signatures _____

(we) certify that this sample was transferred from _____
to _____ at (location) _____ on
(date & time) _____ and that the statements in this block are correct

Evidentiary Seals: Not Sealed Intact: Yes No

Signatures _____



New Mexico Health and Environment Department
SCIENTIFIC LABORATORY DIVISION
700 Camino de Salud NE
Albuquerque, NM 87106 — (505) 841-2555

NN

GENERAL WATER CHEMISTRY and NITROGEN ANALYSIS

| | | | | | |
|------------------------------|---------|---|-----------------|-----------|--|
| DATE RECEIVED | 7/29/85 | LAB NO. | WC-2687 | USER CODE | <input type="checkbox"/> 59300 <input type="checkbox"/> 59600 <input checked="" type="checkbox"/> OTHER: 82235 |
| Collection DATE | 7/24/85 | SITE INFORMATION | Sample location | | |
| Collection TIME | 1600 | | HALFORD DITCH | | |
| Collected by — Person/Agency | | Collection site description | | | |
| BAILEY / OCO | | IRRIGATION BEHIND DITCH BEHIND GEN. CRUDE, FARMINGTON | | | |

SEND
FINAL
REPORT
TO

ENVIRONMENTAL BUREAU
NM OIL CONSERVATION DIVISION
State Land Office Bldg, PO Box 2088
Santa Fe, NM 87501

Attn: David Boyer

SAMPLING CONDITIONS

| | | | | |
|---|---|--|---|-------------|
| <input type="checkbox"/> Bailed <input checked="" type="checkbox"/> Dipped | <input type="checkbox"/> Pump <input type="checkbox"/> Tap | Water level | Discharge | Sample type |
| pH (00400) | Conductivity (Uncorrected) μmho | Water Temp. (00010) $^{\circ}\text{C}$ | Conductivity at 25 $^{\circ}\text{C}$ (00094) μmho | |
| Field comments | | | | |

SAMPLE FIELD TREATMENT — Check proper boxes

| | | | |
|---|---|---|--|
| No. of samples submitted | <input checked="" type="checkbox"/> NF: Whole sample (Non-filtered) | <input type="checkbox"/> F: Filtered in field with 0.45 μm membrane filter | <input type="checkbox"/> A: 2 ml H ₂ SO ₄ /L added |
| <input checked="" type="checkbox"/> NA: No acid added <input type="checkbox"/> Other-specify: | | | |

ANALYTICAL RESULTS from SAMPLES

| NF, NA | Units | Date analyzed | F, NA | Units | Date analyzed |
|---|-----------------|---------------|--|---------------|---------------|
| <input type="checkbox"/> Conductivity (Corrected) 25 $^{\circ}\text{C}$ (00095) | μmho | 8/26 | <input checked="" type="checkbox"/> Calcium (00915) | mg/l | 8/12 |
| <input type="checkbox"/> Total non-filterable residue (suspended) (00530) | mg/l | | <input checked="" type="checkbox"/> Magnesium (00925) | mg/l | " " |
| <input type="checkbox"/> Other: | | | <input checked="" type="checkbox"/> Sodium (00930) | mg/l | 8-13 |
| <input type="checkbox"/> Other: | | | <input checked="" type="checkbox"/> Potassium (00935) | mg/l | 8-13 |
| <input type="checkbox"/> Other: | | | <input checked="" type="checkbox"/> Bicarbonate (00440) | mg/l | 8/26 |
| | | | <input checked="" type="checkbox"/> Chloride (00940) | mg/l | 8/27 |
| | | | <input checked="" type="checkbox"/> Sulfate (00945) | mg/l | 8/27 |
| | | | <input checked="" type="checkbox"/> Total filterable residue (dissolved) (70300) | mg/l | 8/2 |
| NF, A-H ₂ SO ₄ | | | <input checked="" type="checkbox"/> Other: CO ₃ | mg/l | 8/19 |
| <input type="checkbox"/> Nitrate-N +, Nitrate-N total (00630) | mg/l | | <input checked="" type="checkbox"/> F, A-H ₂ SO ₄ | | |
| <input type="checkbox"/> Ammonia-N total (00610) | mg/l | | <input type="checkbox"/> Nitrate-N +, Nitrate-N dissolved (00631) | mg/l | |
| <input type="checkbox"/> Total Kjeldahl-N () | mg/l | | <input type="checkbox"/> Ammonia-N dissolved (00608) | mg/l | |
| <input type="checkbox"/> Chemical oxygen demand (00340) | mg/l | | <input type="checkbox"/> Total Kjeldahl-N () | mg/l | |
| <input type="checkbox"/> Total organic carbon () | mg/l | | <input type="checkbox"/> Other: | | |
| <input type="checkbox"/> Other: | | | Analyst | Date Reported | Reviewed by |
| <input type="checkbox"/> Other: | | | | 8/27/85 | C. Dean |
| Laboratory remarks | | | | | |



New Mexico Health and Environment Department
SCIENTIFIC LABORATORY DIVISION
700 Camino de Salud NE
Albuquerque, NM 87106 — (505) 841-2555

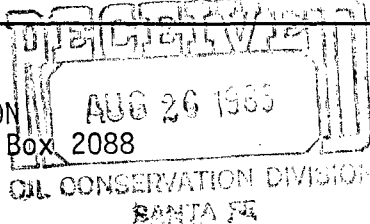
PN

**GENERAL WATER CHEMISTRY
and NITROGEN ANALYSIS**

| | | | | | |
|------------------------------|---------|--|-----------------|-----------|--|
| DATE RECEIVED | 7/29/85 | LAB NO. | HM-1363 | USER CODE | <input type="checkbox"/> 59300 <input type="checkbox"/> 59600 <input checked="" type="checkbox"/> OTHER: 82235 |
| Collection DATE | 7/24/85 | SITE INFORMATION | Sample location | | |
| Collection TIME | 1600 | | HALFORD DITCH | | |
| Collected by — Person/Agency | | Collection site description | | | |
| BAILEY / OCA | | IRRIGATION DITCH BEHIND GENERAL CRUDE PROCESSING, FARMINGTON | | | |

SEND
FINAL
REPORT
TO
▶

ENVIRONMENTAL BUREAU
NM OIL CONSERVATION DIVISION
State Land Office Bldg, PO Box 2088
Santa Fe, NM 87501



Attn: David Boyer

SAMPLING CONDITIONS

| | | | | |
|---|---|----------------------------------|---|-------------|
| <input type="checkbox"/> Bailed <input checked="" type="checkbox"/> Dipped | <input type="checkbox"/> Pump <input type="checkbox"/> Tap | Water level | Discharge | Sample type |
| pH (00400) | Conductivity (Uncorrected) μ mho | Water Temp. (00010) $^{\circ}$ C | Conductivity at 25 $^{\circ}$ C (00094) μ mho | |
| Field comments | | | | |

SAMPLE FIELD TREATMENT — Check proper boxes

| | | | |
|--|--|--|--|
| No. of samples submitted | <input type="checkbox"/> NF: Whole sample (Non-filtered) | <input checked="" type="checkbox"/> F: Filtered in field with 0.45 μ m membrane filter | <input checked="" type="checkbox"/> A: 2 ml H₂SO₄ /L added HNO ₃ |
| <input type="checkbox"/> NA: No acid added <input type="checkbox"/> Other-specify: | | | |

ANALYTICAL RESULTS from SAMPLES

| NF, NA | Units | Date analyzed | F, NA | Units | Date analyzed |
|---|-----------|---------------|---|---------------|---------------|
| <input type="checkbox"/> Conductivity (Corrected) 25 $^{\circ}$ C (00095) | μ mho | | <input type="checkbox"/> Calcium (00915) | mg/l | |
| <input type="checkbox"/> Total non-filterable residue (suspended) (00530) | mg/l | | <input type="checkbox"/> Magnesium (00925) | mg/l | |
| <input checked="" type="checkbox"/> Other: ICAP SCW | | | <input type="checkbox"/> Sodium (00930) | mg/l | |
| <input type="checkbox"/> Other: | | | <input type="checkbox"/> Potassium (00935) | mg/l | |
| <input type="checkbox"/> Other: | | | <input type="checkbox"/> Bicarbonate (00440) | mg/l | |
| | | | <input type="checkbox"/> Chloride (00940) | mg/l | |
| | | | <input type="checkbox"/> Sulfate (00945) | mg/l | |
| | | | <input type="checkbox"/> Total filterable residue (dissolved) (70300) | mg/l | |
| | | | <input type="checkbox"/> Other: | | |
| NF, A-H ₂ SO ₄ | | | F, A-H ₂ SO ₄ | | |
| <input type="checkbox"/> Nitrate-N ⁺ , Nitrate-N total (00630) | mg/l | | <input type="checkbox"/> Nitrate-N ⁺ , Nitrate-N dissolved (00631) | mg/l | |
| <input type="checkbox"/> Ammonia-N total (00610) | mg/l | | <input type="checkbox"/> Ammonia-N dissolved (00608) | mg/l | |
| <input type="checkbox"/> Total Kjeldahl-N () | mg/l | | <input type="checkbox"/> Total Kjeldahl-N () | mg/l | |
| <input type="checkbox"/> Chemical oxygen demand (00340) | mg/l | | <input type="checkbox"/> Other: | | |
| <input type="checkbox"/> Total organic carbon () | mg/l | | | | |
| <input type="checkbox"/> Other: | | | | | |
| <input type="checkbox"/> Other: | | | | | |
| Laboratory remarks | | | Analyst | Date Reported | Reviewed by |
| | | | | 8/16/85 | Jim Ashby |

ICAP -SCREEN

Lab Number: # N 1363

Date Submitted: 7/29/85

By: Bailey

Sample Code: Halford Ditch

Date Reported: 8/16/85

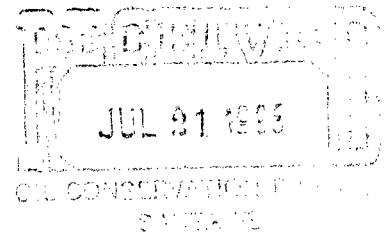
By: Jim Ashley

Determination

Concentration (µg/ml)

| | |
|------------|-----------------|
| Aluminum | <u><0.1</u> |
| Barium | <u><0.1</u> |
| Beryllium | <u><0.1</u> |
| Boron | <u><0.1</u> |
| Cadmium | <u><0.1</u> |
| Calcium | <u>58.</u> |
| Chromium | <u><0.1</u> |
| Cobalt | <u><0.1</u> |
| Copper | <u><0.1</u> |
| Iron | <u><0.1</u> |
| Lead | <u><0.1</u> |
| Magnesium | <u>7.3</u> |
| Manganese | <u><0.05</u> |
| Molybdenum | <u><0.1</u> |
| Nickel | <u><0.1</u> |
| Silicon | <u>3.3</u> |
| Silver | <u><0.1</u> |
| Strontium | <u>0.7</u> |
| Tin | <u><0.1</u> |
| Vanadium | <u><0.1</u> |
| Yttrium | <u><0.1</u> |
| Zinc | <u><0.1</u> |

WELL SERVICE COMPANIES
QUESTIONNAIRE



Check one or more, as applicable.

I. Types of Services Performed:

- ☒ Vacuum Hauling/Tank Cleaning
- ☐ Acidizing
- ☐ Fracturing
- ☐ Cementing
- ☐ Drilling mud/additives
- ☐ Other (Specify)

II. General Types of Products and Quantities Used in
Service or Transported in 1984:

| | Quantity (bbls.) |
|--|------------------------|
| <input type="checkbox"/> Acids | <input type="text"/> |
| <input type="checkbox"/> Brines | <input type="text"/> |
| <input type="checkbox"/> Caustics | <input type="text"/> |
| <input type="checkbox"/> Drilling Mud/Additives | <input type="text"/> |
| <input type="checkbox"/> Corrosion Inhibitors | <input type="text"/> |
| <input type="checkbox"/> Surfactants/Polymers | <input type="text"/> |
| <input type="checkbox"/> Shale Control Inhibitors | <input type="text"/> |
| <input type="checkbox"/> Radioactive Tracers Returned from Wellbores or Pipelines | <input type="text"/> |
| <input type="checkbox"/> Oxygen Scavangers | <i>See other pages</i> |
| <input checked="" type="checkbox"/> Waste Oil | " " |
| <input checked="" type="checkbox"/> Produced Water | <input type="text"/> |
| <input type="checkbox"/> Other (Specify) | <input type="text"/> |

III. TYPE, QUANTITY, AND LOCATION OF WELL SERVICE FLUIDS AND SOLIDS, PRODUCED WATER, OR WASTE OIL DISPOSAL

| TYPE OF FLUID OR SOLID | VOLUME (BARRELS) | DISPOSAL SITE (NO. FROM BELOW) | LOCATION | NATURE OF DISPOSAL LOCATION (LETTER FROM BELOW) |
|------------------------|------------------|--------------------------------|---------------|--|
| Water Cndle | 530 Monthly | Return to Producer | Lease | |
| Produced Water | 300 Monthly | #2. - #4 | Florida Vista | B In some cases we haul water back out to lease and put it back in the production pit. |

Disposal Sites

1. Individual Well Site (Do not list all locations)
2. Sanitary Landfill ☒
3. Injection Wells (Do not list locations)
4. Evaporation Pond ☒
5. Chemical Waste Tank
6. City Sewer
7. Company Facilities
8. Other (Specify)

Nature of Disposal Location

- A. Lined Pit
- B. Unlined Pit
- C. Ground Surface
- D. Above Ground Tank
- E. Buried Tank
- F. Injection Well
- G. Other (Specify)

WELL SERVICE COMPANY INSPECTION

NAME OF COMPANY: General Crude Processing - Howard Whitlock

LOCATION: 8201 E. Main, Farmington

INSPECTION DATE: 7 / 24 / 85

REPORT: 2 heating tanks inoperable / 2 operable: large bulges
on sides of tanks. Oil leaks apparent on ground from pipes
leading to settling tanks, treating tanks; on surface around
tanks and small ponds by tanks. Water(?) storage pit has 8"
crude on surface. Stirred with stick, could not see oil/water
interface. Whitlock claimed pit 4' deep, but could have been
deeper. Whitlock said 6" skimmed off surface last week, and
would be skimmed today WAS NOT.

SAMPLES TAKEN 8507241550 Water(?) Pit

8507241600 Halford irrigation ditch behind Co. facilities

RECOMMENDATIONS: Close evaporation pit on grounds of violation
of Rule 3, Rule 310, Rule 313, permit order, Vulnerable area
definition (disposes 300 Bbls. produced water monthly, in
landfill and evaporation pond), engineering of water(?) storage pit.

FOLLOW UP: _____

EI

7/24/85 BAILEY

Howard Whitlock - 8201 E. Main 327-6946

General Crude Process

and 200ac in 2. 29 N. 12 W to move to.

2 heating tanks inoperable / 2 operable.
Oil leaks apparent on ground from
pipes leading to settling tanks, trapping
tanks, on surface around tanks &
small ponds by tanks. Water (?) pit
has 7-8" crude on surface. Stirred
up sludge, threw in pebbles, could
not see oil/water interface.
Whitlock skinned pit ~ 4' deep, but
could have been deeper. Whitlock
said 1/2" skinned off surface.
Last week, pit would be skinned
today, WAS NOT ON 7/25. WAS BY 8/5/85
8507241550 Sample from water (?) pit
8507241600 Hazardous ditch behind
ad. facilities.

7/25/85 BAILEY

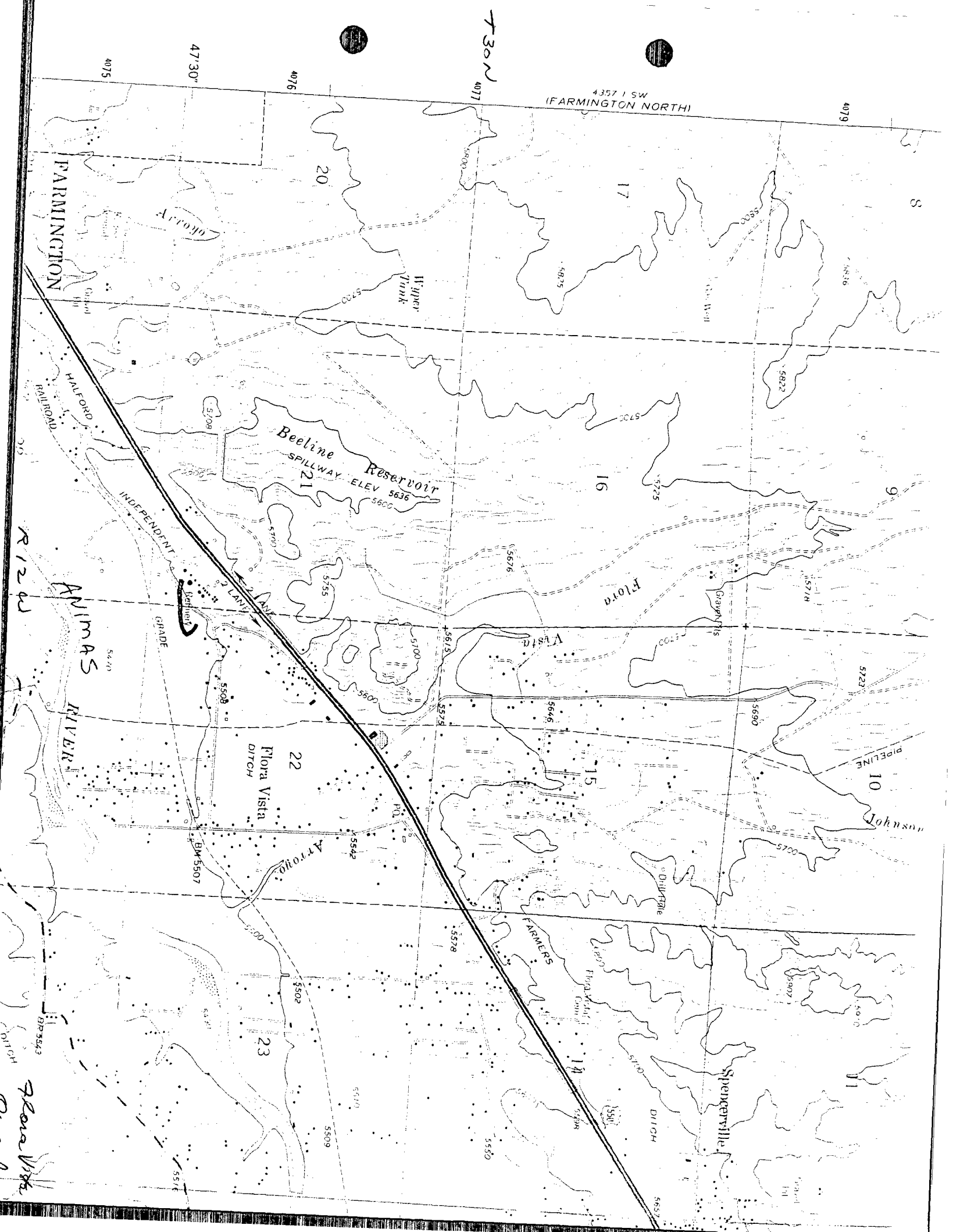
Chief Transport Co. 604 W. Finon, Farm.
O.C. + Dave Turner

Inspection of well service co facilities:

Underground Storage Tanks:

- a) (2) 8000 gal. diesel tanks - gas station
type pumps
 - b) 500 gal used oil tank - drains in
bay - holds used oil & solvent fl.
cleaning machine parts. Level 1/2'
below ground level. Stop picked up
by Mesa Oil Inc., Mike
Fernandez, 4701 Broadway SE
Albq 87105, 877-8855; 1-800-228-8437
Last pickup ~ 2 mos. ago.
- Outside of tanks wooded down to city sewer
inside " " Storm cleaned at Universal
mobile wash.
- Montano family lives behind property - on
city water - no water problems or complaints

Problems: O.C. Turner part owner of Red
Top Tank Co. Red Top changes oil directly on
to ground. Soil stained over 4' x 10' area +
along fence line. O.C. Turner claims



4357 1 SW
(FARMINGTON NORTH)

FARMINGTON

Beeline Reservoir
SPILLWAY ELEV 5636

Flora

Animas River

Flora Vista
DITCH

Spencer

FARMERS

DITCH

R120

Flora Vista

9/7/84

11:30 AM - General Crude Processing (H. Whitlock)
takes waste & crude oils
and separates. Crude
& tank bottoms he heats
& chemically treats to
separate. He drains
to water along a ditch
to a pond (unlined)
formed by ~~excavation~~
diking an arroyo. He
draw down the pond
by orders from Chavez
and dumped the water
& oil in the Flora Vista
Landfill. During the
process several weeks
ago the ~~pond~~ pit almost
overflowed and
drained to flood plain
below.

(Plant was formerly
Decline Refinery)

9/7 Noon - Flora Vista Landfill
one bioporal pit shown for
septic tank wastes, produced
water, and small amount of
floating crude - Appears little
hazard threat to ground water
since is on top of plateau
several miles NW of Amara
River.

1:45 PM Grant Refinery &
San Juan County Landfill
Passed Grant on road to
Landfill - Have two large
boxed structures on hillside one
near top that appear to be
ponds but can't see from
road (Amoco's Enoemaker
says water and such from
Fiberglass pit goes to Grant
for approved disposal). At
Landfill have two large
pits - one at landfill proper has
septic tank, dead animals and
other liquids - said to have produced
water, and disposal of neutralized



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
AZTEC DISTRICT OFFICE

TONEY ANAYA
GOVERNOR

1000 RIO BRAZOS ROAD
AZTEC, NEW MEXICO 87410
(505) 334-8178

May 18, 1984

Mr. Howard Whitlock
General Crude Processing
P.O. Box 2609
Flora Vista, NM 87401

Re: Water Pit

Dear Howard:

Due to the early onset of cold weather last fall, you were unable to comply with the directive from this office to empty the water pit at your plant. Now that the weather has warmed, we expect the pit to be emptied by June 30.

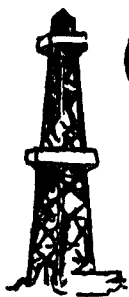
If you have any questions, please contact this office.

Sincerely,

Frank T. Chavez
District Supervisor

FTC/dj

xc: Operator File ✓



General
Crude
Processing

RECEIVED

JUL 29 1983

OIL CON. DIV.
DIST. 3

July 27, 1983

Frank Chavez
New Mexico Oil Conservation Commission
1000 Rio Brazos
Aztec, New Mexico 87410

Dear Frank:

As we discussed on the telephone, I will work at trying to get the pit down to where we can install a tank or something suitable to replace our pit. We do need some sort of pit or open top tank to help us use solar heat to treat some of this crude oil that otherwise has sometimes gone to waste.

We expect to, or try to, have the pit down by the middle of October, 1983. I doubt that the pit is leaking. It has been here since day one in the old Beeline days but I can understand your concern. It could be leaking and possibly enter the surface water formation.

Sincerely,

Howard F. Whitlock
President

HFw/bfw



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
AZTEC DISTRICT OFFICE

TONY ANAYA
GOVERNOR

1000 RIO BRAZOS ROAD
AZTEC, NEW MEXICO 87410
(505) 334-6178

June 27, 1983

Mr. Howard Whitlock
General Crude Processing
P.O.Box 2609
Farmington, New Mexico 87401

Re: Waste water pit

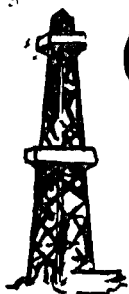
Dear Howard:

As we talked about earlier by telephone, it will be necessary for you to clean out the referenced pit by September 1, 1983. We understand that the pit had been used by other persons before you assumed its operation, however we are now experiencing underground water pollution in the area. With the increasing population density in the area and the greater demand for groundwater, the operation of this pit will no longer be acceptable. Please contact us when the pit is ready for our inspection.

Yours truly,

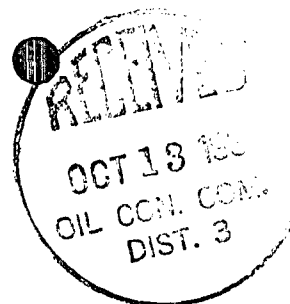
Frank T. Chavez
District Supervisor

FTC/ca



General **C**rude **P**rocessing

operator file
3-P



October 7, 1981

Senator Pete Domenici
New Federal Bldg.
500 Gold Ave. S.W. Room 10013
Albuquerque, New Mexico 87103

Dear Honorable Senator Pete Domenici,

The U.S.G.S. agreed to Mr. Hatch and myself to let the oil companies just call them so the U.S.G.S. could look at the oil when or before we went out to pick it up. This oil company has always been very cooperative in letting us pick up waste crude, but after Mr. Keller, U.S.G.S., told them they had to have written notice we were told by this oil company we could not pick up any more waste crude.

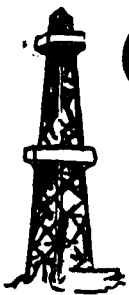
One oil company was told by the U.S.G.S. that they wanted this waste oil measured to the gallon. They have several small pits and they used to gather it out of the small pits and put it into larger pits, where we would pick it up. Now they will not let us pick up any oil and have not picked up the oil out of their smaller pits for quite some time. What benefit is this to anyone? What has the U.S.G.S. proven? Government does not belong in private industry in this manner.

I was told by another oil company they would not call the U.S.G.S. to come out and find some problem on a lease besides questioning their decision on waste oil. He said they have enough hassle with the U.S.G.S. without asking for it.

I have had several tell me if I could come out without all the paper work, I could have the waste oil just for picking it up. When I tell them I can't pick up oil without the paper work they tell me to just forget it. They would get rid of it another way.

We want out to another company location where waste oil had previously been stored in a pit, it had been burned just recently, green weeds were burned along the edge of the pit so we know it had been recently burned.

Since we haven't been picking up crude because of these regulations, I have noticed several dark smoke clouds along the hkyline. Before, when we were able to pick up crude without all of these regulations a dark cloud of smoke was unusual to see.



General **C**rude **P**rocessing

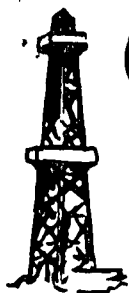
I believe all of these regulations to be on a local level wrote up by Jim Sims. No one I know in this business is having the problems I am. If this is all the U.S.G.S. has to do is hassle us, then I would say we don't need this part of the government organization. No one will take it upon themselves to make a decision. One U.S.G.S. supervisor agreed it was a bad rule but he didn't make it and could not change it. Who can?

Sincerely,

Howard F. Whitlock
President

Cc: Christine A. Donisthorpe
Frank Chavez
HFW/cmw





General **C**rude **P**rocessing

There are ten companies in the area now who will not let us pick up waste crude. The oil companies will not tolerate being treated like children. Why wouldn't a telephone call from the oil companies to the U.S.G.S. work just the same as written notification. When we call the U.S.G.S., we write down the date, who we talked with, and where we are going. It would really work just as well, but maybe it is just too much for the U.S.G.S. to do.

Before we started picking up this waste crude, companies were burning and dumping the waste crude on the roads. The price was higher then, than it is now with no concern by the U.S.G.S., why now? If they were not getting royalties paid, then why is it so important now? The oil companies have more interest in the oil than anyone else. If they can get a higher price out of the oil, I'm sure they will keep it and process it themselves. Who is supposed to be operating the leases anyway?

What is the U.S.G.S. going to do when nobody is here to pick up the waste oil? Who is going to pay any of the royalties on the waste crude? I believe the U.S.G. U.S.G.S. is having a hard time trying to justify their being. I believe the waste crude has been blown way out of proportion. Is this the U.S.G.S.'s main concern or do they have something else to do?

When we first started picking up waste crude, we would go to the New Mexico Oil Commission, get a permit to pick up the oil. We started in business in January, 1980. In December of 1980, Mr. Chavez, New Mexico Oil Commission, suggested I started calling the U.S.G.S. when we went out to pick up waste crude to maybe protect ourselves and it would just be a courtesy call, and maybe they could help us in locating some of the waste crude pits. Have you ever heard or seen the cartoon "I'm from the government and I'm here to help you". They were sure a lot of help!

I am paying for trucks, land and tanks and trying to pay salaries. The Interest rates are now 20 percent and rising. I have been down for three months. I do not know how much longer I can keep this up, but only for a short time I'm sure. I need to stay in business for not only my own sake but for the sake of many others. Including the very people that are trying to put us out of business.

There is now another supervisor in this U.S.G.S office making a total of five or six in the past five months. One is as much help to us as another. Absolutely no help! I am desperate and need some sort of help. What can be done?



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
AZTEC DISTRICT OFFICE

BRUCE KING
GOVERNOR
LARRY KEHOE
SECRETARY

JUNE 9, 1981

1000 RIO BRAZOS ROAD
AZTEC, NEW MEXICO 87410
(505) 334-6178

Mr. Joe D. Ramey
Oil Conservation Division
P.O. Box 2088
Santa Fe, New Mexico 87501

Re: Pit at General Crude Processing Plant

Dear Joe:

The referenced pit has been in use for over 25 years, first by Bee-Line Refinery, then by Plateau Incorporated, and now by General Crude. This pit is used to hold water separated from treated oil. A slight skim of oil from 1/8" to 1/2" gradually develops on the pit and then is skimmed off. When the water level gets high enough, the water is then taken out of the pit to a water disposal system in Aneth, Utah.

The soil type contains a lot of clay which allows little or no percolation and actually exceeds Soil Conservation Service specifications for clay sealed ponds. The side of the pit indicates the fluctuating liquid levels in the pit as water is added then taken out.

The water wells in this area are completed in river alluvium and the direction of ground water flow is such that if any leakage did occur from this pit (which is not in the alluvium) it would not contaminate any fresh water source. Also, leakage from this pit could be easily detected on the sides of the hill on which the pit is situated.

At this time, I can see no further action that needs to be taken.

Yours truly,

Frank T. Chavez
District Supervisor

XC: Reading File
General Crude Processing

MEMORANDUM

F-152
331

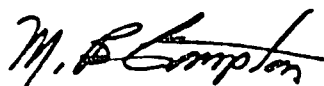
Water Resources Division
Room 11 Bataan Building
Santa Fe, New Mexico

May 25, 1981

TO Joe Ramey, Commissioner, New Mexico Oil Commission
FROM M. B. Compton, Engineer, Water Rights Bureau
SUBJECT Memo of E. C. Barry dated May 11, 1981

At the request of Mr. Reynolds, we are enclosing a copy of the field check made by E. C. Barry on May 6, 1981 of an unlined open pit used for the dumping of waste oil near Farmington, New Mexico. We would appreciate being notified of any action you take in this matter.

MBC:fr


M. B. Compton
Engineer
Water Rights Bureau

RECEIVED MAY 20 1983

MEMO

DATE 5/13/81McQuinn

- For Your Information () Note & Return
 For Your Files () Circulate
 For Your Handling ()

WRKS: Attached is a report on an unlined
 en pit near Farmington.

Gray & I conclude we should
 send copy to Joe Ramey for
 his consideration.

Beard

MEMO

DATE 5-14TO: Brad

- () For Your Information () Note & Return
 () For Your Files () Circulate
 () For Your Handling ()

REMARKS:

I would like a
 copy of this including
 Stead's note

Gene

TO Brad Compton: Asst. Chief of Water Rights Bureau

FROM E. C. Barry, Water Resources Spec. I

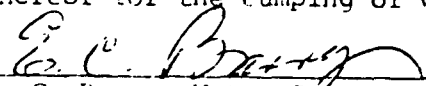
SUBJECT Unlined open pit used for the dumping of waste oil.

Field check by E. C. Barry on May 6, 1981 disclosed the following:

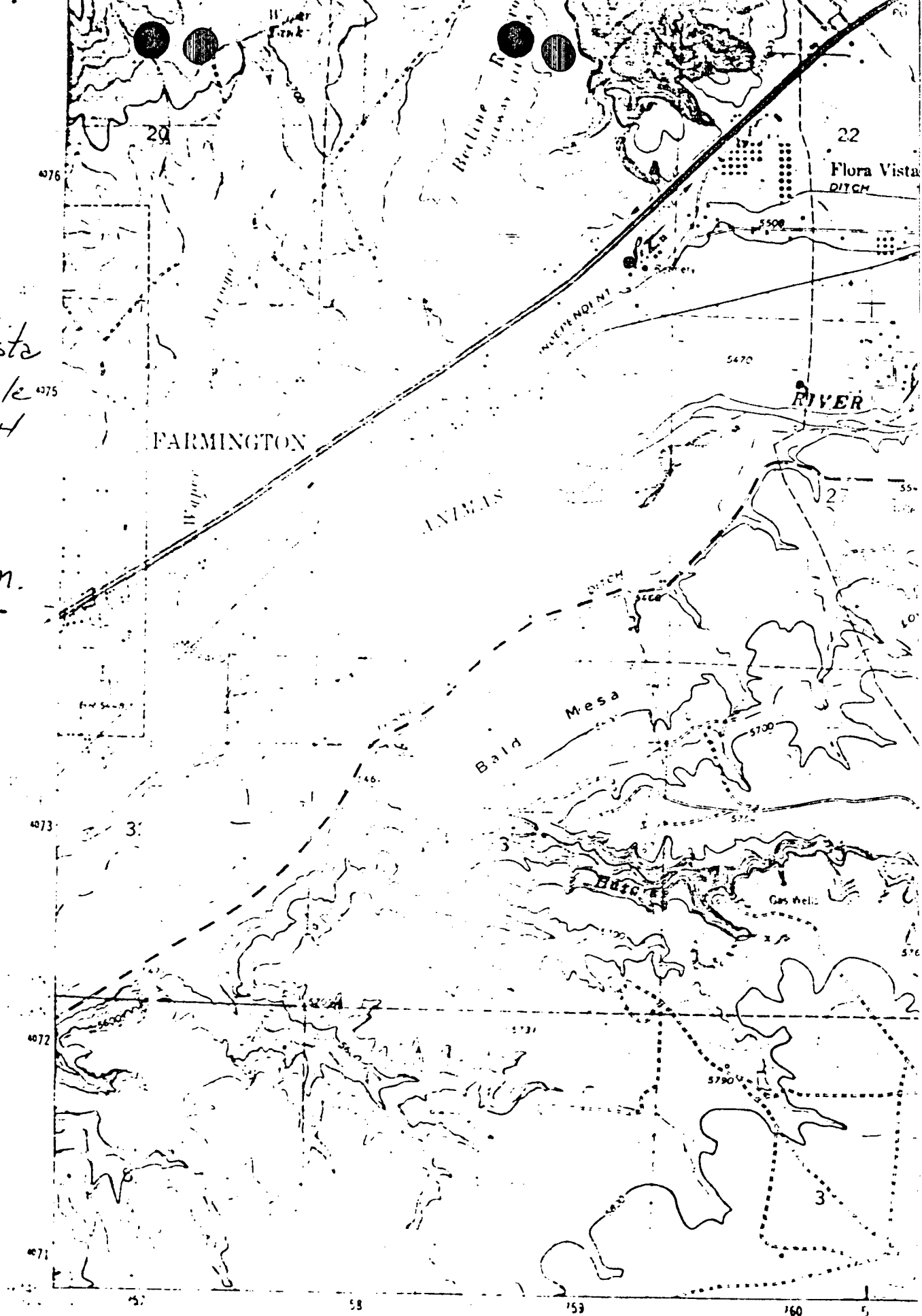
1. A surface pit approximately 30 feet in diameter and approximately 15 feet in depth is located in the SE $\frac{1}{4}$ SE $\frac{1}{4}$ Section 21, Township 30 North, Range 12 West, NMPM, is being used for the dumping of waste oil. The land is believed to be owned by General Crude Processing Company, Flora Vista, New Mexico. The pit is shown on Flora Vista Quadrangle No. 2.2.4 and a photo taken the day of field check.
- 2.. It appears that old oil is dumped into the pit from excess waste in the operation of a refinery or the cleaning of trucks that haul oil to the refinery for processing.
3. According to the side of the pit approximately 1 foot of oil has in the past percolated underground. The pit at present contains approximately 4 to 6 feet in depth of oil. This is indicated in the photo.
4. Several domestic type water wells exist below the elevation of the pit. The Halford Independent irrigation ditch is also below the elevation.

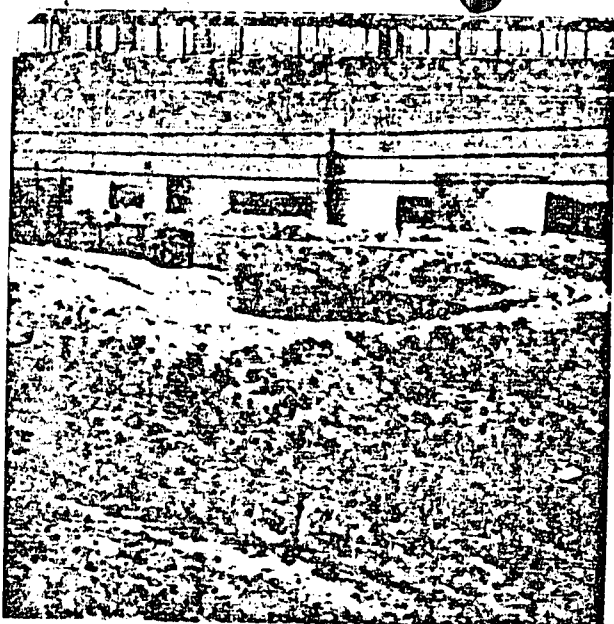
Summary: Contamination of the underground water of the San Juan Underground Water Basin is very likely to happen if the dumping of waste oil into the pit is continued for sometime. The Halford Independent irrigation ditch is also likely to become contaminated by the dumping of waste oil into the pit is continued.

Recommendations: It is recommended that some action be taken to either have the pit lined or to cease the operation thereof for the dumping of waste oil.


E. C. Barry, Water Resources Spec. I
Water Rights Bureau

Flora Vista
Quadrangle 475
No. 2-2-H
Sec. 21-
1' 30" N
R 12W,
N.M.P.M.





5-6-81 by EC Barry 20204
General Crude Processing
Aztec - Farmington #550

*file
General Encls*



RAILROAD COMMISSION OF TEXAS

P.O. DRAWER 12967
AUSTIN, TEXAS 78711

March 26, 1981

JAMES E. (JIM) NUGENT
CHAIRMAN

Mr. Frank T. Chavez
District Supervisor
State of New Mexico
Energy and Minerals Department
Oil Conservation Division
1000 Rio Brazos Road
Aztec, New Mexico 87410

Dear Mr. Chavez:

Your letter of March 13 regarding the treatment plant operation by Mr. Tim Mulville has been brought to my attention. I have forwarded a copy of your letter to our Oil and Gas Division District in which he has operations.

Thank you very much for your letter on this matter.

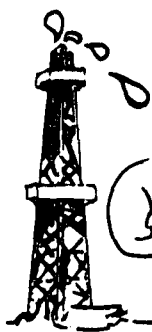
Respectfully yours,

Jim Nugent
James E. (Jim) Nugent
CHAIRMAN

JEN/cb

cc: Mr. Willis Steed, Director
Field Operations





GENERAL CRUDE PROCESSING

P. O. Box 2609/Farmington, New Mexico 87401 ☐ 505-327-6946

November 21, 1980

State of New Mexico
Energy and Minerals Department
Oil Conservation Commission
P. O. Box 2988
Santa Fe, New Mexico 87501

Gentlemen:

This is to advise that General Crude Processing, Wyoming Partnership certified by you Case #6887 - Order K-6354 has been incorporated as of July 7, 1980.

Please drop Crude Processing, George Streib, and Lynn Fross out of the incorporation. The present incorporators are:

HOWARD F. WHITLOCK
TIM MULVILLE

Sincerely,

Tim Mulville,
President

CT

TM/mb

CC: Mr. Frank Chavez
Aztec, NM. NMOCD



R. E. KARLIN
CHAIRMAN



FIRE MARSHAL

DAVID A. VARGAS
MANAGER

DON McGONIGLE
FIRE MARSHAL

ROBERT L. BATLEY, JR.
MEMBER

LINN R. BLANCETT
MEMBER

SAN JUAN COUNTY
112 SOUTH MESA VERDE AVE.
AZTEC, NEW MEXICO
87410

APR 11, 1980

Mr. Tim Mulville
General Crude Processing
P.O. Box 2609
Farmington, NM 87401

Dear Mr. Mulville:

Per your request concerning whether your reclaiming oil facility in Flora Vista is in compliance with the Uniform Fire Code, (San Juan County Ordinance #6). As you are aware deficiencies exist which should be corrected:

1. Check valves must be placed at the unloading rack.
2. All pipes must be properly supported.
3. All diking will be in accordance with the Uniform Fire Code.
4. Removal of the waste petroleum presently located in a pond.

Deficiencies No. 1, 2, and 3 above should be corrected no later than April 30, 1980, and deficiency No. 4 should be corrected by June 15, 1980.

When the above deficiencies have been corrected, and no further expansion is noted your facility will then be in compliance with the Uniform Fire Code.

If I can be of any further assistance to you, or answer any questions you may have, please do not hesitate to call on me at the above number.

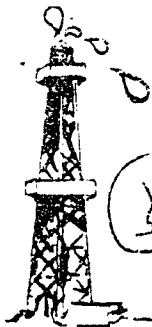
Yours in fire protection.

Sincerely,

A handwritten signature in cursive script, appearing to read "Don McGonigle".

Don McGonigle
Fire Marshal

DM/jb



GENERAL CRUDE PROCESSING

P. O. Box 2609/Farmington, New Mexico 87401 ☐ 505-327-6946

April 14, 1980

Fire Marshal
San Juan County
Mr Don McGonigle;

Dear Mr McGonigle;

Per you letter dated April 07, 1980, on compliance with the Uniform Fire Code, (San Juan County Ordinance #6). The deficiencies which you outlined have been corrected or will be corrected prior to the dates indicated in your letter.

1. Check valves are in place at the unloading rack.
2. All pipes that we use are now properly supported.
3. All diking for our operation currently used are now complied with.
4. Removal of waste petroleum presently located in pond will be complied with by June 15, 1980.

Thank you for your time and consideration in these matters.

Sincerely,


Tim Mulville

cc;file

TM/gm

OIL CONSERVATION DIVISION
P. O. BOX 2088
SANTA FE, NEW MEXICO 87501REQUEST FOR ALLOWABLE
AND
AUTHORIZATION TO TRANSPORT OIL AND NATURAL GAS

| | |
|---|---|
| 1. OPERATOR | |
| GENERAL CRUDE PROCESSING | |
| Address P.O. BOX 2609 FARMINGTON, NEW MEXICO 87401 | |
| Reason(s) for filing (Check proper box) | |
| New Well <input type="checkbox"/> | Change in Transporter of: Oil <input checked="" type="checkbox"/> Dry Gas <input type="checkbox"/> |
| Recompletion <input type="checkbox"/> | Casinghead Gas <input type="checkbox"/> Condensate <input type="checkbox"/> |
| Change in Ownership <input type="checkbox"/> | Other (Please explain) IN COMPLIANCE WITH STATE OF NEW MEXICO ENERGY & MINERALS DEPT., OIL CONSERVATION DIV RULES & REG., RULES 311/ 313 |

If change of ownership give name
and address of previous owner _____

II. DESCRIPTION OF WELL AND LEASE

| | | | | |
|--|----------|--------------------------------|--|-----------|
| Lease Name | Well No. | Pool Name, Including Formation | Kind of Lease State, Federal or Fee | Lease No. |
| Location | | | | |
| Unit Letter _____ Feet From The _____ Line and _____ Feet From The _____ | | | | |
| Line of Section _____ Township _____ Range _____, NMPM, _____ County | | | | |

III. DESIGNATION OF TRANSPORTER OF OIL AND NATURAL GAS

| | | |
|--|--|------|
| Name of Authorized Transporter of Oil <input checked="" type="checkbox"/> or Condensate <input type="checkbox"/> GENERAL CRUDE PROCESSING | Address (Give address to which approved copy of this form is to be sent) P.O. BOX 2609 FARMINGTON, NEW MEXICO 87401 | |
| Name of Authorized Transporter of Casinghead Gas <input type="checkbox"/> or Dry Gas <input type="checkbox"/> | Address (Give address to which approved copy of this form is to be sent) | |
| If well produces oil or liquids, give location of tanks. | Unit | Sec. |
| | Twp. | Rge. |
| | Is gas actually connected? <input checked="" type="checkbox"/> When _____ | |

If this production is commingled with that from any other lease or pool, give commingling order number: _____

IV. COMPLETION DATA

| | | | | | | | | |
|--------------------------------------|-----------------------------|----------|-----------------|----------|--------|-------------------|-------------|--------------|
| Designate Type of Completion - (X) | Oil Well | Gas Well | New Well | Workover | Deepen | Plug Back | Same Res'v. | Diff. Res'v. |
| Date Spudded | Date Compl. Ready to Prod. | | Total Depth | | | P.B.T.D. | | |
| Elevations (DF, RKB, RT, GR, etc.) | Name of Producing Formation | | Top Oil/Gas Pay | | | Tubing Depth | | |
| Perforations | | | | | | Depth Casing Shoe | | |
| TUBING, CASING, AND CEMENTING RECORD | | | | | | | | |
| HOLE SIZE | CASING & TUBING SIZE | | DEPTH SET | | | SACKS CEMENT | | |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |

V. TEST DATA AND REQUEST FOR ALLOWABLE
OIL WELL

(Test must be after recovery of total volume of load oil and must be equal to or exceed top allowable for this depth or be for full 24 hours)

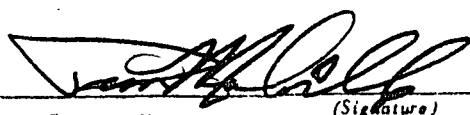
| | | |
|---------------------------------|-----------------|---|
| Date First New Oil Run To Tanks | Date of Test | Producing Method (Flow, pump, gas lift, etc.) |
| Length of Test | Tubing Pressure | Casing Pressure |
| Actual Prod. During Test | Oil - Bbls. | Water - Bbls. |

GAS WELL

| | | | |
|----------------------------------|---------------------------|---------------------------|-----------------------|
| Actual Prod. Test-MCF/D | Length of Test | Bbls. Condensate/MMCF | Gravity of Condensate |
| Testing Method (pilot, back pr.) | Tubing Pressure (Shut-in) | Casing Pressure (Shut-in) | Choke Size |

1. CERTIFICATE OF COMPLIANCE

I hereby certify that the rules and regulations of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief.


(Signature)

OWNER/OPERATOR

(Title)

MARCH 20, 1980

(Date)

OIL CONSERVATION DIVISION
MAY 22 1980

APPROVED _____, 19 _____

BY Original Signed by FRANK T. CHAVEZ

SUPERVISOR DISTRICT #3

TITLE _____

This form is to be filed in compliance with RULE 1104.

If this is a request for allowable for a newly drilled or deepened well, this form must be accompanied by a tabulation of the deviation tests taken on the well in accordance with RULE 111.

All sections of this form must be filled out completely for allowable on new and recompleted wells.

Fill out only Sections I, II, III, and VI for changes of owner, well name or number, or transporter, or other such change of condition.

Separate Forms C-104 must be filed for each pool in multiply completed wells.



Western Agency

INSURANCE

of NEW MEXICO, INC.

JOHN H. JONES
ROSS DURANT

April 1, 1980

Frank L. Chavez
1000 Rio Brazos Road
Aztec, NM 87410

RE: Timothy Mulville, Lynn Fress, George Streib
d/b/a General Crude Processing

Dear Sir,

This is to notify you that Western Agency Insurance Company of New Mexico has applied for a \$10,000 Treating Plant Bond for the above insured.

Thank you,

Nancy Nielsen

Nancy Nielsen
Western Agency Insurance





STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION
AZTEC DISTRICT OFFICE

BRUCE KING
GOVERNOR

LARRY KEHOE
SECRETARY

1000 RIO BRAZOS ROAD
AZTEC, NEW MEXICO 87410
(505) 334-6178

March 20, 1980

Mr. Tim Mulville
General Crude Processing
P. O. Box 2609
Farmington, New Mexico 87401

Re: Flora Vista treating plant

Dear Mr. Mulville:

The letter authorizes you to operate the referenced plant for a period of sixty (60) days from the above date pending approval of your application. However, you are directed to file the required performance bond immediately or this authority will be rescinded.

Your application should contain the following information in detail:

1. Location of plant - show schematic drawing of plant, its location to highways, residences and any outstanding topographic features.
2. Type of plant - describe processes and chemicals used to treat oil.
3. Capacity - describe treating capacity and storage capacity; describe firewall design and capacity, and pit design and capacity; describe sources and quantities of feedstock and disposition of crude oil and plant wastes, residues and water.
4. Certification from appropriate fire control agency that plant complies with local fire safety regulations.

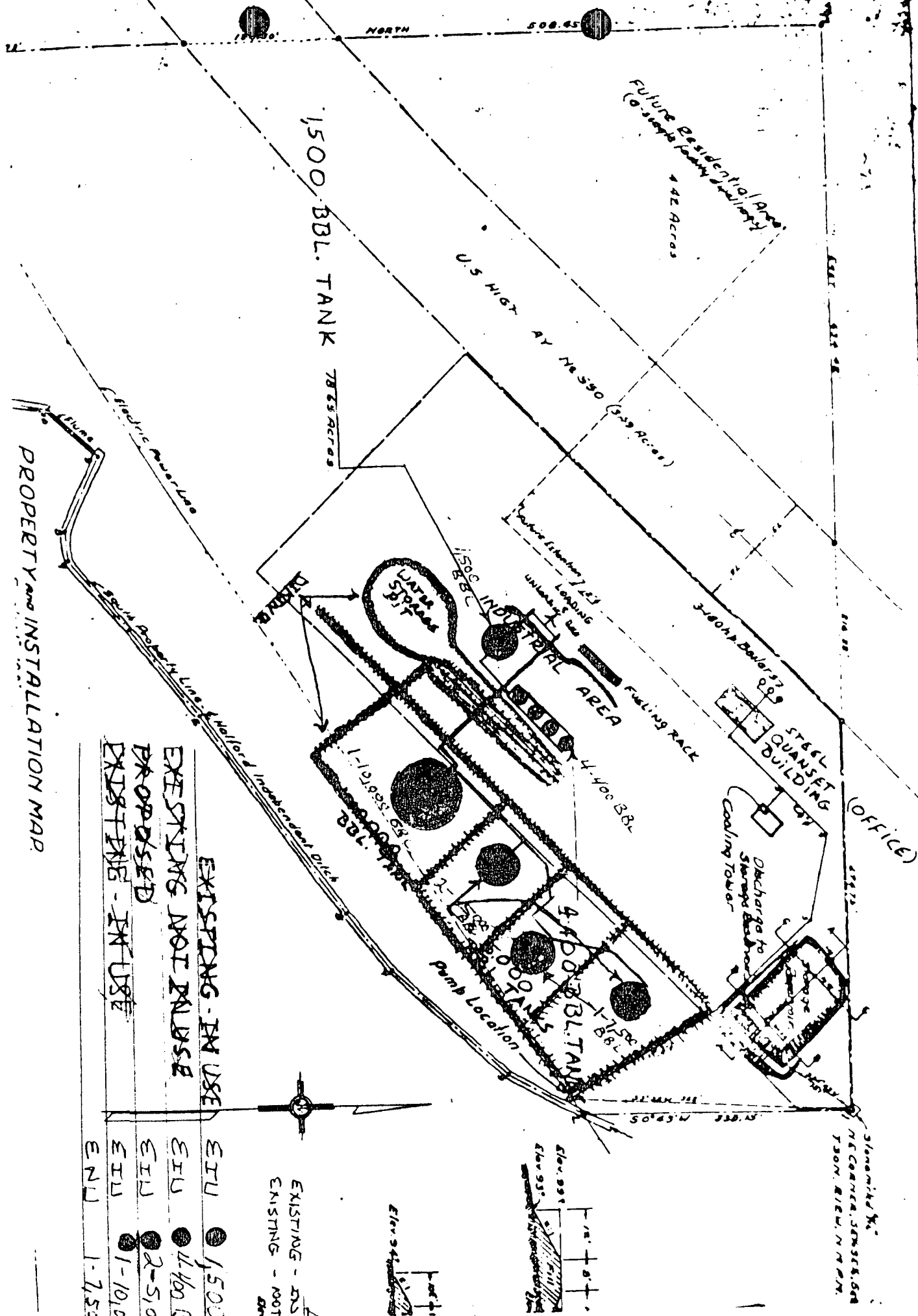
If you have any questions, please don't hesitate to contact this office.

Yours truly,

Frank T. Chavez
District Supervisor

xc: Oil Conservation Division, Santa Fe

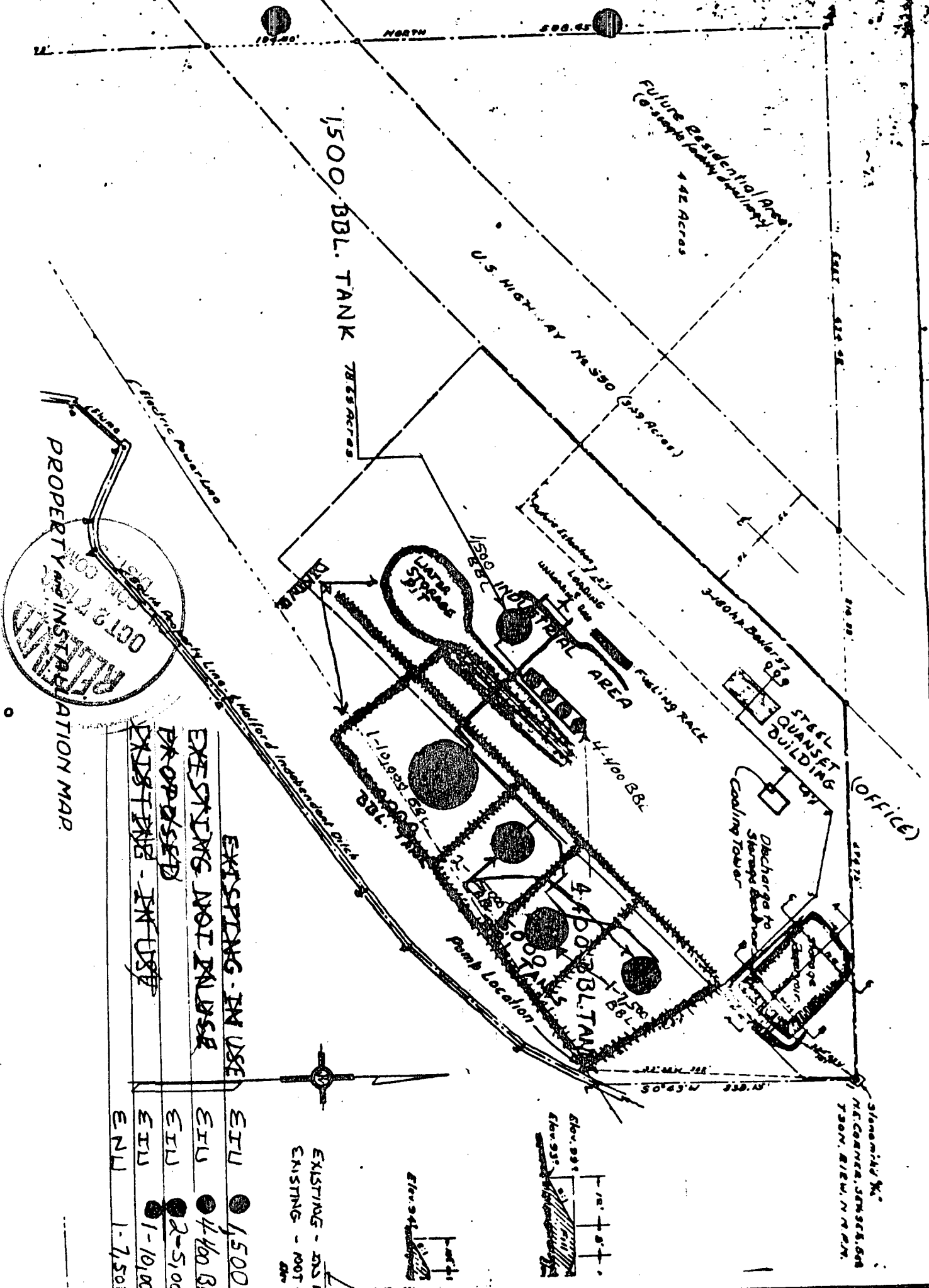
FTC:no



| EXISTING - IN USE | EXISTING NOT IN USE | PROPOSED | EXISTING - IN USE |
|---|---------------------------------|-------------------------------------|---|
| ETU ● 1,500 BBL. CELL TANK FINISHED PROJECT | ETU ● 4,400 BBL. TREATING TANKS | ETU ● 2-5,000 BBL. TANKS (SLOP OIL) | ETU ● 1-10,000 BBL. TANK FILL OIL STORAGE |
| | | ETU ● 1-7,500 BBL. TANK NOT IN USE | |

LEGEND
 EXISTING - IN USE = ETU
 EXISTING - NOT IN USE = END

APPLICATION FOR OIL TREATING
 PLANT PERMIT BY GENERAL CRUDE
 PROCESSING
 CASE NO. 6887
 EXHIBIT NO. 3



| | | |
|---------------------|-----|--------------------------------------|
| EXISTING - IN USE | ETU | 1500 BBL. Cell Tank finished Product |
| EXISTING NOT IN USE | ETU | 4400 BBL. TREATING TANKS |
| PROPOSED | ETU | 2-5000 BBL. TANKS (Slop Oil) |
| EXISTING - IN USE | ETU | 1-10,000 BBL. TANK Pit Oil Storage |
| | ENU | 1-7500 BBL. TANK NOT IN USE |

LEGEND
 EXISTING - IN USE = ETU
 EXISTING - NOT IN USE = ENU

APPLICATION FOR OIL TREATING
 PLANT PERMIT BY GENERAL CRUDE
 PROCESSING
 CASE NO. 6887
 EXHIBIT NO. 3

Operator file