

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

APPLICATION OF THE NEW MEXICO OIL CONSERVATION DIVISION FOR A SHOW CAUSE HEARING REQUIRING SOUTHWEST WATER DISPOSAL, INC., (SWD) TO APPEAR AND SHOW CAUSE WHY IT SHOULD NOT BE ORDERED TO COMPLY WITH ITS PERMIT REQUIREMENTS AND CLOSE ITS COMMERCIAL CLAY LINED SURFACE EVAPORATION POND LOCATED IN THE SE/4 OF THE SW/4, SECTION 32, TOWNSHIP 30 NORTH, RANGE 9 WEST, NMPM, SAN JUAN COUNTY, NEW MEXICO.

**CASE NO. 11467
ORDER NO. R-10593**

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on March 21, 1996, and on May 2, 1996, at Santa Fe, New Mexico, before Examiners David R. Catanach and Michael E. Stogner, respectively.

NOW, on this 17th day of May, 1996, the Division Director, having considered the record and the recommendations of the Examiner, and being fully advised in the premises.

FINDS THAT:

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

(2) Southwest Water Disposal, Inc. (Southwest) is the operator of record of a commercial clay lined surface evaporative pond located in the SE/4 SW/4 of Section 32, Township 30 North, Range 9 West, NMPM, San Juan County, New Mexico (the "Facility"), pursuant to a permit issued by the Division to Southwest on May 17, 1988 under Rule 711.

(3) In compliance with Rule 711(A)(3) and the terms of the permit issued by the Division, Southwest posted a cash bond in the amount of \$25,000. The bond was conditioned upon compliance with the statutes of the State of New Mexico, Rules of the Division and satisfactory clean up of the site upon cessation of operation.

(4) In the early part of May, 1994, pursuant to Rule 711(A)(11) and the terms of its permit, Southwest notified the Division that it had become insolvent and would soon be unable to maintain operations of the facility.

(5) On June 30, 1994, Southwest notified the Division of its insolvency and its pending inability to operate beyond July 1, 1994. By Administrative Order 711-0002 issued on July 1, 1994, the Division ordered Southwest to commence closure of the disposal facility by continuing chemical mixing and evaporation operations, and, further, to immediately notify the Division of the failure of any supplier of services to deliver services essential to operations required for public health and safety, if such refusal was attributable to the inability of Southwest to pay for the requested services.

(6) Soon after the issuance of Order 711-0002, Southwest vacated and surrendered the facility to the Division for purposes of assuming operations in order to prevent the possibility of H₂S emissions from the facility.

(7) On August 30, 1994, Southwest and the Division executed a Consent To Enter An Agreement For Operation, Termination And Reclamation. Pursuant to the Consent to Enter, the State and its agents and contractors obtained all rights necessary for the operation, termination, and reclamation of the facility in accordance with standards set forth in the Division's May 17, 1988 Permit for the facility.

(8) Pursuant to the Consent To Enter, the Division, through its agents and contractors, removed the remaining produced waters from the facility by way of continued evaporation operations and disposal through Class II disposal wells. The last remaining waters were removed from the facility in December, 1995. The Division, through its agents and contractors, subsequently recontoured a portion of the berms comprising the ponds of the facility and buried the clay lined skimmer pit. However, additional closure and reclamation activities remain to be completed.

(9) The present conditions of the facility are such that public health and the environment may still need to be protected and contamination of fresh water supplies may still need to be prevented. The Division seeks the completion of the remaining closure and reclamation activities in conformance with the facility permit and applicable Division rules and regulations.

(10) In further fulfillment of its obligations under the facility permit, Southwest should, within thirty (30) days hereof, submit to the Division a plan for the final closure and reclamation of the facility. Such plan should include the following:

- i. All vessels containing liquids and accumulated solids must be removed from the Facility.

- ii. All surface equipment including pipe, pumps, compressors, tanks, vessels, miscellaneous parts and waste materials must be removed from the Facility.
- iii. All contaminated soils, including the buried skim pit, must be remediated or disposed of, according to Division guidelines.
- iv. The disturbed surface area of the Facility should be recontoured and reseeded with native grasses, as appropriate.
- v. All of the requirements of i. through iv. above should be completed within six (6) months from the date the last remaining produced waters were removed from the facility.

(11) Completion of closure and reclamation activities should occur within sixty days from the submission of a closure and reclamation plan, unless otherwise extended by the Division for due cause shown.

(12) No other interested parties appeared at the hearing either in support of or in opposition to this matter.

IT IS THEREFORE ORDERED THAT:

(1) Southwest shall submit to the Division for approval within thirty (30) days herefrom a plan for the final closure and reclamation of the facility, including the following matters:

- i. All vessels containing liquids and accumulated solids must be removed from the Facility.
- ii. All surface equipment including pipe, pumps, compressors, tanks, vessels, miscellaneous parts and waste materials must be removed from the Facility.
- iii. All contaminated soils, including the buried skim pit, must be remediated or disposed of, according to Division guidelines.
- iv. The disturbed surface area of the Facility must be recontoured and reseeded with native grasses, as appropriate.

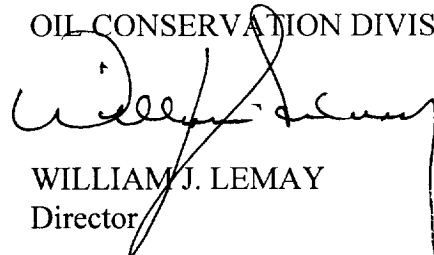
(2) Completion of closure and reclamation activities shall occur within sixty days from the submission of a closure and reclamation plan, unless otherwise extended by the Division for due cause shown.

(3) This Order shall not limit any other remedies the Division may have against Southwest, David Swezey or any other party pertaining to the facility, including, but not limited to, bringing an action for fines for noncompliance with this Order and actions for reimbursement for costs properly incurred by the Division in operating and/or closing the facility.

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

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



WILLIAM J. LEMAY
Director

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