

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

CASE NO. 9051
Order No. R-8395

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION DIVISION ON ITS OWN MOTION TO PERMIT PETRO-THERMO CORPORATION TO APPEAR AND SHOW CAUSE WHY ITS FORM C-133, AUTHORIZATION TO MOVE PRODUCED WATER, SHOULD NOT BE CANCELLED FOR NON-COMPLIANCE WITH OIL CONSERVATION DIVISION REGULATIONS.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on January 7, 1987, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 28th day of January, 1987, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

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

(2) Division General Rules 3 and 710 prohibit the disposal of produced water on the surface of the ground or in any other place in a manner which would constitute a hazard to any fresh water supplies.

(3) By an approved Form C-133, Authorization to Move Produced Water, dated February 15, 1982, Petro-Thermo Corporation received authorization from the Division Director to transport produced water within New Mexico pursuant to Division General Rule 709.

(4) On October 7, 1986, a Field Representative from the Hobbs District Office of the Division observed standing water which had flowed from Petro-Thermo Corporation's truck terminal located at the northeast corner of Burk and Roxana Streets in Hobbs, New Mexico, onto the street and surrounding properties.

(5) A sample taken from the street showed this water to contain 11,360 PPM chlorides.

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(6) Testimony presented at the time of the hearing indicates that a tank truck containing city (fresh) water was allowed to release its load on the ground at said truck terminal.

(7) The evidence presented by the Division is insufficient to determine that Petro-Thermo Corporation had violated the provisions set forth in General Rule 710 and that the Division's request to levy a fine against and to place Petro-Thermo Corporation's authority to transport produced water on a temporary probation be denied.

(8) However, there is sufficient evidence to show that the water exiting Petro-Thermo Corporation's property contains contaminants in sufficient amounts which could pose a threat to fresh water supplies in the area.

(9) This matter can be deemed to be actionable under the Water Quality Control Commission (W.Q.C.C.) of New Mexico's Regulations as delegated to the Oil Conservation Division by an order dated January 15, 1986.

(10) This matter should therefore be further investigated by the Division under authority of the Rules and Regulations of the W.Q.C.C. for possible past violations of said rules and to determine whether a discharge plan is necessary to control current and future discharges at the site.

IT IS THEREFORE ORDERED THAT:

(1) The New Mexico Oil Conservation Division's request to levy a fine against and to place Petro-Thermo Corporation's authority to transport produced water on a temporary probation is hereby denied.

(2) Petro-Thermo Corporation may continue to operate under its approved Form C-133, Authorization to Move Produced Water, dated February 15, 1982.

(3) Petro-Thermo Corporation's truck terminal located at the northeast corner of Burk and Roxana Streets in Hobbs, New Mexico, shall be investigated by the Division under authority of the New Mexico Water Quality Control Commission's Rules and Regulations.

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

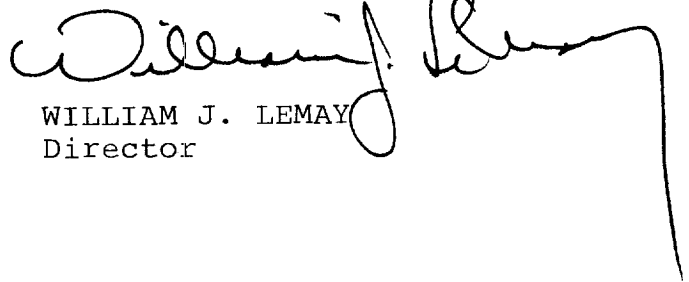
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DONE at Santa Fe, New Mexico, on the day and year
hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

A handwritten signature in black ink, appearing to read "William J. Lemay", is written over the typed name. The signature is fluid and cursive, with a long, sweeping tail that extends downwards and to the right.

WILLIAM J. LEMAY
Director

S E A L

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