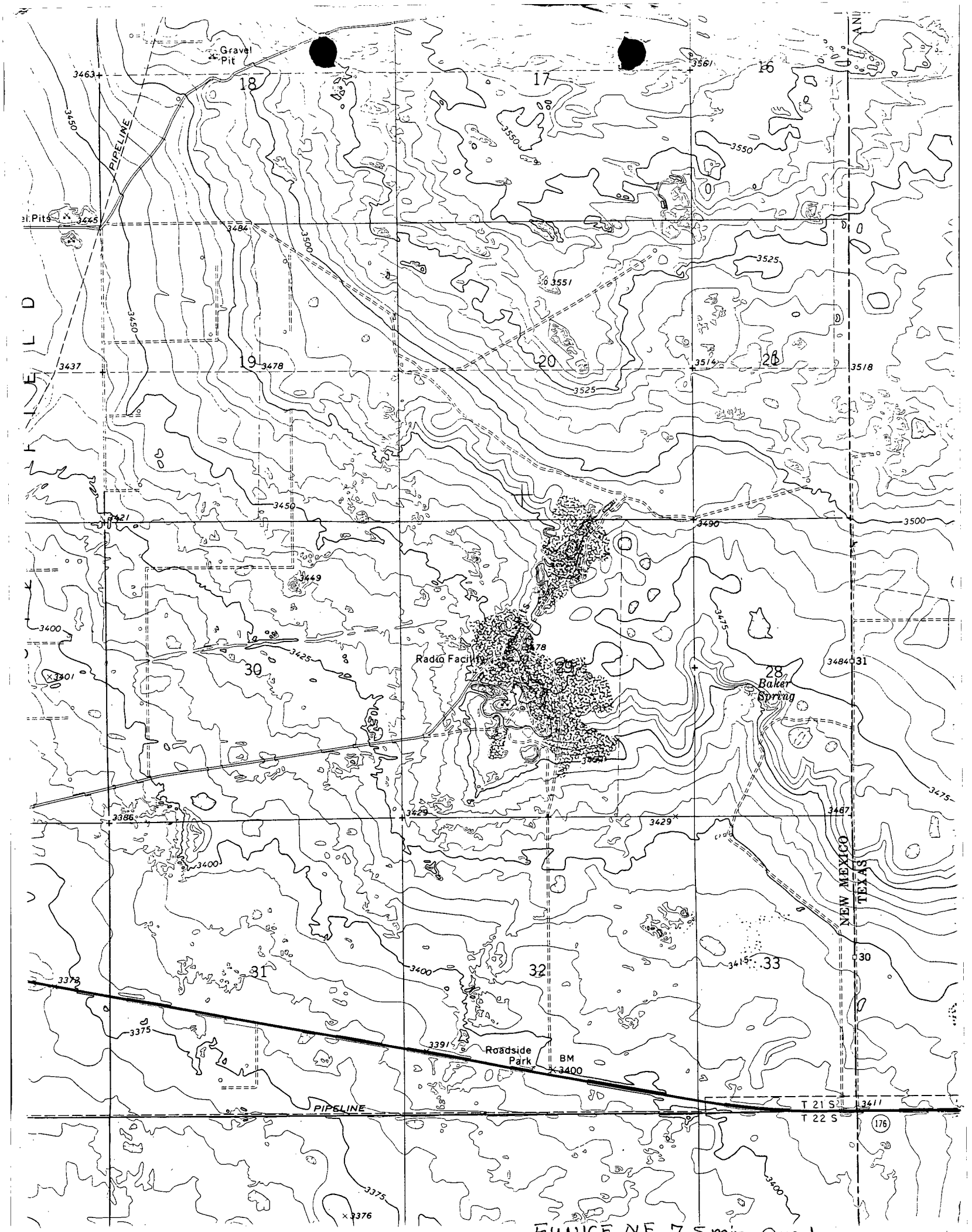
NM1 - 3

GENERAL CORRESPONDENCE

YEAR(S):

1998 → 1993



EUNICE NE 7.5 min. Quad

Sundance Services, Inc.
P.O. Box 1737
EUNICE, NEW MEXICO 88231
505 394-2511

August 21, 1998

Oil Conservation Division
2040 S. Pacheco
Santa Fe, New Mexico 87504

Attn: Martyne Keiling, Roger Anderson

Martyne & Roger;

Attached is a breakdown on the additional information you were requesting. We are still working on the hydrogeologic study and will report any progress we have on this study. We are working diligently on clean up efforts that we have talked about in the past. Sundance is committed into keeping the Oil Conservation Division informed of our progress. If you have any further questions, please feel free to call or write our office at anytime.

Thank You,

Donna Roach

Donna Roach
Office Manager

ADDITIONAL INFORMATION
JULY 20, 1998
SUNDANCE SERVICES INC.
SW/4, Section 29, Township 21 South, Range 38 East, NMPM,
Lea County, New Mexico

1. Sections one, two, three, four and five Application Form C-137 have been answered.

2. Sections six and seven Application Form C-137.

   A. See attached.

3. Section eight Application Form C-137;

   A. Sundance Services Inc. commits to notify the OCD of any break, spill, blow out, or fire or any other circumstance that could constitute a hazard or contamination in accordance with the OCD Rule 116. This commitment is included in our contingency plan attached.

   B. See Attached.

   C. 1. Sundance will empty monitor wells around Pit #2 & Pit #3 and monitored over two quarters.

      2. Sundance will decant Pit #7, empty monitor wells and and monitor for two quarters. If they do not stay empty we will take other actions to find leak and repair.

      3. Pit #6 will have dike cut out around monitor wells and check outside monitor wells for two quarters.

      4. Pit #5 wells will be bailed out and we will find where leak is coming from to design a repair.

      5. Pit #4 wells have water because of water level on Pit #4. We are in the process of lowering the level on this pit and then we can empty monitor wells

and monitor for two quarters.

D. Sundance is taking bids and is in the process of having the hydrogeologic study ran on our facility.

4. Sundance will follow any requirements made by the hydrogeologic study on frequency of monitor well checks.

5. A. A NORM survey is attached.

   B. We have included a new estimate with cost breakdown.

6. Sections 11-12 are completed.

4. We have attached a contingency H2S plan. We also have personal monitors and windsocks at our facility.

5. Section 14 is completed.

6. Section 15 is completed.

SUNDANCE SERVICES INC.
CONTINGENCY PLAN FOR REPORTING AND CLEANUP
OF SPILLS OR RELEASES

Sundance Services Inc.'s spills or releases of oil, salt water, and/or solids that occur in areas not approved for disposal will be handled in the following manner: Sundance is committed to notify the New Mexico OCD of any break, spill, blow out, fire or any other circumstance that could constitute a hazard or contamination in accordance with OCD Rule 116.

GENERAL AREA: Clean up of small spills will be performed on a timely basis. The oil, water, or solids will be disposed of in the proper area and manner in compliance with New Mexico OCD rules and regulations.

Large spills will be acted upon immediately. The New Mexico OCD will be notified and the spill reported in accordance with established guidelines. Cleanup will commence immediately, with the oil, salt water, and/or solids being disposed of in the proper area and manner in compliance with the New Mexico OCD rules and regulations.

SALT WATER PITS: Oil will be cleaned from the pits by utilizing a floating skimmer device whereby the oil is "pushed" into designated trap areas. The skimmed material will the be picked up by mechanical means-- either by pumping when appropriate, or by lifting with a mechanical bucket--and trucked to the BS&W pit. This same procedure will apply to any other pits or ponds requiring oil removal.

Any pit or pond that has oil-stained soil will be handled by one of the following methods:

A. The oil and sand will be washed down into the pond where it can be skimmed and recovered; or

B. The oil will be scraped from the sides of the pond, scooped up, and carried to the BS&W pit.

The pits will be cleaned of free visible oil on a continual basis or within 90 days of notification to do so by the New Mexico OCD. Sundance also commits to reviewing and researching the most modern, effective methods for accomplishing the above task.

P.O. Box 1816
Hobbs, New Mexico 88241

WESTERN ENVIRONMENTAL CONSULTANTS

Phone (505) 392-5021
Fax (505) 397-2597

NORM SURVEY

DATE: 07-17-98
CLIENT: Sundance Services
SUPERVISOR: A. Hodge

FACILITY: Parabo Facility
Order by: Michael Patterson

	BACKGROUND	TEST	LOCATION
TEST NO. 1	9 ur/hr	27 ur/hr	Southend Pit # 1
TEST NO. 2	9 ur/hr	21 ur/hr	Southwest corner Pit # 1
TEST NO. 3	9 ur/hr	17 ur/hr	Southeast corner Pit # 1
TEST NO. 4	9 ur/hr	40 ur/hr	Northend Pit # 1
TEST NO. 5	9 ur/hr	16 ur/hr	Northwest corner Pit # 1
TEST NO. 6	9 ur/hr	37 ur/hr	Northeast corner Pit # 1

Comments: This survey was on the water pounds located at the Parabo Facility Sec. 29, T21S, R38E of lea county New Mexico.

EQ.USED: Victoreen model # 190 SIN.# 360
re.cal date 04/17/98

WESTERN ENVIRONMENTAL CONSULTANTS

P.O. Box 1816
Hobbs, New Mexico 88241

Phone (505) 392-5021
Fax (505) 397-2597

NORM SURVEY

DATE: 07-17-98
CLIENT: Sundance Services
SUPERVISOR: A. Hodge

FACILITY: Parabo Facility
Order by: Michael Patterson

	BACKGROUND	TEST	LOCATION
TEST NO. 1	11 ur/hr	47 ur/hr	Southend Pit # 2
TEST NO. 2	11 ur/hr	50 ur/hr	Southwest corner Pit # 2
TEST NO. 3	11 ur/hr	45 ur/hr	Southeast corner Pit # 2
TEST NO. 4	11 ur/hr	40 ur/hr	Northend Pit # 2
TEST NO. 5	11 ur/hr	35 ur/hr	Northwest corner Pit # 2
TEST NO. 6	11 ur/hr	42 ur/hr	Northeast corner Pit # 2

Comments: This survey was on the water pounds located at the Parabo Facility Sec. 29, T21S, R38E of lea county New Mexico.

EQ.USED: Victoreen model # 190 SIN.# 360
re.cal date 04/17/98

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Hobbs, New Mexico 88241

Phone (505) 392-5021
Fax (505) 397-2597

NORM SURVEY

DATE: 07-17-98
CLIENT: Sundance Services
SUPERVISOR: A. Hodge

FACILITY: Parabo Facility
Order by: Michael Patterson

	BACKGROUND	TEST	LOCATION
TEST NO. 1	10 ur/hr	15 ur/hr	Southend Pit # 3
TEST NO. 2	10 ur/hr	17 ur/hr	Southwest corner Pit # 3
TEST NO. 3	10 ur/hr	15 ur/hr	Southeast corner Pit # 3
TEST NO. 4	10 ur/hr	14 ur/hr	Northend Pit # 3
TEST NO. 5	10 ur/hr	14 ur/hr	Northwest corner Pit # 3
TEST NO. 6	10 ur/hr	12 ur/hr	Northeast corner Pit # 3

Comments: This survey was on the water pounds located at the Parabo Facility Sec. 29, T21S, R38E of lea county New Mexico.

EQ.USED: Victoreen model # 190 SIN.# 360
re.cal date 04/17/98

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Phone (505) 392-5021
Fax (505) 397-2597

NORM SURVEY

DATE: 07-17-98
CLIENT: Sundance Services
SUPERVISOR: A. Hodge

FACILITY: Parabo Facility
Order by: Michael Patterson

	BACKGROUND	TEST	LOCATION
TEST NO. 1	9.5 ur/hr	21 ur/hr	Southend Pit # 4
TEST NO. 2	9.5 ur/hr	18 ur/hr	Southwest corner Pit # 4
TEST NO. 3	9.5 ur/hr	19 ur/hr	Southeast corner Pit # 4
TEST NO. 4	9.5 ur/hr	22 ur/hr	Northend Pit # 4
TEST NO. 5	9.5 ur/hr	16 ur/hr	Northwest corner Pit # 4
TEST NO. 6	9.5 ur/hr	24 ur/hr	Northeast corner Pit # 4

Comments: This survey was on the water pounds located at the Parabo Facility Sec. 29, T21S, R38E of lea county New Mexico.

EQ.USED: Victoreen model # 190 SIN.# 360
re.cal date 04/17/98

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Phone (505) 392-5021
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NORM SURVEY

DATE: 07-17-98
CLIENT: Sundance Services
SUPERVISOR: A. Hodge

FACILITY: Parabo Facility
Order by: Michael Patterson

	BACKGROUND	TEST	LOCATION
TEST NO. 1	10 ur/hr	40 ur/hr	Southend Pit # 5
TEST NO. 2	10 ur/hr	25 ur/hr	Southwest corner Pit # 5
TEST NO. 3	10 ur/hr	55 ur/hr	Southeast corner Pit # 5
TEST NO. 4	10 ur/hr	35 ur/hr	Northend Pit # 5
TEST NO. 5	10 ur/hr	50 ur/hr	Northwest corner Pit # 5
TEST NO. 6	10 ur/hr	52 ur/hr	Northeast corner Pit # 5

Comments: This survey was on the water pounds located at the Parabo Facility Sec. 29, T21S, R38E of lea county New Mexico.

EQ.USED: Victoreen model # 190 SIN.# 360
re.cal date 04/17/98

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Hobbs, New Mexico 88241

Phone (505) 392-5021
Fax (505) 397-2597

NORM SURVEY

DATE: 07-17-98
CLIENT: Sundance Services
SUPERVISOR: A. Hodge

FACILITY: Parabo Facility
Order by: Michael Patterson

	BACKGROUND	TEST	LOCATION
TEST NO. 1	12 ur/hr	17 ur/hr	Southend Pit # 6
TEST NO. 2	12 ur/hr	20 ur/hr	Southwest corner Pit # 6
TEST NO. 3	12 ur/hr	19 ur/hr	Southeast corner Pit # 6
TEST NO. 4	12 ur/hr	14 ur/hr	Northend Pit # 6
TEST NO. 5	12 ur/hr	16 ur/hr	Northwest corner Pit # 6
TEST NO. 6	12 ur/hr	12 ur/hr	Northeast corner Pit # 6

Comments: This survey was on the water pounds located at the Parabo Facility Sec. 29, T21S, R38E of lea county New Mexico.

EQ.USED: Victoreen model # 190 SIN.# 360
re.cal date 04/17/98

WESTERN ENVIRONMENTAL CONSULTANTS

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Hobbs, New Mexico 88241

Phone (505) 392-5021
Fax (505) 397-2597

NORM SURVEY

DATE: 07-17-98
CLIENT: Sundance Services
SUPERVISOR: A. Hodge

FACILITY: Parabo Facility
Order by: Michael Patterson

	BACKGROUND	TEST	LOCATION
TEST NO. 1	12 ur/hr	23 ur/hr	Southend Pit # 7
TEST NO. 2	12 ur/hr	30 ur/hr	Southwest corner Pit # 7
TEST NO. 3	12 ur/hr	27 ur/hr	Southeast corner Pit # 7
TEST NO. 4	12 ur/hr	19 ur/hr	Northend Pit # 7
TEST NO. 5	12 ur/hr	50 ur/hr	Northwest corner Pit # 7
TEST NO. 6	12 ur/hr	45 ur/hr	Northeast corner Pit # 7

Comments: This survey was on the water pounds located at the Parabo Facility Sec. 29, T21S, R38E of lea county New Mexico.

EQ.USED: Victoreen model # 190 SIN.# 360
re.cal date 04/17/98

WESTERN ENVIRONMENTAL CONSULTANTS

P.O. Box 1816
Hobbs, New Mexico 88241

Phone (505) 392-5021
Fax (505) 397-2597

NORM SURVEY

DATE: 07-17-98
CLIENT: Sundance Services
SUPERVISOR: A. Hodge

FACILITY: Parabo Facility
Order by: Michael Patterson

	BACKGROUND	TEST	LOCATION
TEST NO. 1	11 ur/hr	30 ur/hr	Southend Pit # 7 south
TEST NO. 2	11 ur/hr	55 ur/hr	Southwest corner Pit # 7 south
TEST NO. 3	11 ur/hr	47 ur/hr	Southeast corner Pit # 7 south
TEST NO. 4	11 ur/hr	42 ur/hr	Northend Pit # 7 south
TEST NO. 5	11 ur/hr	30 ur/hr	Northwest corner Pit # 7 south
TEST NO. 6	11 ur/hr	47 ur/hr	Northeast corner Pit # 7 south

Comments: This survey was on the water pounds located at the Parabo Facility Sec. 29, T21S, R38E of lea county New Mexico.

EQ.USED: Victoreen model # 190 SIN.# 360
re.cal date 04/17/98

R & P CONSULTING

JUNE 1, 1998

SUNDANCE SERVICES INC.
P.O. BOX 1737
EUNICE, NM 88231

ATTN: MIKE PATTERSON

RE: PIT CLOSURES AND TREATING FACILITY

Mike;

The following is a bid for closure cost on you facility:

1. Closure of Water Disposal Plant - $10,000.00

2. Closure of Treating Plant - $10,000.00

3. Closure of Salt Water Pits (1,2,3,4,5,6,7 & 8)

A) Pit #1	7.5 AC	5'Deep	62,500 yds.
B) Pit #2	2.0 AC	5'Deep	16,700 yds.
C) Pit #3	2.0 AC	30'Deep	100,000 yds.
D) Pit #4	3.0 AC	40'Deep	200,000 yds.
E) Pit #5	5.0 AC	6'Deep	50,000 yds.
F) Pit #6	16.0 AC	5'Deep	133,333 yds.
G) Pit #7	1.0 AC	20'Deep	33,333 yds.
H) Pit #8	.5 AC	2'Deep	1,700 yds.

P.O. BOX 5752 HOBBS NM 88241

Based on 5,000 yards a day for 10 hour day, $70.00 per hour = $700.00 per day.

Pit #1 = 62,500 / 5,000 = 12.5 days X $700.00 = $8,750.00
Pit #2 = 16,700 / 5,000 = 3.5 days X $700.00 = $2,450.00
Pit #3 =100,000 / 5,000 = 20 days X $700.00 = $14,000.00
Pit #4 =200,000 / 5,000 = 40 days X $700.00 = $28,000.00
Pit #5 = 50,000 / 5,000 = 10 days X $700.00 = $ 7,000.00
Pit #6 =133,333/ 5,000 = 27 days X $700.00 = $18,900.00
Pit #7 = 33,333 /5,000 = 7 days X $700.00 = $ 4,900.00
Pit #8 = 1,700 / 5,000 = 1 days X $700.00 = $ 700.00

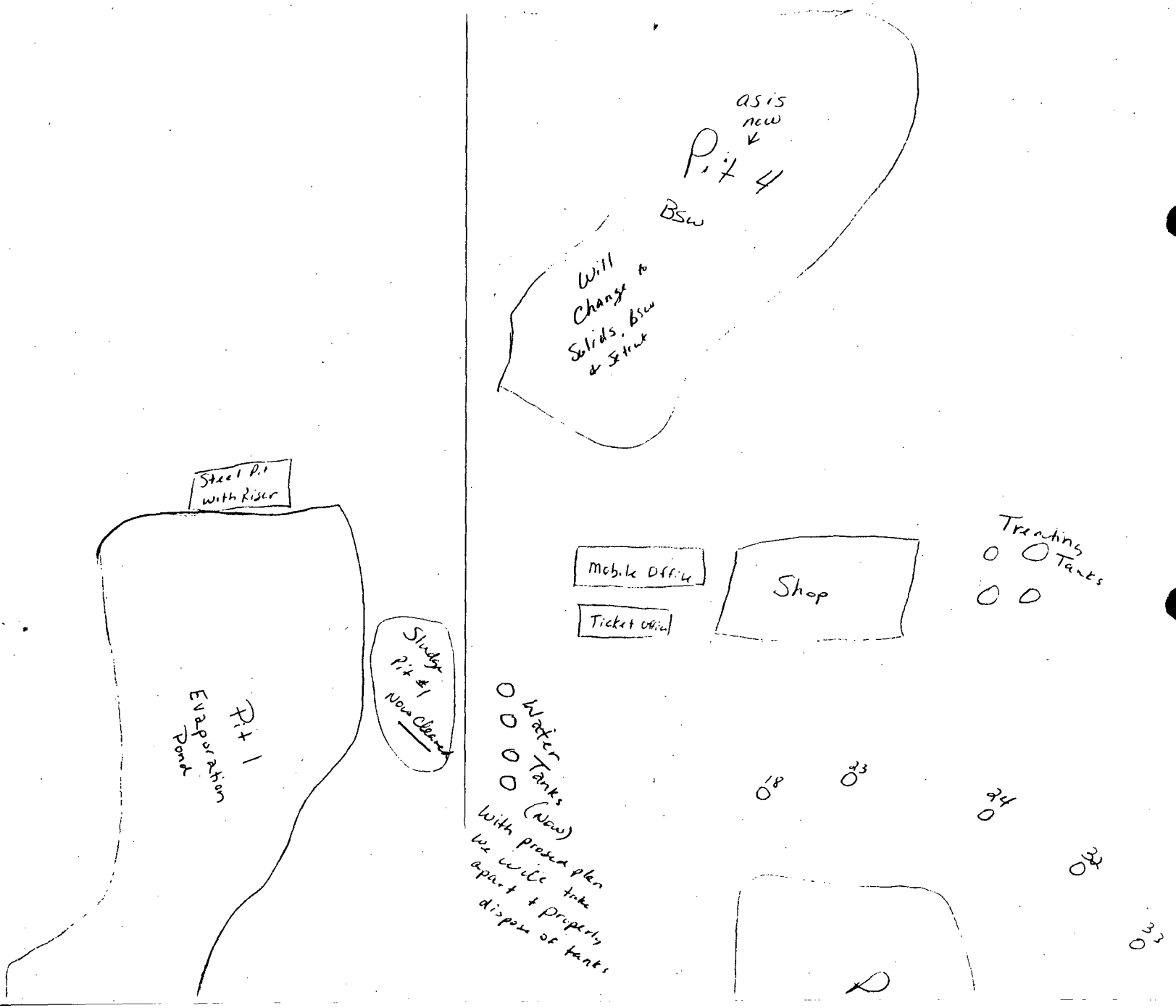
Estimated total cleanup of oil and water facilities and closures of pits 1,2,3,4,5,6,7,8 = $104,700.00

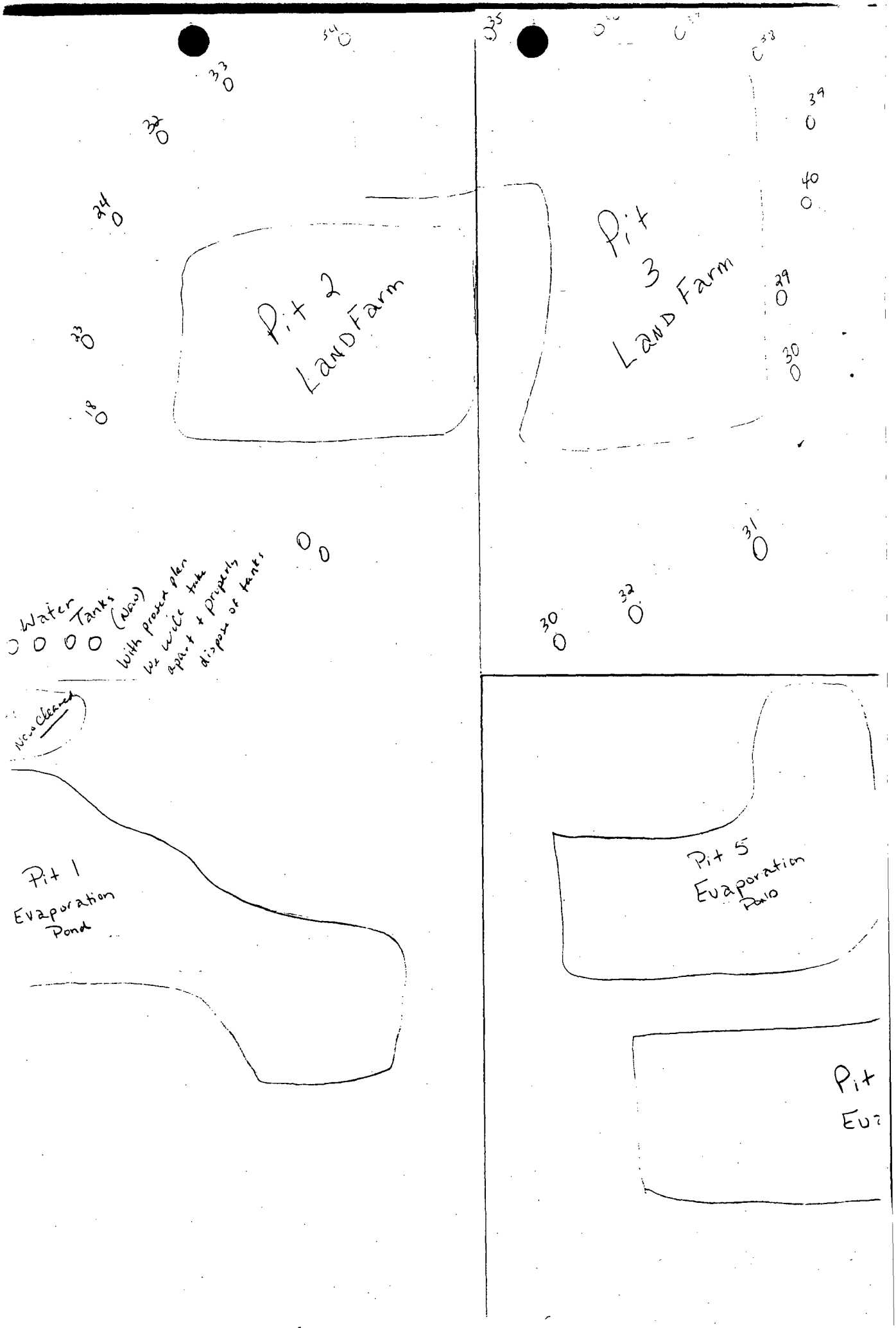
Please give me a call if you have any further questions.

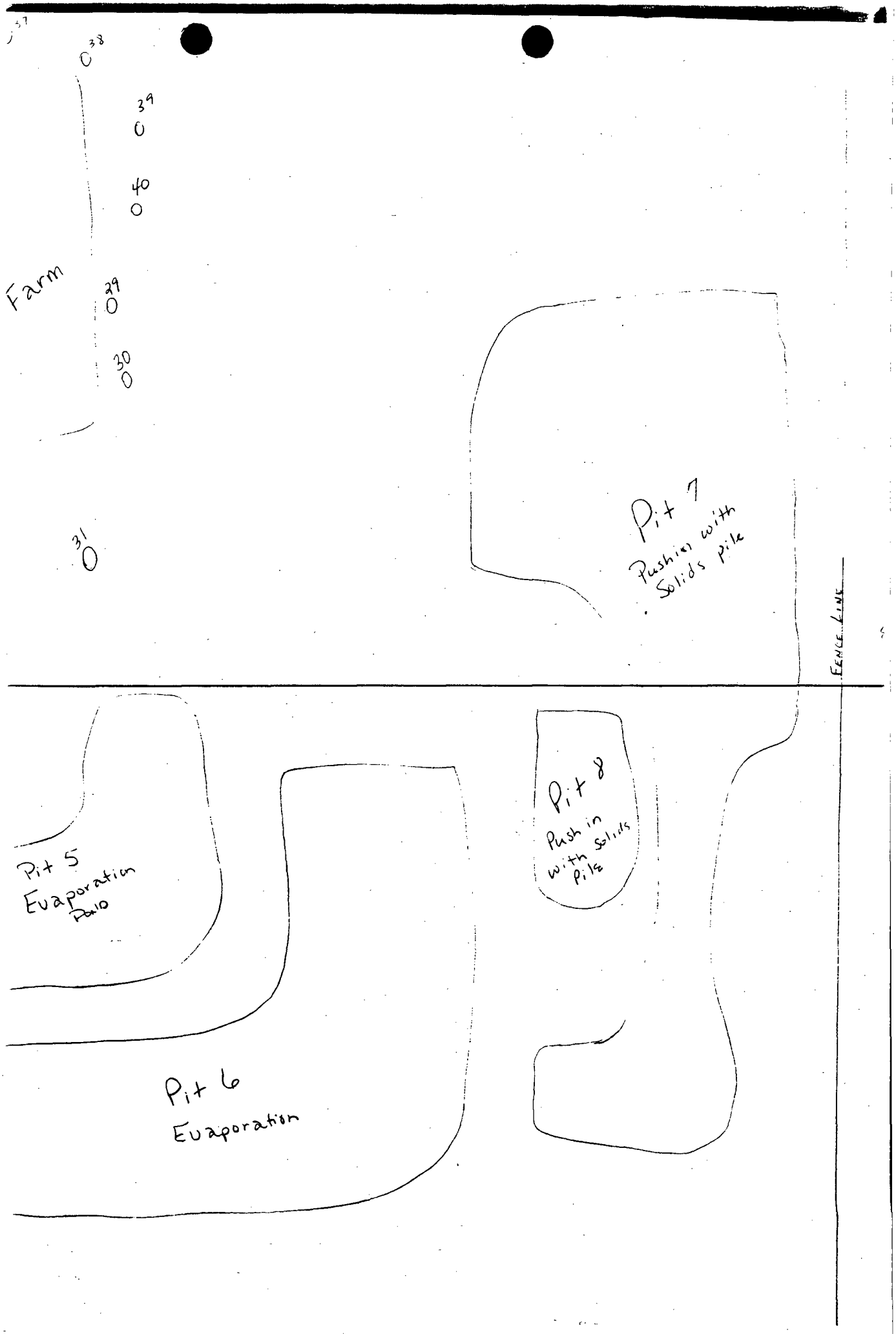
Thank You,

Armando Ramos
Consultant

Sundance Services Inc. would like to propose a time line for the changes to take place at our Parabo Disposal Facility. First we will have Pit #1 clean and free of oil by October 15, 1998. We will then start operations of pit #4. We would like permission to move our jetout facility and dispose off all solids into Pit #4. We propose to bury 3 netted open top tanks to unload all material into. All fluids will be separated and directed to where it should be. These pits will be skimmed on a daily basis. All oil will be transferred to the oil treating facility. Water will be pumped into a steel pit located at Pit #1 and clean water pumped into Pit #1. This steel pit will have a riser and will be skimmed daily to prevent oil from discharging into Pit #1. As these changes begin we will begin draining and allowing Pit #7 to dry. We will begin cleaning on Pit #5. We will skim all oil off sludge pit 5 and close these pits and skim remaining oil off Pit #5 by December 31, 1998. We would like to convert Pits #2 & #3 permitted to landfarm at the end of our timeline. We propose to have this construction completed by December 31, 1999. With permission from the state we should be ready to check monitor wells on Pit #7 & Pit #8 to completely close these pits and cap. Before we can even begin our construction and timeline we would like to have permission to move jetout and solids to Pit #4. We will keep the Hobbs office informed of our progress monthly.


as is now
Pit 4
BSW
Will change to Solids, BSW & Heat
Steel Pit with Riser
Pit 1 Evaporation Pond
Sludge Pit #1 Now Cleaned
Mobile Office
Ticket Office
Shop
Treating Tanks
Water Tanks (Now)
With process plan we will take apart & properly dispose of tanks
18
23
24
32
33


Pit 2
LandFarm
Pit
3
LandFarm
Water Tanks (Now)
With present plan we will take apart & properly dispose of tanks
Now cleaned
Pit 1
Evaporation Pond
Pit 5
Evaporation Pond
Pit
Eva


37
38
39
40
Farm
29
30
31
Pit 7
Pushing with
Solids pile
FENCE LINE
Pit 5
Evaporation
Pond
Pit 8
Push in
with solids
pile
Pit 6
Evaporation

H_2S Plan

EMERGENCY ASSISTANCE TELEPHONE LIST

GOVERNMENT AGENCIES

STATE POLICE.....(505) 392-5588
AMBULANCE.....911 or (505) 394-2112
FIRE DEPARTMENT.....911 or (505) 394-2111
SHERIFF'S DEPARTMENT.....911or (505) 394-2020
NEW MEXICO OIL CONSERVATION DIVISION.....911or (505) 393-6161

SUNDANCE SERVICES, INC. –1431MAIN ST. EUNICE..... (505) 394-2511
SUNDANCE SERVICES PLANT – North of Eunice - .....(505) 394-3212

DONNA ROACH..... OFFICE MANAGER 394-2511
MIKE PATTERSON.....MARKETING MANAGER 369-6388
KELLY ROACH..... PLANT MANAGER 394-3212
.....Home number 394-3167

PHYSICAL EFFECTS OF HYDROGEN SULFIDE

Percent %	ppm	Physical effects
0.001	10	Obvious and unpleasant odor.
0.002	20	Safe for 8 hours exposure
0.01	100	Kills smell in 3 to 5 minutes; may sting eyes and throat.
0.02	200	Kills smell shortly; stings eyes and throat.
0.03	300	IDLH (Immediately Dangerous to Life & Health)
0.05	500	Dizziness; breathing ceases in a few minutes.
0.07	700	Unconscious quickly; death will result if not rescued.
0.10	1000	Unconscious at once; followed by death within minutes.

REMEMBER: H2S IS A COLORLESS AND TRANSPARENT GAS AND IS HIGHLY FLAMMABLE. IT IS HEAVIER THAN AIR AND MAY ACCUMULATE IN LOW PLACES.

Use of Self-Contained Breathing Apparatus

I. Written procedures shall be prepared covering safe use of respirators in dangerous atmospheric situations which might be encountered in normal operations or in emergencies. Personnel shall be familiar with these procedures and the available respirators.

II. Respirators shall be inspected frequently, at random, to insure that they are properly used, cleaned, and maintained.

III. Anyone who may use respirators shall be trained in how to properly seal the face piece. They shall wear respirators in normal air and then in a test atmosphere. (Note: Such items as facial hair (beard or sideburns) and eyeglass temple pieces will not allow a proper seal.) Anyone that may be expected to wear respirators should have these items removed before entering a toxic atmosphere. A special mask must be obtained for anyone who must wear eyeglasses. Contact lenses should not be allowed.

IV. Maintenance and care of respirators

A. A program of maintenance and care of respirators shall include the following:

1. Inspection for defects, including leak checks.
2. Cleaning and disinfecting.
3. Repair.
4. Storage.

B. Inspection: Self-Contained Breathing Apparatus for emergency use shall be inspected monthly, and records maintained, for the following:

1. Fully charged cylinders.
2. Regulator and warning device operation.
3. Condition of face piece and connection.
4. Elastomer or rubber parts shall be stretched or massaged to keep them pliable and prevent deterioration.

C. Routinely used respirators shall be collected, cleaned, and disinfected as frequently as necessary to insure proper protection is provided.

V. Persons assigned tasks that require the use of Self-Contained Breathing Equipment shall be certified physically fit for breathing equipment usage by the local company physician at least annually.

VI. Respirators should be worn during the following conditions:

A. Any employee who works near the top or on the top of any tank unless tests reveal less than 20 ppm of H2S.

B. When breaking out any line where H2S can reasonably be expected.

C. When sampling air in areas to determine if toxic concentrations of H2S exist.

D. When working in areas where over 20 ppm H2S has been detected.

E. At any time where there is a doubt as to the H2S level in the area to be entered.

Rescue-First Aid for Hydrogen Sulfide Poisoning

Do Not Panic!!!

Remain Calm--THINK

1. Hold your breath (Do not inhale; stop breathing.) and go to Briefing area.

2. Put on breathing apparatus.

3. Remove victim(s) to fresh air as quickly as possible. (Go upwind from the source or at right angles to the wind; NOT downwind.)

4. Briefly apply chest pressure--arm lift method of artificial respiration to clear the victim's lungs and to avoid inhaling any toxic gas directly from the victim's lungs.

5. Provide for prompt transportation to the hospital, and continue giving artificial respiration if needed.

6. Hospital(s) or medical facilities need to be informed, beforehand, of the possibility of H2S gas poisoning, no matter how remote the possibility.

7. Notify emergency room personnel that the victim(s) have been exposed to H2S gas.

Besides basic first aid, everyone on location should have a good working knowledge of artificial respiration, as well as first aid for eyes and skin contact with liquid H2S. Everyone needs to master these necessary skills.

NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

May 14, 1998

CERTIFIED MAIL
RETURN RECEIPT NO. P-326-936-436

Mr. Richard C. Jackson
Sundance Services, Inc.
P.O. Box 1737
Eunice, New Mexico 88231

RE: Sundance Services, Inc. Parabo Facility
SW/4, Section 29, Township 21 South, Range 38 East, NMPM,
Lea County, New Mexico
Waste Management Facility Permit No. NM-01-0003

Dear Mr. Jackson:

The New Mexico Oil Conservation Division (OCD) has received and is in the process of reviewing Sundance Services Inc. (Sundance), Parabo inspection and permit application information for an oil field related commercial treating plant and evaporation facility located in the SW/4, Section 29, Township 21 South, Range 38 East, NMPM, Lea County, New Mexico. The following comments and requests for additional information are based on review of the inspection response letter dated September 5, 1997, a request by Sundance regarding closing pits #8 and #7 and modification of pit #4 dated February 12, 1998, the C-137 application dated March 22, 1998, and additional information including the quarterly monitor reports on file with the OCD.

In order for the review process to continue the OCD requires Sundance to submit the additional information requested in Attachment 1. Submission of the above requested information will allow the review process to continue.

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

Sincerely,

Martyne J. Kieling
Environmental Geologist

xc: Hobbs OCD Office

ATTACHMENT 1
REQUEST FOR ADDITIONAL INFORMATION
May 14, 1998
SUNDANCE SERVICES, INC.
SW/4, Section 29, Township 21 South, Range 38 East, NMPM,
Lea County, New Mexico

1. Sections one, two, three, four and five (1, 2, 3, 4 and 5) Application Form C-137;

   A. Sundance Services, Inc. (Sundance) has completed sections one, two, three, four and five (1, 2, 3, 4 and 5).

2. Sections six and seven (6 and 7) Application Form C-137;

   A. Some of the information is on file with the OCD regarding sections six and seven (6 and 7). However The OCD would like a new facility map that indicates the proposed pond changes. These changes shall include which ponds have been closed or are to be closed and the designated use for each pond at the facility. In addition, Sundance shall provide a time line of when the expected changes/pond modifications will take place.

   B. Approval of changing ponds 4, 7, and 8 into landfills is conditional upon completion of Section eight (8) and review of the hydrogeologic study.

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

   A. Sundance shall commit to notify the OCD of any break, spill, blow out, or fire or any other circumstance that could constitute a hazard or contamination in accordance with OCD Rule 116. This commitment and proposed notification threshold levels must be included in the contingency plan.

   B. Sundance shall describe measures to be taken in the event of pond failure as determined by the ground water monitoring system and outline a procedure to include quarterly analyses of fluids found within the monitor wells.

   C. Sundance will propose repairs or process changes that will be made at the facility that will prevent further leaks within or beneath the redbed dikes surrounding the facility. As of the fourth quarter of 1997 and the first quarter of 1998 the Sundance Parabo facility monitor wells contain water outside of the facility dike around the following pits (monitor wells in **bold** have chloride levels above 1000 ppm) (see enclosed maps of fourth quarter 1997 monitor well results):

1) East, North, and West of Pits 2 and 3 (monitor wells **18,** 23, 24, 30, 31, 33, 34, 35, 36, 37, 38, 39 and 40),

2) North and East of Pit 7 (monitor wells 77, 78, 79, 80, **85, 85-B, 85-3, 85-4, 85-11, 85-13, 85-16, 85-17** and **85-18**),

3) East, South and West of Pit 6 (monitor wells **68, 68A, 71F, 61, 61D, 61E and 61F**),

4) South of Pit five (monitor wells **2A, 3B** and **3E**), and

5) West of Pit 4 (monitor wells **45, 46, 48** and **49**).

D. Sundance shall perform a hydrogeologic study that will address the following:

1) Sundance shall proposed a process where by all fluids will be removed from the monitor wells on a continual basis and returned to the facility evaporation process. Sundance will continue to pump the wells dry until such time as the leaks in the dike have been repaired and the monitor wells remain dry for two consecutive sampling quarters.

2) Sundance shall review the monitor well areas 61 and 85. There seems to be a problem with the construction and placement of well 85 within an intermittent layer of confining red-bed clays and correct delineation of water flow within that area is not clearly understood. An additional well is most likely needed to replace well 85. Area 61 most likely requires a new french drain or additional wells that are screened along the intermittent confining layers so that water can be caught and properly de-canted.

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

A. Monitor wells and the fluids within shall be inspected as frequently as required by the hydrogeologic study that will be performed as part of Section eight .

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

A. Closure plans for Sundance Parabo disposal facility will include a NORM survey of each salt water, BS&W and solids pit. A NORM survey will be done prior to closure or remodeling of each pit. The vertical extent of TPH, BTEX and chloride will be evaluated according to the OCD surface impoundment closure guidelines as pits are emptied for closure or remodeling (see Rule 711.B.1.i.).

B. The closure plan that Sundance submitted does not include a cost estimate.

Sundance shall supply a cost breakdown for each closure step outlined in the closure plan including the additions listed in point A above. The closure cost estimate shall be sufficient to close the facility to protect public health and the environment; and is to be based upon the use of equipment normally available to a third party contractor (see Rule 711.B.1.i. and 711.B.3.c)

C. The facility is subject to periodic inspections by the OCD. The conditions of the new permit and the facility will be inspected and the permit reviewed a minimum of once every five (5) years (see Rule 711.B.4.7). In addition, the closure cost estimate will be reviewed according to prices and remedial work estimates at the time of review. The financial assurance may be adjusted to incorporate any closure cost changes.

6. Sections eleven and twelve (11 and 12) Application Form C-137;

A. Sections eleven and twelve (11 and 12) are on file with the OCD.

4. Section thirteen (13) Application Form C-137;

A. Sundance shall provide a hydrogen sulfide (H_2S) prevention and contingency plan to protect public health (see Rule 711.B.1.i). A contingency plan may be either an auto-mated system with an alarm or a system of personal monitors. The contingency plan should outline action levels of H_2S and what safety measures and notifications will be made for each action level.

5. Section fourteen (14) Application Form C-137;

A. Sundance has completed section fourteen (14).

6. Section fifteen (15) Application Form C-137;

A. Sundance has completed section fifteen (15).

NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

March 16, 1998

CERTIFIED MAIL
RETURN RECEIPT NO. P-326-936-406

SE1/4, Sec 29, T21S, R38E, NMPM
Lea Co NM

Mr. Richard C. Jackson
Sundance Services, Inc.
P.O. Box 1737
Eunice, New Mexico 88231

RE: Sundance Services Parabo Facility
~~Section 16, Township 17 South, Range 30 East~~, NMPM
~~Eddy County, New Mexico~~
Waste Management Facility Permit No. NM-01-0003

Dear Mr. Jackson:

The New Mexico Oil Conservation Division (OCD) inspected the Sundance Services Inc. (Sundance), Parabo waste management facility located in the ~~Section 16, Township 17 South, Range 30 East, NMPM, Lea County~~, New Mexico on April 2,1997.The OCD inspection and current file review of Sundance was followed by an inspection report dated July 7, 1997 which Sundance received on the July 14, 1997. Sundance was required to respond to the inspection report and pursuant to 19 NMAC 15.I.711, submit an application (Form C-137) for repermitting by September 8, 1997. Sundance has failed to submit an application for repermitting.

In addition, the OCD has received requests from Sundance regarding closing the of pits #8 and #7 and the modification of pit #4, the most recent letter is dated February 12, 1998. In order for the permit process and facility modifications to continue the OCD requires Sundance to submit an application (Form C-137) for repermitting no later than April 17,1997.

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

Sincerely,

Martyne J. Kieling
Environmental Geologist

xc: Hobbs OCD Office

Sundance Services, Inc.

P.O. Box 1737
EUNICE, NEW MEXICO 88231
505 394-2511

February 12, 1998

New Mexico Oil Conservation Division
P.O. Box 2040
Santa Fe, NM 87504

Attn: Martyne Kieling

Ref: Closing Pits #8 and #7 south and temporary use of Pit #4 for BSW.

Dear Martyne;

As per our telephone conversation, Sundance Services Inc. is requesting permission to use Pit #4 temporarily for the disposal of BS&W.

Sundance would like to start closing out Pits #7 south and #8. Our plan is to use the contaminated soil pile for backfill to squeeze Pits 7 south and #8 and then put a 21/2' bed of red clay on top of each. After completion of closing out #7 south and #8 Sundance would then go to pit #4 to complete our plans.

For your information we have all the oil trapped in the southeast corner of Pit #1. We are skimming daily and hope to have all oil off in the near future. I will keep you updated on our progress and also I will keep in touch locally with Wayne Price.

Thank You,

Michael Patterson

Michael Patterson
Operations Manager

Sundance Services, Inc.
P.O. Box 1737
EUNICE, NEW MEXICO 88231
505 394-2511

RECEIVED
SEP 08 1997
Environmental Bureau
Oil Conservation Division

September 5, 1997

Martyne J. Kieling
New Mexico Energy, Minerals &
Natural Resources Department
Oil Conservation Division
2040 South Pacheco Street
Sante Fe, New Mexico 87505

By Telefax and regular Mail

Re: Treating Plant Inspection
Your Letter July 7, 1997

Dear Ms. Kieling:

Thank you for the letter that resulted from your April 1997 site visit. We are pleased to respond to your comments that were listed on Attachment 1 to your subject letter.

1. Drum Storage: All drums that were located on the site have been triple rinsed, crushed and recycled. All remaining drums containing products used in the normal course of business have been isolated and clearly marked.

2. Process Area: We will continue to employ good maintenance and housekeeping practices.

3. Above Ground Tanks:

New berms have been built to ensure the containment of any leak or spill in the process area.

4. Open Top Tanks and Pits:

We are in the process of skimming all surface oil on all pits. In addition, we are placing nets on pits 2 and 5, as well as closing pits 7.

5. Above Ground Saddle Tanks:

Sundance has taken all saddle tanks out of service.

6. Tank Labeling: All tanks, drums and containers have been properly and clearly labelled.

7. Below Grade Tanks/Sumps:

Sundance has no below grade tanks or sumps.

8. Evaporation Ponds and Pits:

Pit # 3 has been taken out of service to ensure that it does not exceed the maximum permissible level.

9. Ground Water Monitor Wells:

Monitor wells located outside the secure fenced boundary of the Sundance Facility shall be fitted with locking caps.

10. Underground Process/Wastewater Lines:

Sundance has no underground process or wastewater lines.

11. Housekeeping:

Sundance shall continue to employ strict housekeeping practices.

12. Trash and Potentially Hazardous Materials:

The contaminated soil pile south of pit 8 will be used for fill for pits 7 and 8 which will be closed according to OCD approved regulations and procedures. This closure is active and in process.

13. Spill Reporting: All spills/releases shall be reported pursuant to OCD Rule 116.

14 Security: The facility shall be locked and secured when no attendant is present.

15. Signs: A new facility sign has been erected.

16. Application for Permit Under the New Rule 711:

Application form C-137 is being sent under separate cover, and will include all requested attachments and exhibits.

Sundance is committed to prudent environmental practices. We look forward to continuing our good relationship with the OCD. We appreciate your comments and suggestions. Should you have any questions about our operation of the facility, please advise.

Sincerely,

Richard C. Jackson
President

NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

October 23, 1998

CERTIFIED MAIL
RETURN RECEIPT NO. P-326-936-469

Ms. Melissa Smith
6EN-HS
U.S. EPA Region 6
1445 Ross Avenue, Suite 1200
Dallas, TX 75202

RE: Information Requested Regarding Pit Surface Inspections.

Dear Ms. Smith:

I have enclosed the requested information on Controlled Recovery Inc., Gandy Corporation, Jenex Operation Company, and Sundance Services, Inc. Parabo facility. Please be advised that the information varies with the age of the facility.

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

Sincerely,

Martyne J. Kieling
Environmental Geologist

Enclosure (s)

Kieling, Martyne

From: Price, Wayne
Sent: Thursday, May 14, 1998 8:27 AM
To: Kieling, Martyne
Subject: RE: Draft Sundance

Dear Martyne:

I have the following comments:

The MW 85 area and 61 areas have problems that I think will require addition investigation as to how and where the water is getting out. My experience on this project is that the 85 recovery well was never properly constructed and never functioned as designed. Also the ex-manger indicated that he felt that there is an intermittent layer of confining red-bed and the water flow was not proper delineated. I agree with this and this should require addition drilling, etc. It might require another french drain in this area or other wells that are screened where it will catch any intermittent confining layers so it can be proper de-canted.

H2s Monitoring can be an auto-mated system with an alarm. However due to the remoteness I believe this can be accomplished with personnel monitors. I do think they should have an contingency plan for this.

From: Kieling, Martyne
Sent: Wednesday, May 13, 1998 5:23 PM
To: Price, Wayne
Subject: Draft Sundance
Importance: High

Wayne,

Here is the Draft of the letter to Sundance and the requirements that are still pending. Please review and let me know if there is anything else I need to add or If I should rephrase some sections (GW monitoring and Hydrogeologic study).. In addition please give me your thoughts on H2S monitoring at the facility and what may be reasonable considering workers/nearby populations/ past problems/ etc... I would like to have this ready to send via mail on friday or to hand deliver next week.

<<File: Let0598.wpd>>

Thanks for your help.

Martyne

Kieling, Martyne

From: Price, Wayne
Sent: Tuesday, April 28, 1998 11:25 AM
To: Roger Anderson; Martyne Kieling
Cc: Chris Williams
Subject: Sundance Ser. Inc. Parabo MW's

Dear Roger & Martyne:

I am receiving the quarterly MW's and filing them here. I called Parabo to make sure they are CC your office. After reviewing the latest report it appears that the following areas still have a problem:

Area 2A & 3B

Area 61 & 68

Area 85's

I recommend that we have Sundance perform a Hydrogeologic study of these areas and conclude what the problem is and what actions they are going to take to correct the problem.

I think this approach will also address the pit conversion issues!

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

New Mexico
Energy Minerals and Natural Resources Department
Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

RECEIVED
MAR 2 2 1997
Environmental Bureau
Oil Conservation Division

Form C-1
Originated 8/
Revised 6/2

Submit Orig
Plus 1 C
to Sant
1 Copy to approp
District O

APPLICATION FOR WASTE MANAGEMENT FACILITY

(Refer to the OCD Guidelines for assistance in completing the application)

[X] Commercial [ ] Centralized

1. Type: [X] Evaporation [ ] Injection [ ] Other _____
   [ ] Solids/Landfarm [X] Treating Plant

2. Operator: SUNDANCE SERVICES INC.

   Address: P.O. BOX 1737 EUNICE, NM 88231

   Contact Person: RICHARD C. JACKSON Phone: 505-394-2511

3. Location: SW /4 ____ /4 Section 29 Township 21 Range 38E
   Submit large scale topographic map showing exact location

4. Is this a modification of an existing facility? [X] Yes [ ] No

5. Attach the name and address of the landowner of the facility site and landowners of record within one mile of the site.
   WALLACH RANCH P.O. BOX 3715 MIDLAND, TX 79702

NA 6. Attach description of the facility with a diagram indicating location of fences, pits, dikes, and tanks on the facility.

NA 7. Attach designs prepared in accordance with Division guidelines for the construction/installation of the following: pits or ponds, leak-detection systems, aerations systems, enhanced evaporation (spray) systems, waste treating systems, security systems, and landfarm facilities.

8. Attach a contingency plan for reporting and clean-up for spills or releases.

9. Attach a routine inspection and maintenance plan to ensure permit compliance.

10. Attach a closure plan.

NA 11. Attach geological/hydrological evidence demonstrating that disposal of oil field wastes will not adversely impact groundwater. Depth to and quality of ground water must be included.

NA 12. Attach proof that the notice requirements of OCD Rule 711 have been met.

13. Attach a contingency plan in the event of a release of H_2S.

14. Attach such other information as necessary to demonstrate compliance with any other OCD rules, regulations and orders.

15. CERTIFICATION

I hereby certify that the information submitted with this application is true and correct to the best of my knowledge and belief.

Name: RICHARD C. JACKSON Title: PRESIDENT

Signature: _____ Date: _____

1. (For a natural person acting in his own right:)

STATE OF NEW MEXICO)
)SS.
COUNTY OF LEA)

The foregoing instrument was acknowledged before me this 30 day of SEPTEMBER, 97, by RICHARD C. JACKSON.

My commission expires:

JANUARY 17, 2001
Date

Notary Public

2. (For a partnership acting by one or more partners)

STATE OF _____)
)SS.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of _____, 19____, by _____, _____, partner(s) on behalf of _____, a partnership.

My commission expires:

Date

Notary Public

3. For a corporation or incorporated association)

The foregoing instrument was acknowledged before me this 30 day of SEPTEMBER, 1997, by RICHARD C. JACKSON FOR SUNDANCE SERVICES INC., a corporation, on behalf of said corporation.

My commission expires:

JANUARY 17, 2001
Date

Norma L Roach
Notary Public

NOTE: When Lessor is a partnership, corporation of association, list all partners, officers and directors as may be applicable. This information may be provided below.

APPROVED BY:
OIL CONSERVATION DIVISION

By: _____

Energy, Minerals and Natural Resources Department
Oil Conservation Division

Cash Bond For Waste Management Facilities

(File with Oil Conservation Division, 2040 South Pacheco Street, Santa Fe, New Mexico 87505)

KNOW ALL MEN BY THESE PRESENTS:

That SUNDANCE SERVICES INC., (an individual, partnership, or a corporation organized in the State of NEW MEXICO, with its principal office in the City of EUNICE, State of NEW MEXICO, and authorized to do business in the State of New Mexico), is held firmly bound unto the State of New Mexico, for the use and benefit of the Oil Conservation Division of the Energy, Minerals and Natural Resources Department (the "Division") in the sum of TWENTY-FIVE THOUSAND ($25,000) Dollars.

The conditions of this obligation are such that:

The above principal has heretofore or may hereafter enter into the collection, disposal, evaporation, remediation, reclamation, treatment or storage of produced water, drilling fluids, drill cuttings, completion fluids, contaminated soils, BS&W, tank bottoms, waste oil and/or other oil field related waste in Section 29, Township 21, Range 38, NMPM, LEA County, New Mexico.

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

The applicant has deposited on behalf of the Division $25,000.00 (TWENTY-FIVE THOUSAND dollars) in the manner indicated on the attachment to this bond (Assignment of Cash Collateral Deposit), being the principal sum intended to be secured. Applicant pledges the sum as a guarantee that its executors, assigns, heirs and administrators will abide by the Laws of the State of New Mexico and the rules and orders of the Division in operating the waste management facility described herein, and that it will properly reclaim the facility site upon cessation of operations. If the applicant does not properly reclaim and restore the facility site, and otherwise abide by the rules and orders of the Division, this bond shall be forfeited in full and such funds as necessary applied to the cost of reclaiming the facility site. If the principal sum of the bond is less than the actual cost incurred by the Division in reclaiming the facility site, the Division may institute legal action to recover any amounts expended over and above the principal sum of the bond.

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

Signed and sealed this 30 day of September, 19 97.

P.O. BOX 1737 EUNICE, NM 88231
Mailing Address

By _____ PRESIDENT
Signature Title

(Note: If Principal is corporation, affix corporate seal here.)

1. (For a natural person acting in his own right:)

STATE OF NEW MEXICO)
)SS.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of _____, 19____, by _____.

My commission expires:

_____ _____
Date Notary Public

2. (For a partnership acting by one or more partners)

STATE OF _____)
)SS.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of _____, 19____, by _____, _____, partner(s) on behalf of _____, a partnership.

My commission expires:

_____ _____
Date Notary Public

3. (For a corporation or incorporated association)

The foregoing instrument was acknowledged before me this 30 day of SEPTEMBER, 1997, by RICHARD C. JACKSON - SUNDANCE SERVICES INC., a corporation, on behalf of said corporation.

My commission expires:

JANUARY 17, 2001 Donna L Roach
Date Notary Public

NOTE: When Lessor is a partnership, corporation of association, list all partners, officers and directors as may be applicable. This information may be provided below.

APPROVED BY:
OIL CONSERVATION DIVISION

By: _____

Energy Minerals and Natural Resources Department
Oil Conservation Division

Assignment of Cash Collateral Deposit For Bond for Waste Management Facility
(Must be a federally-insured bank or saving institution within the State of New Mexico.)

Date 9-30-97

Pursuant to Rule 711 of the Rules of the Oil Conservation Division, or successor provisions, RICHARD C. JACKSON - PRESIDENT (hereinafter referred to as owner) of SUNDANCE SERVICES INC. (address) has deposited with the NATIONSBANK OF HOBBS (name of state or national bank or savings association) of P.O. BOX 5310 HOBBS, NM 88241-5310 (address) (herein termed financial institution), the sum of 25,000.00 ($25,000.00 dollars in Certificate of Deposit or savings account No. 036-3012448. Owner hereby assigns and conveys all right, title and interest in the deposited sum to the financial institution in trust for the Oil Conservation Division of the Energy, Minerals and Natural Resources Department (the "Division") or successor agency of the State of New Mexico. Owner and the financial institution agree that as to the deposited sum or fund:

a. The funds deposited pursuant to the terms of this Agreement are to serve as a cash bond covering a waste management facility operated by owner.

b. The Division acquires by this assignment the entire beneficial interest in the fund, with the right to order the trustee in writing to distribute the fund to persons determined by the Division to be entitled thereto, including the Division itself, in amounts determined by the Division, or to the operator upon sale of the facility covered by this agreement provided all applicable Division orders and rules have been complied with.

c. Owner retains no legal or beneficial interest in the fund and has only the right to interest, if any, thereon, and to return of the fund upon written order of the Division.

d. The financial institution agrees that the fund may not be assigned, transferred pledged or distributed except upon written order of the Division or a court of competent jurisdiction made in a proceeding in which the Division is a party. The financial institution waives all statutory or common law liens or rights of set-off against the fund.

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

Signature of Owner, Personally or by Authorized Officer	**Signature of Authorized Officer of Financial Institution**
PRESIDENT	VICE PRESIDENT
Title	**Title**

SUNDANCE SERVICES INC.
CONTINGENCY PLAN FOR REPORTING AND CLEANUP
OF SPILLS OR RELEASES

Sundance Services Inc.'s spills or releases of oil, salt water, and/or solids that occur in areas not approved for disposal will be handled in the following manner:

GENERAL AREA: Clean up of small spills will be performed on a timely basis. The oil, water, or solids will be disposed of in the proper area and manner in compliance with New Mexico OCD rules and regulations.

Large spills will be acted upon immediately. The New Mexico OCD will be notified and the spill reported in accordance with established guidelines. Cleanup will commence immediately, with the oil, salt water, and/or solids being disposed of in the proper area and manner in compliance with the New Mexico OCD rules and regulations.

SALT WATER PITS: Oil will be cleaned from the pits by utilizing a floating skimmer device whereby the oil is "pushed" into designated trap areas. The skimmed material will the be picked up by mechanical means-- either by pumping when appropriate, or by lifting with a mechanical bucket--and trucked to the BS&W pit. This same procedure will apply to any other pits or ponds requiring oil removal.

Any pit or pond that has oil-stained soil will be handled by one of the following methods:

A. The oil and sand will be washed down into the pond where it can be skimmed and recovered; or

B. The oil will be scraped from the sides of the pond, scooped up, and carried to the BS&W pit.

The pits will be cleaned of free visible oil on a continual basis or within 90 days of notification to do so by the New Mexico OCD. Sundance also commits to reviewing and researching the most modern, effective methods for accomplishing the above task.

SUNDANCE SERVICES INC.
ROUTINE INSPECTION AND MAINTENANCE PLAN

Sundance Services Inc. routine inspection and maintenance plan is comprised of the following daily, weekly and monthly tasks;

DAILY: The levels in each of the pits are checked on a daily basis to ensure that permitted levels are not exceeded, and the berms are inspected to determine that their integrity is maintained. Additionally, the siphons are examined to verify proper working order.

WEEKLY: The pit levels are recorded weekly to provide an accurate summary.

MONTHLY: The monitor wells are inspected on a monthly schedule to ensure that the pits are constructed dikes are not leaking salt water. Samples are drawn quarterly for testing and submitted to the NMOCD.

CLOSURE PLANS FOR SUNDANCE SERVICES INC.
PARABO DISPOSAL FACILITY

CLOSURE OF WATER DISPOSAL PLANT: All tanks and associated equipment would be drained of free water, to be disposed of in surrounding licensed disposal facilities. Sediment from the tank bottoms would be cleaned out and disposed of in the BS&W pit prior to its closure.
The free oil would be skimmed off and either sold or disposed of in a proper manner. All tanks and equipment should be rendered inoperable as a disposal facility under Rule 711.

CLOSURE OF OIL TREATING PLANT: All tanks and associated equipment would be drained of free oil and water; the oil would then either be sold or disposed of properly. The tank bottom sediment would also be cleaned out and disposed of in BS&W pit #4 prior to its closure. All tanks and equipment should be rendered inoperable as a treating plant facility under Rule 711.

CLOSURE OF SALT WATER PITS (#1 #3 #5 #6 and #7): The ponds would be allowed to evaporate for one full solar year, after which time the remaining water would be pumped out and either transported or pumped to disposal wells. The remaining salt layers would then be covered with dirt.

Monitor wells would be carefully observed for a period of one year following closure. Any subsequent migration of salt water from know underground plumes would continue to be pumped dry until determined by the New Mexico OCD that such remedial action is no longer necessary.

CLOSURE OF BS&W PIT #4: All free oil and water will be pumped out and disposed of in surrounding disposal facilities. After the free oil and water has been pumped from the pit, the sides of the pit would be cleaned of any oil-stained dirt which would then be moved to the bottom of the pit. The remaining BS would then be covered with a layer of dirt.

CLOSURE OF SOLIDS PIT #8: Closure of this pit would be accomplished by pumping it free of all remaining water and covering it with a layer of dirt.

Cleanup of visible oil-stained soul would be handled as follows:

A. The oil and sand would be washed down into the pond where it can be skimmed and recovered; or

B. The oil would be scraped from the sides of the pond, scooped up, and carried to the BS&W pit.

Sundance Services, Inc.

P.O. Box 1737
EUNICE, NEW MEXICO 88231
505 394-2511

EMERGENCY RESPONSE PLAN

IN THE EVENT A TOXIC SUBSTANCE RELEASE SHOULD OCCUR FROM FIRES, EXPLOSION, OR ANY UNPLANNED SUDDEN, OR NON-SUDDEN RELEASE OF A HAZARDOUS WASTE - THE RESPONSIBLE SUNDANCE SERVICES INC. EMPLOYEE AT THE SCENE, OR THE OPERATION, SHALL TAKE THE FOLLOWING ACTIONS:

1. Promptly notify his immediate supervisor or any SSI employee, of the release it's location, and approximately magnitude. It is of the utmost importance that this first notification of other IMMEDIATELY on direction of a release so that notification of other company employees, residents of the area, ad the general public may begin evacuation; if warranted under this contingency plan.

2. Promptly render a judgment as to:
   A. Whether or not any human life or property is in danger.

   B. The source and cause of the emission.

   C. Whether or not the toxic substance release can be readily stopped or brought under control without posing a danger to the health or safety of the employee.

3. If any human life or property is in danger, take prompt action to alleviate such danger, to the extent possible.

4. If the escape can be readily stopped, or brought under control, the employee should do so.

Note: Sundance Services Inc. DOES NOT EXPECT ANY EMPLOYEE TO PLACE HIS LIFE OR HEALTH IN JEOPARDY AS RESULT OF ANY ACTION TAKEN UNDER THIS PLAN. ACTION UNDER POINTS 2,3, AND 4, ABOVE SHOULD BE TAKEN IN CONJUNCTION WITH ANOTHER COMPANY EMPLOYEE, UNLESS IT IS CLEARLY EVIDENT THAT SUCH ACTION MAY BE UNDERTAKEN WITHOUT RISK TO THE EMPLOYEE. NO SUNDANCE SERVICES EMPLOYEE SHALL ATTEMPT TO GO ON A LEAK DETECTION MISSION WITHOUT FIRST NOTIFYING HIS IMMEDIATE SUPERVISOR, OR ANOTHER COMPANY EMPLOYEE OF HIS INTENTIONS.

I,_____, HAVE READ AND HAVE HAD THE ABOVE POLICY EXPLAINED TO ME, AND THOROUGHLY UNDERSTAND ITS APPLICATION AND PURPOSE. I FURTHER UNDERSTAND THAT FAILURE TO STRICTLY ADHERE TO THIS POLICY COULD RESULT IN SERIOUS INJURY TO MYSELF AND/OR WORKERS AND WILL RESULT IN DISCIPLINARY ACTIONS.

_____ _____
EMPLOYEE SIGNATURE DATE

_____ _____
FOREMAN SIGNATURE DATE

Sundance Services Inc.
P.O. Box 1737
EUNICE, NEW MEXICO 88231
505 394-2511

EMERGENCY PHONE NUMBERS

SUNDANCE OFFICE - 394-2511

EUNICE POLICE DEPARTMENT - 394-2112 (911)

EUNICE FIRE DEPARTMENT - 394-3258 (911)

LEA COUNTY SHERIFF DEPT. - 394-2020

N.M. STATE POLICE - 392-5588

Copy 4
Place in Sundance File

Martyne Kieling

From: Price, Wayne
Sent: Friday, December 12, 1997 2:25 PM
To: Mark Ashley; Bill Olson; Martyne Kieling
Cc: Chris Williams
Subject: Scurlock Permian -Hobbs Truck yard now DP GW-279

Up-date:

Dear Mark; DP approval conditions item #15 (washwater UST tank and sand trap).
Martyne; Solid waste C-138's.
Bill; Groundwater issue.

Mark: The sand traps and UST (Sump) is now removed and backfilled. SP's consultant ES&S will send closure report to me with findings. I will forward it to you.

Martyne: The two C-138's (3 yd's dated 9-29-97& 100 bbl'sdated 10-13-97) will be amended as follows:

During clean-out & excavation of the sand traps I gave them permission to use knowledge of process since we had analytical already for the sludge & oil in the sand traps. SP/ES&E, & Sundance requested we use these same analyticals for the 3 yds of soil that was generated during the original release of this same material. This C-138 will be amended to include the sand trap sludge and concrete, etc.

During UST removal we approved a C-138 (100 bbls) for the contents of the bottom sludge in this tank. We allowed them to use this analytical for the contaminated soil around the UST, as it was discovered it had leaked. They generated some extra 600 yds of soil. This C-138 will be amended to include this extra 600 yds.

Mark & Martyne: There was some confusion during this project, right after the rain storm that caused the sand traps and UST sumps to overflow, we had them sample this waste. The sludges were non-hazardous. There was only a very thin film of oil still present. Since this oil was what was released we sampled it. It was haz. for benzene & Ign. at that time.

However, SP removed all of the liquid from the traps and ust and placed in a trailer for disposal. This trailer was sampled for full TCLP and was non-haz. It was disposed of out-of-state by SP.

I had SP/S&ES re-sample all of the waste that was going to be disposed of at NMOCD facilities for IGN & Benzene. All samples were NON-Haz.

I ask them to make up a sampling report to show all sampling. I will forward it to you for their file.

Bill Olson: Bill Olson had sent SP a letter dated July 15, 1996 concerning the groundwater and Hobbs nearby water supply well. I have no correspondence where they answered this letter.

Recommendation: After I receive the UST closure document, I will forward this up to Mark. I recommend we ask SP for a plan to investigate the on-site ground water contamination. I can write them a letter and inform them they need to submit a plan to SF our you Guys can do it.

Please let me know!

NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

November 26, 1997

CERTIFIED MAIL
RETURN RECEIPT NO. P-326-936-356 371

Mr. Richard C. Jackson
Sundance Services, Inc.
P.O. Box 1737
Eunice, New Mexico 88231

RE: Proposed Plan to Modify the Current Waste Reception Area
Sundance Services Parabo Facility
Section 16, Township 17 South, Range 30 East, NMPM
Eddy County, New Mexico
Waste Management Facility Permit No. NM-01-0003

Dear Mr. Jackson:

The New Mexico Oil Conservation Division (OCD) has reviewed Sundance Services Inc. (Sundance) October 3, 1997 letter. This letter contains Sundance's plan for closure of pit four and the construction of a new waste receiving and handling area. In addition, the above referenced letter discusses the cleanup of pits one, sludge pit two, and the netting of pit seven.

The above referenced proposal is approved with the following conditions:

1. Sundance will notify the OCD Santa Fe and Hobbs District offices of when each or the phases proposed are completed. So that an OCD representative has the opportunity to inspect the progress.

2. The OCD Santa Fe and the OCD Hobbs District offices will be notified upon the draining of pit four prior to sampling and backfilling. So that an OCD representative has the opportunity to observe sampling of subsurface soils below the pit.

3. Upon completion of all pit closure activities, Sundance will submit to the OCD for approval a completed OCD "Pit Remediation and Closure Report" form (attached) which will contain the final results of all pit closure and soil remediation activities including all laboratory or field analytical data sheets for all soil and water quality analysis and copies of all associated quality assurance/quality control data. This will need to be done for both pit four and sludge pit two.

4. All waste removed from the site will be disposed of at an OCD approved facility.

5. All documents submitted for approval will be submitted to the OCD Santa Fe Offices with copies provided to the OCD Hobbs Office.

To simplify the approval process for both Sundance and OCD, the OCD requests that a final pit closure report be submitted only upon completion of all proposed pit closure activities.

Please be advised that OCD approval does not relieve Sundance of liability should closure activities determine that contamination exists which is beyond the scope of the work plan or if the closure activities fail to adequately investigate or remediate contamination related to the activities at the above referenced pits. In addition, OCD approval does not relieve Sundance of responsibility for compliance with any other federal, state, or local laws or regulations.

In addition, the proposed modifications to the waste receiving areas that will be built in the pit four area will be incorporated into Sundance's new permit.

If you have any questions, please contact me at (505) 827-7153.

Sincerely,

Martyne J. Kieling

Martyne J. Kieling
Environmental Geologist

attachment

xc without attachment:
Hobbs OCD Office

NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

November 26, 1997

CERTIFIED MAIL
RETURN RECEIPT NO. P-326-936-356

Mr. Richard C. Jackson
Sundance Services, Inc.
P.O. Box 1737
Eunice, New Mexico 88231

RE: NOTICE OF VIOLATION
Sundance Services Parabo Facility
Section 16, Township 17 South, Range 30 East, NMPM
Eddy County, New Mexico
Waste Management Facility Permit No. NM-01-0003

Dear Mr. Jackson:

On September 23, 1997 the New Mexico Oil Conservation Division (OCD) inspected Sundance Services Inc. (Sundance), Parabo waste management facility located in the Section 16, Township 17 South, Range 30 East, NMPM, Eddy County, New Mexico. During the Sundance facility inspection the following permit violations were identified.

1. Pit One was observed to have large quantities of oil on the surface.

   The transfer of permit NM-01-0003 to Sundance, letter dated October 24, 1995, states that "all tanks exceeding 16 feet in diameter and exposed pits, ponds or lagoons must be screened, netted or otherwise rendered non-hazardous to migratory birds. In addition OCD Rule 310 prohibits oil from being stored or retained in earthen reservoir, or in open receptacles."

2. Pits Five and Six were observed to have small quantities of oil on the surface.

   The transfer of permit NM-01-0003 to Sundance, letter dated October 24, 1995, states that "all tanks exceeding 16 feet in diameter and exposed pits, ponds or lagoons must be screened, netted or otherwise rendered non-hazardous to migratory birds. In addition OCD Rule 310 prohibits oil from being stored or retained in earthen reservoir, or in open receptacles."

The OCD informed Sundance, during the September 23, 1997 inspection, of the permit requirement that all oil must be kept off of the evaporation pits. Pursuant to OCD rules and regulations, Sundance Services Inc., Parabo Facility, is in violation of their Permit No. NM-01-0003. Sundance Services Inc., Parabo Facility has until **December 12, 1997** to submit a corrective action plan to the Santa Fe OCD office and a copy to the Hobbs District office. The corrective action plan shall address the following and shall include a time table as to when each of the deficiencies will be corrected:

1. Remove all oil from evaporation pits one, five, and six;

2. Preventative measures that will be implemented to keep this type of permit violation form happening again.

In addition, any future permit violations of this type by Sundance Services Inc., will be cause for the assessment of civil penalties.

If you have any questions, please contact me at (505) 827-7153.

Sincerely,

Martyne J. Kieling
Environmental Geologist

xc: Hobbs OCD Office

Sundance Services, Inc.
P.O. Box 1737
EUNICE, NEW MEXICO 88231
505 394-2511

October 3, 1997

Mr. Roger Anderson
Environmental Bureau
Oil Conservation Division
2040 South Pacheo
Santa Fe, New Mexico 87504

Dear Mr. Anderson,

This letter is to document the proposed plan for Sundance Services Inc. to modify its current waste reception operations for the pit four area. In addition, we are writing to give a time frame for all of the modifications and clean-up discussed during your recent visit to our facility.

The first phase of clean-up has already began. We have already drained sludge pit #2 and are currently filing the pits with dirt. We are currently skimming oil from pit #1 and will have the pit cleared of floating oil by December 31, 1997. Dealing with pit north #7, we have ordered the netting and should be receiving this within the next few weeks. Please allow 30 days to complete netting after we receive the netting.

Once pit #1 is cleared of oil, we are proposing to begin lowering the liquid level of pit #4 to begin construction on the proposed waste reception facility. I have enclosed a sketch of the proposed modifications to pit #4. The first phase of the project will be to drain enough of pit #4 to allow approximately 150 feet of the pit to be back-filled. After the pit has been back-filled and packed, we will dig a new 75x150x10-foot pit in the new back filled area.

This new pit will have netting and a drain system which will allow us to efficiently control the water levels in the pit. We will also bury a rectangular, open-top storage tank next to the new pit. This tank will be the liquid-unloading tank for the trucks to unload all liquids except for produced water and to jet-out. After some settling-time, the liquids will cascade over to the new sludge storage pits for further separation. Once in a while we will use one of our cranes to scoop the settled solids from the unloading tank. Next to the unloading tank will be a recessed drying area for drill cuttings and the solids removed from the unloading

tank. After the solids are dried, they will be stabilized with dry dirt, if necessary, and moved to the dry solids area in pit #4.

Once construction is complete on this project, we will immediately begin to move all sludge within the plant into the new netted sludge storage pit. We will continue to recycle all waste within this pit to keep sludge storage to a minimum. If this proposed plan is approved, we will have this project completed by May 31, 1997.

Please let us know if you need further information on these projects. We will be awaiting your formal approval to begin construction.

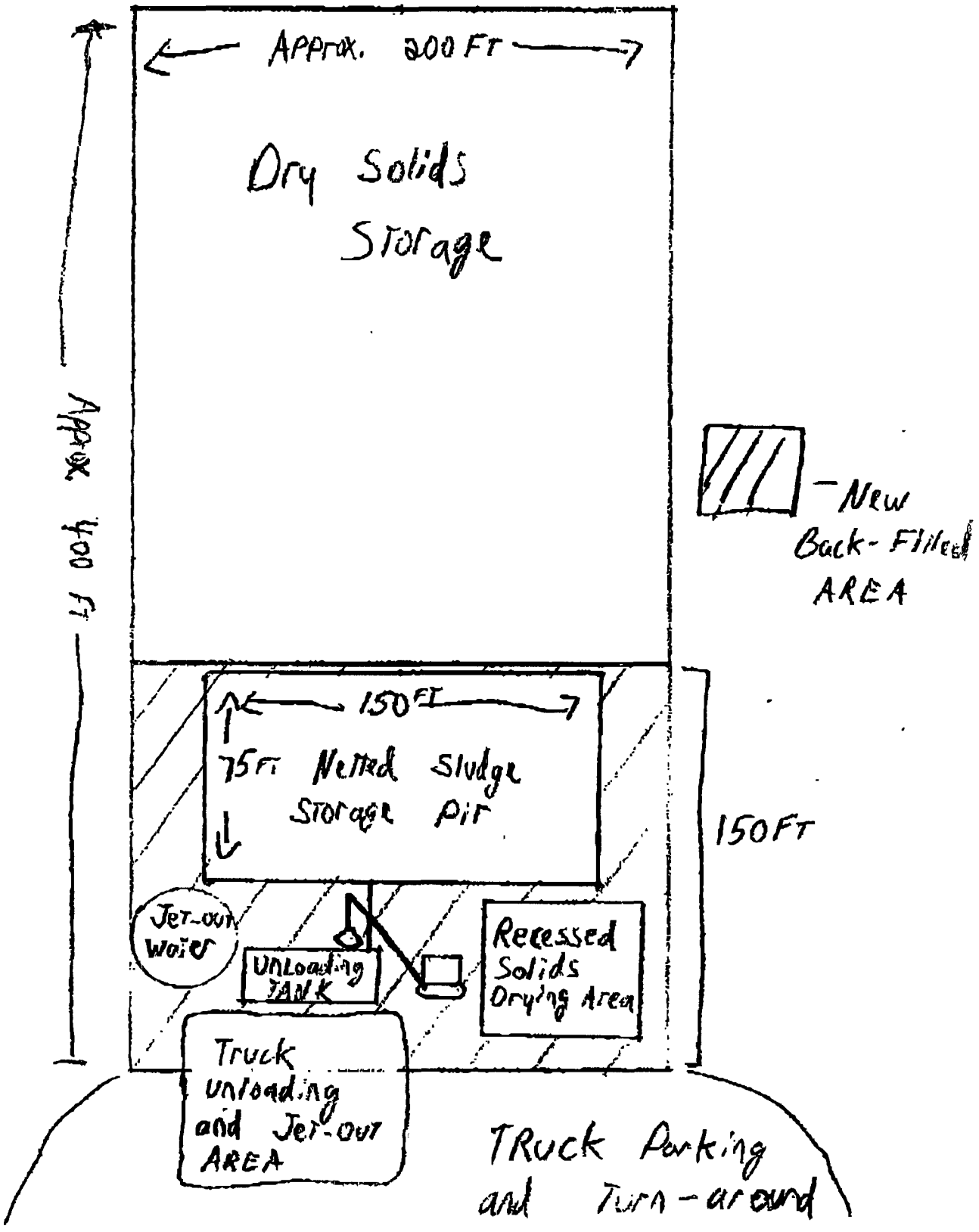
Best Regards,

R. Scott Jones

cc: Martyne J. Kieling
Wayne Price

Enc: Pit #4 sketch

Proposed Pit 4 Modifications



CC: MARTYNE KELLAR
CHRIS WILLIAMS

SUNDANCE SERVICES INC.
1431 MAIN P.O. BOX 1737
EUNICE, N.M. 88231

Fax Cover Sheet

DATE:	September 25, 1997	**TIME:**	2:40 PM
TO:	Wayne Price	**PHONE:**	505-
		FAX:	505-
FROM:	Richard Jackson	**PHONE:**	505-394-2511
		FAX:	505-394-2590
RE:			

RECEIVED
SEP 29 1997
OIL CONSERVATION DIVISION

CC:

Number of pages including cover sheet:

Message

Mr. Price;

As per our conversation on September 23, 1997, we have began to empty pit 2 for permanent closure. We will follow up with your office when completion of clean up for this pit for you inspection.

Thank You,
RJ (LR)
Richard C. Jackson

Martyne Kieling

From: Wayne Price
Sent: Monday, September 29, 1997 2:10 PM
To: Martyne Kieling
Cc: Chris Williams
Subject: RE: Sundance
Importance: High

NMOCD District I recommends the following:

Sundance should provide a rigid time schedule for closing and/or converting all the pits as per previous commitment.

Pit # 7 hydro geological study of MW-85 area both east and south of pit #7 (south) should be reinvestigated. All wells in this area should be dry before pit #7 is converted to a solids pit. The east recovery well should be re-drilled.

Parabo should provide a bar or line chart on each MW. They should be required to investigate or explain why there is water in any well. They should chart both water levels, chemical levels (cl's), etc.

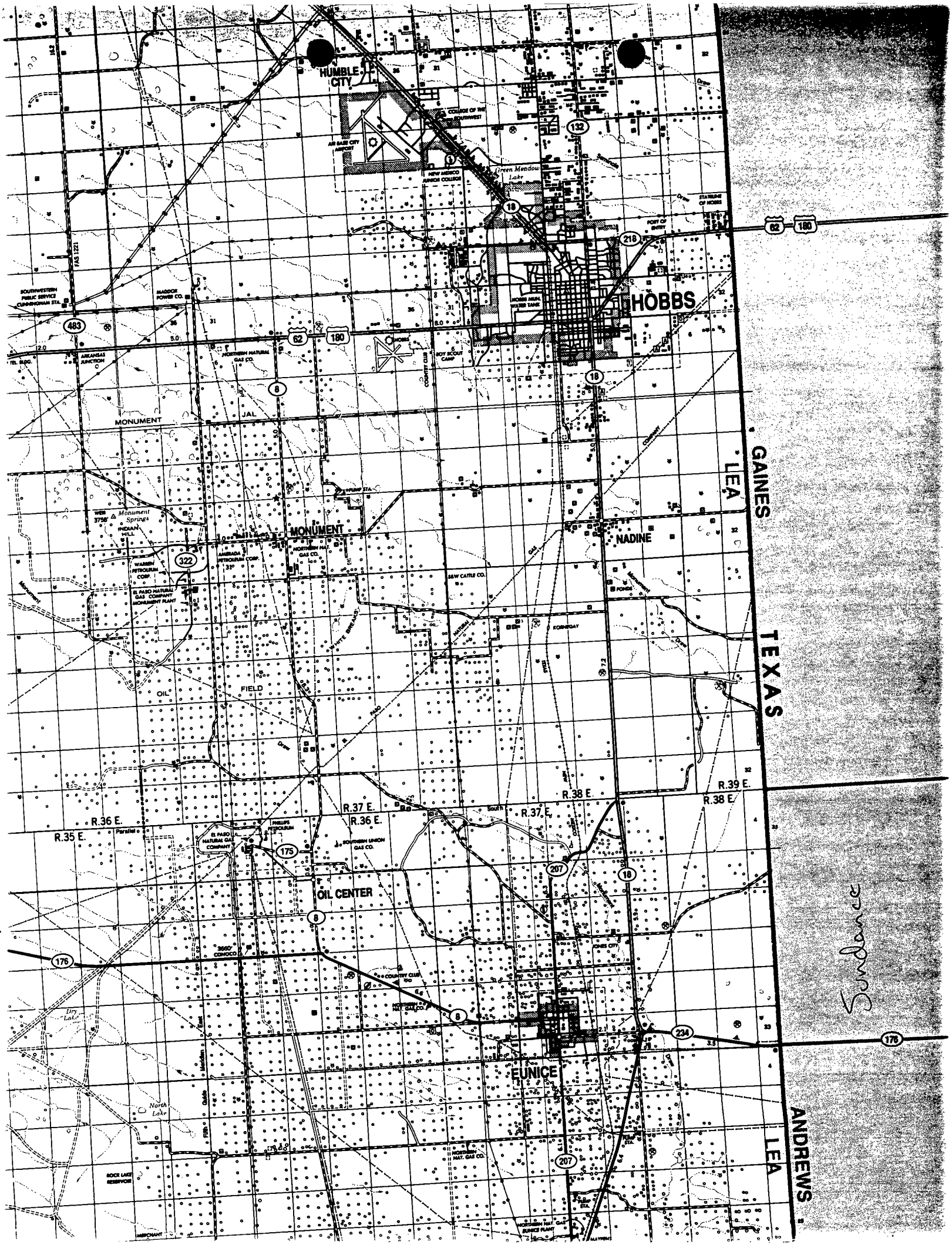
From: Martyne Kieling
Sent: Thursday, September 18, 1997 4:06 PM
To: Wayne Price
Subject: Sundance
Importance: High

Hi Wayne!

I know you are busy but I wondered if you remembered that you were going to get me some notes or Bullets on Sundance letter dated March 6, 1997. This was concerning pit 7 and the monitoring wells that should be pluged or new ones drilled for better coverage of what could be seeping from pit 7. I really need to get a responce out to Sundance hopefully late next week after I get back from Hobbs.

See you Monday

Thanks Martyne


HUMBLE CITY
HOBBS
MONUMENT
JAL
NADINE
EUNICE
OIL CENTER
OIL FIELD
GAINES
LEA
TEXAS
ANDREWS
LEA
R.35 E.
R.36 E.
R.37 E.
R.38 E.
R.39 E.
Green Meadow Lake
North Lake
Dry Lake
Monument Springs
Sundance

PROBLEM OIL PIT INSPECTION CHECKLIST

Site Number (State-Year-Waypoint):

Sundance

Checklists Completed (circle those that apply):

A B C

Prepared by the US Environmental Protection Agency Region VIII and US Fish and Wildlife Service Region VI

PROBLEM OIL PIT INSPECTION CHECKLIST

SECTION ONE: Site Information

Site Name and Waypoint: Sundance Services, Inc. Parabo Disposal

Lease # and Operator:

Site Location Section/Township/Range:

GPS Coordinates Obtained During Aerial Survey:

GPS Coordinates Obtained During Site Inspection:

Site Address: 3 mi. East of Eunice NM

City/County/State/Zip:

USFWS Case ID #:

EPA Facility ID # and/or NMOCD ID #'s:

Contact Name/Affiliation/Phone: Richard Jackson President

Contact Address (if different from site address): P.O. Box 1737 Eunice, NM 88231

Site Type (production, commercial disposal, other): commercial disposal

SECTION TWO: Inspection Information

Inspection date and time: 9/23/97 3:00 P.M.

Describe weather conditions (including estimated temperature): Partly cloudy

If known, list federal, state, or tribal programs that this site is subject to regulation under via a permit and list all permit number(s):

Inspection Team:

Inspector 1	G. Pashia	Agency/Program:	EPA	Phone:	
Inspector 2	N. Chaves	Agency/Program:	FWS	Phone:	
Inspector 3	W. Price	Agency/Program:	OCD	Phone:	
Inspector 4		Agency/Program:		Phone:	
Inspector 5		Agency/Program:		Phone:	
Inspector 6		Agency/Program:		Phone:	

SECTION THREE: Sketch of Site/Layout

Site Number and Name : _____

Include the estimated size (including depth) of any pits and describe site operations on site sketch. Include description of pertinent features such as waters of the US (location of, distance to, description of conduits to, etc.) or electrical equipment areas, for example. Include a north arrow on site sketch.

see attached sketch map of facility.

SECTION FOUR: General Observations

A. *PITS (complete checklist A if any of the following conditions exist)*

1. Does accumulated oil exist on the surface of any pits, ponds, sumps, or other open-topped storage devices ? Yes X No___

2. Are pits, ponds, tanks, sumps, or other devices which may accumulate oil covered with netting or are there any other wildlife exclusionary or deterrent devices in use (covers, flagging, etc.) ? Yes___ No X

3. Are there any dead or oiled birds or other wildlife on or near the site or any indication of oiled birds/wildlife previously at or near the site (oily tracks, etc.) ? Yes X No___

B. *DISCHARGES (complete checklist B if any of the following conditions exist)*

1. Is there a discharge (either ongoing or one-time) from a pit, pond, tank, or other device at the site ? Yes___ No X

2. Is there indication of any past or potential future discharge from a pit, pond, tank, or other device at the site (soil staining, fresh dirt or gravel used as cover, 2 ft or less freeboard maintained, eroded berms, etc.) ? Yes___ No X

C. *TANKS AND CONTAINERS (complete checklist C if any of the following conditions exist)*

1. Are there any tanks or containers on site ? Yes___ No___

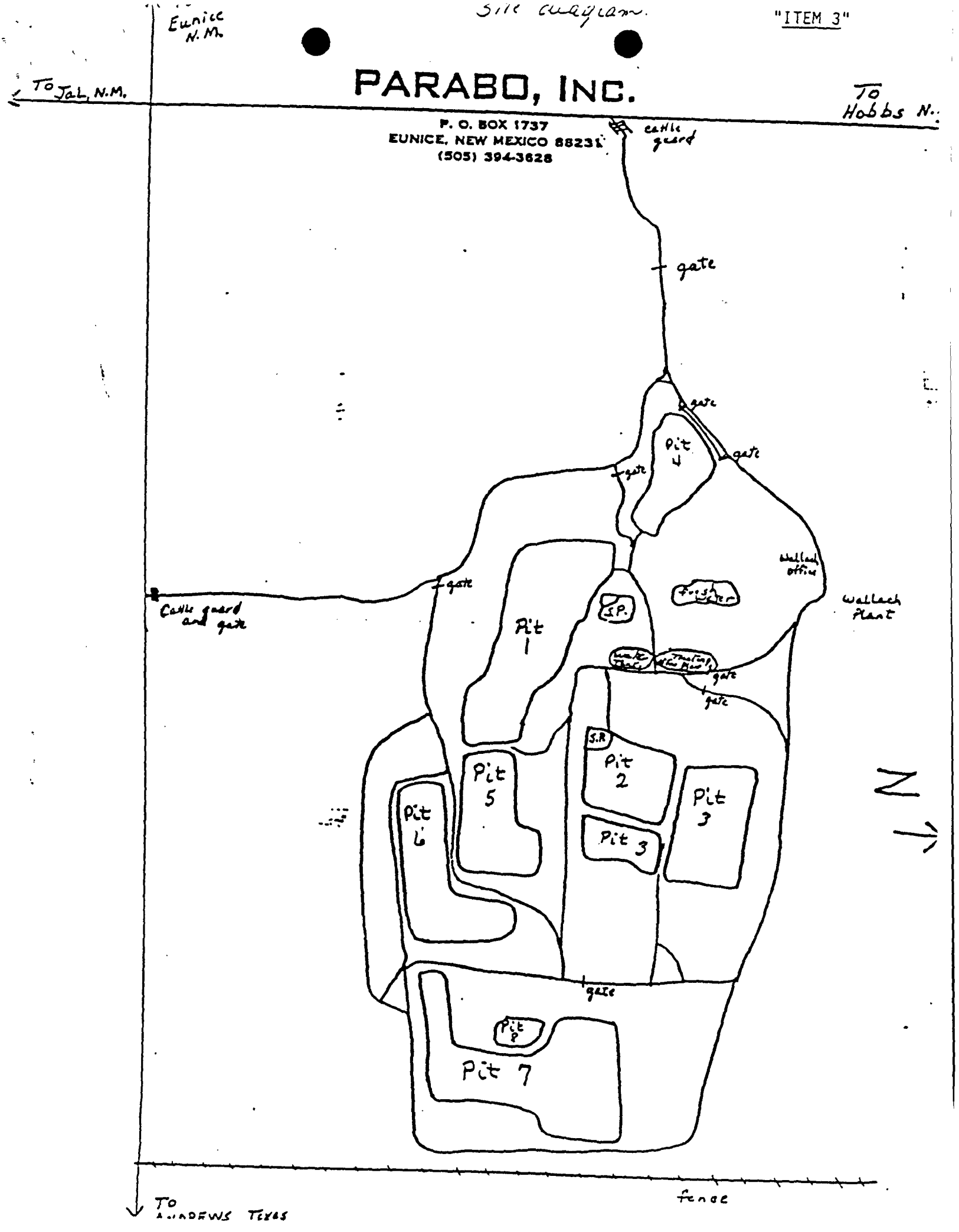
Tanks are on hill surrounding pits

Site diagram.

"ITEM 3"

PARABO, INC.

P. O. BOX 1737
EUNICE, NEW MEXICO 88231
(505) 394-3628



CHECKLIST "A" - PITS

1. If accumulated oil exists on the surface of any pits, ponds, sumps, or other open-topped storage devices, describe observed conditions including size of each pit, pond, sump, or device, percentage of area covered, and thickness of oil. Describe any other observations (visual, odor) of the material in each pit, pond, sump, or other device:

Site has 7 pits of various sizes. Most contain some oil. Some pits are totally covered with oil. See photo 109.

2. Describe any netting or other wildlife exclusionary or deterrent devices in use at the site. Include description of condition, coverage, netting mesh size, etc.:

No nets

3. Describe any oiled or dead birds or other wildlife found at or near the site. Indicate the number of mortalities and the seizure tag numbers for any birds collected:

1 bird (maybe duck) observed in pit 4. Bird to far out to get
1 bird SP pit. Bird sunk when collected.

4. Describe the construction and operation of any pits or ponds located at the site. Include a description of the pond liner system, if possible. Estimate the freeboard observed at the time of the inspection:

5. Indicate how long any pits or ponds at the site have been in operation:

6. If a pit, pond, sump, or other device is used as a loading/unloading area at a non-production site, describe any secondary containment used:

CHECKLIST "B" - DISCHARGES AND SPILLS

1. Indicate whether or not the site has a NPDES permit and, if so, indicate the permit number and whether or not the number is posted on site:

2. Describe any **ongoing discharges or one-time spills** from pits, ponds, or other devices at the site. For each discharge, include a description of the source, duration, and rate (gal/min or cfs) of material discharged. For each spill, describe the amount and area of the spilled material. Also describe any observations (oil sheen, odor) regarding the type of material discharged or spilled:

3. Describe any indications (e.g. soil / vegetation staining on ground or in drainages) of **past discharges or spills** from pits, ponds, tanks, or other devices at the site. Include any indication of the type of material discharged or spilled (e.g. oil stain, salt brine, etc.) and when and for how long the discharge or spill occurred:

4. Identify and describe the **drainage pathway** (dry arroyo, ditch, stream, etc.) of any current or suspected past discharges or spills from the site. Trace the drainage pathway to a flowing waterway, if possible, and describe the extent of any oil staining. Include a description of whether the drainage is dry at the time of the inspection, contains standing water that doesn't appear to be flowing or, if flowing, the estimated flowrate (gal/min or cfs) of water and/or discharged material:

5. Identify and describe any pits, ponds, or other devices in which less than 2 ft of freeboard exists at the time of the inspection. Also describe any indications that less than 2 ft of freeboard has been maintained in the past, such as staining of pond banks or overtopping of berms, etc.:

6. If possible, estimate the receipt rate or production rate (gal/day) of oil and/or produced water at the site:

7. If possible, determine whether or not any discharges or spills from the site have been reported and, if so, describe how (letter, phone, etc.), when, and to whom (EPA, BLM, DEQ, OGCC, BIA, etc.) it was reported:

8. Describe the general housekeeping and maintenance of the facility and any conditions which could result in a discharge or spill (valves which could be opened, poorly supported pipelines, etc.):

CHECKLIST "C" - TANKS AND CONTAINERS

1. Identify whether or not the site has a Spill Prevention, Control, and Countermeasure (SPCC) Plan. If so, verify by personally viewing the plan, if possible. Has it been certified by a registered Professional Engineer?:

2. Describe the type, use, condition, maximum capacity (gal or bbl), contents, markings, and actual quantity at the time of the inspection for each tank and container on the site. Also describe any secondary containment for each tank and container, including its condition, estimated capacity, and method of precipitation removal:

Tank / Container Type and Use	Maximum Capacity	Actual Quantity	Secondary Containment	Markings	Comments (including condition)

CONTINUATION SHEET (identify Section and/or Checklist continued)

PHOTO LOG

Site Number: Sundance - Parabo

Film Type/ASA/Size: Kodak/200 ASA/135

Photographer: Wallace O'Rear

Photo Number	Subject
R3E20	Pit #4 Looking northwest
R3E21	Pit #4 Looking north
R3E22	Pit #4, an object which looks like a duck carcus.
R3E23	Pit #1 men vaccuming oil off the water looking southeast
R3E24	Pit #1 looking east
R3E25	~~Seprating pond (SP)~~ Sludge Pit (SP) looking southwest next to Pit #1
R4E01	Pit #2 looking north
R4E02	Pit #2 + Pit #3 looking northeast
R4E03	Pit 5+6 west portion
R4E04	Pit 5+6 middle of Pits
R4E05	Pit 5+6 East portion of pits
R4E06	Pit 5+6 Looking east
R4E07	Pit #7 Looking southwest
R4E08	Pit #8 Looking south
R4E09	Wash out area next to pit 7

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

MEMORANDUM OF MEETING OR CONVERSATION

[X] Telephone [ ] Personal	Time 11:00	Date 8/22/97

Originating Party	Other Parties
Martyne Kieling	Nick Chaves 1-915-534-6660

Subject: Parabo (Sundance Services)
711 Facility / US Fish AND Wildlife Inspection

Discussion: Spotted on Fly over, Inspected on the Ground
Found 10 Dead Birds in Pits. 7 were Recovered
US Attourny General will Proceede with Processution
(Look For Fines)
I Requested Nick C. to Send His Inspection Report to
Me Along with His Report on the Birds And His Findings
on our Netting Rules (Acceptions)
Nick C. will Speek to His Supervisor and Send the Reports
to OCD Sometime Next week or two.

Conclusions or Agreements: (As of Phone Call He Had Not Recieved Chris
Williams letter - to Mr Richard C. Jackson August 18, 1997

Distribution

Signed: Martyne J Kieling

NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

Oil Conservation Division
District 1
P.O. Box 1980
Hobbs, New Mexico 88241
(505) 393-6161 Fax 393-0720

Jennifer A. Salisbury
CABINET SECRETARY

August 18, 1997

Mr. Richard C. Jackson
Sundance Services, Inc.
P.O. Box 1737
Eunice, New Mexico 88231

Dear Mr. Jackson:

This letter is in response to an inquiry by Mr. Nick Chaves, United States Fish and Wildlife Service about whether the Parabo facility has an exception or exceptions to netting its pits used for reclaiming oil. It appears that permit # H54 is an exception to Division Order 8952 for the protection of migratory birds which allows the facility to not net the pits as long as no oil is on the surface. **According to the approved permit, pits 1,2,3,5,6, and 7 should contain produced water only and suction pumps and a boat are to be used on a continuous basis to skim the pits until clean. Unless the small oil skimming ponds located at pits 2,5, and 7 north can be kept free of oil, these ponds should be screened, netted, or covered. (Information contained in Parabo's Attachment to Rule 711 Permit authorization, July 7, 1997)**

On inspection of the facility, all produced water pits except pit #3, have oil on the surface. This letter is to notify Sundance that the facility is in violation of the exception given and the facitlities new Rule 711 Permit authorization.

Please respond to the Hobbs-Oil Conservation Division office within ten days from the receipt of this letter with your plan to remediate the problem.

Sincerely,

Chris Williams

Chris Williams
District 1 Supervisor

CC: William J. LeMay, Director-OCD
Roger Anderson, Environmental Bureau - OCD
Martyne Kieling, Environmental Bureau - OCD
Nick Chaves, USFWS

ATT: ROGER ANDERSON & MARTYNE KIERLING

cc: LW.
RA.

NEW MEXICO OIL CONSERVATION COMMISSION
FIELD TRIP REPORT

≈ 11:30 AM

Name WAYNE PRICE Date 8/18/97 Miles _____ District I

Time of Departure 7 AM Time of Return 4 PM Car No. G 0472 1

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

Signature Wayne Price

INSPECTION	CLASSIFICATION	FACILITY	HOURS	QUARTER HOURS

SUNDANCE SER. (PARADO) FACILITY INSPECTION
DUE TO US F&W INQUIRY & SITE VISIT
MET: RIC JACKSON, MIKE PATTERSON, DARRELL BLAGG
NMOCD: W PRICE

(US FISH & WILDLIFE)
INFORMED MR. JACKSON of US F&W INQUIRY
MR. JACKSON INFORMED ME THAT US F&W HAD
VISITED ≈ 2 MONTHS AGO & FOUND SOME
DEAD BIRDS IN PITS! ≈ 7 BIRDS FOUND

TOURED FACILITY WITH DARRELL BLAGG, MR BLAGG
POINTED OUT WHERE DUCKS (BIRDS) WERE FOUND.
TOOK PICTURES - SEE ATTACHED!
ALL NETS HAVE BEEN REMOVED, OIL ON PITS #1,2,
4,5,6(FILL), 7(N & S) - OBSERVED RECENT SPILL NEAR PLANT!

Mileage		Per Diem		Hours	
UIC		UIC		UIC	
RFA		RFA		RFA	
Other		Other		Other	

TYPE INSPECTION PERFORMED

H = Housekeeping
P = Plugging
C = Plugging Cleanup
T = Well Test
R = Repair/Workover
F = Waterflow
M = Mishap or Spill
W = Water Contamination
O = Other

INSPECTION CLASSIFICATION

U = Underground Injection Control - Any inspection of or related to injection project, facility, or well or resulting from injection into any well. (SWD, 2ndry injection and production wells, water flows 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 taken in the field (show immediately below the letter U, R or O)

NATURE OF SPECIFIC WELL OR FACILITY INSPECTED

D = Drilling
P = Production
I = Injection
C = Combined prod. inj. operations
S = SWD
U = Underground Storage
G = General Operation
F = Facility or location
M = Meeting
O = Other

cc: CHRIS WILLIAMS
PETER JOHNSON
8/27/97

RECEIVED
AUG 28 1997
Environmental Bureau
Oil Conservation Division

Sundance Services, Inc.
P.O. Box 1737
EUNICE, NEW MEXICO 88231
505 394-2511

August 20, 1997

OCD HOBBS OFFICE
AUG 21 1997
RECEIVED

Wayne Price
New Mexico
Oil Conservation Division
P.O. Box 1980
Hobbs, New Mexico 88241-1980

Dear Mr. Price,

This letter is to provide you with the details of a visit to our plant from the United States Fish and Wildlife Service.

On Friday, April 11, 1997, Mr. Nicholas E. Chavez, a special agent with the U.S. Fish and Wildlife Service, and two assistants visited the Sundance Plant as result of an anonymous tip that there were "hundreds" of birds floating in and around our pits. The visit was unannounced and unexpected. After a brief introduction, he and his assistants walked around the facility to look for dead birds.

Following is a summary of what he found,

Pit #2	1 heron
Pit #5	4 unidentified birds
Pit #7 S	3 ducks which were not identified or collected
Pit #7 N	2 unidentified birds

Mr. Chavez photographed all pits and birds and took some of the birds with him for identification purposes.

On the following Monday, I telephoned Mr. Chavez to discuss his visit. He stated that he had not been aware that oil sludge pits existed and was concerned that there was no netting over the pits. I explained that we are in the business of closing these types of pits and recycling the waste found in them. I also explained that our process uses a crane to remove the sludge from the pits, which makes netting impossible.

Mr. Chavez then explained that the procedure was to have an autopsy done on the birds. Following the autopsy, he would have to write a report to his boss and make a recommendation on how to handle the matter. He said that this process

MJK 8/28/97

could take several months. I stated that we are planning to have all of the oil sludge in the plant consolidated into one small, netted pit within a few months. He said if we had this completed before his report was completed, we would probably not be reprimanded.

Mr. Chavez then stated he would contact the New Mexico Oil Conservation Division to find more information on Exempt Oil Waste Facilities.

I have enclosed a copy of Mr. Chavez's business card along with this letter. If you have any questions pertaining to this matter, please contact me at your convenience.

Best regards,

Scott Jones
Consultant

U.S. DEPARTMENT OF THE INTERIOR
U.S. FISH AND WILDLIFE SERVICE
DIVISION OF LAW ENFORCEMENT

NICHOLAS E. CHAVEZ
SPECIAL AGENT

P.O. BOX 10061
EL PASO, TX 79991

(915) 534-5660

FAX: (915) 532-4776

NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

July 7, 1997

CERTIFIED MAIL
RETURN RECEIPT NO. P-326-936-303

Mr. Richard C. Jackson
Sundance Services, Inc.
P.O. Box 1737
Eunice, New Mexico 88231

RE: Treating Plant Inspection
Sundance Services, Inc.
SW/4 of Section 29, Township 21 South, Range 38 East, NMPM
Lea County, New Mexico

Dear Mr. Jackson:

The New Mexico Oil Conservation Division (OCD), inspected Sundance Services, Inc. (Sundance) treating plant located in the SW/4 of Section 29, Township 21 South, Range 38 East, NMPM, Lea County, New Mexico, on April 2,1997.

Overall the OCD found Sundance to be making great strides towards reclaming oil and remediating several large pits within the facility. The OCD inspection and current file review of Sundance indicates some permit deficiencies. Attachment 1 lists the permit deficiencies found at Sundance during the inspection and the new Rule 711 requirements that are not on file. Attachment 2 contains photographs taken during the inspection. Sundance shall provide the OCD with a detailed description of how the corrections will be made and a time table of when each of the corrections will be completed. A response is required by Sundance to these deficiencies by September 8, 1997.

Pursuant to Order R-10411-B the OCD General Rule 711 has been revised. The OCD is currently in the process of re-permitting all surface waste management facilities under the new Rule 711. Sundance treating plant is included under the new Rule 711. A copy of Order R-10411-B along with the new bond forms were given to you (Mr. Richard Jackson) during the OCD inspection on April 2, 1997. An additional set of these forms and the Order is included with this report. A permit application, Form C-137 (attachment 3), shall be filed with the OCD according to the instructions in Attachment 1, Section 16.

Please be advised that the bonding requirements have changed under the new Rule 711.Sundance's

current cash bond for $25,000 will need to be replaced. The new bonded amount will be based upon the estimated closure costs that the State of New Mexico would incur if a third party contractor were to remediate the facility (see Rule 711.B.1.i). Sundance must have a new bond in place for the approved estimated closure amount prior to receiving a new waste management facility permit.

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

Sincerely,

Martyne J. Kieling

Martyne J. Kieling
Environmental Geologist

Attachments
xc: Hobbs OCD Office

ATTACHMENT 1
INSPECTION REPORT
APRIL 2, 1997
SUNDANCE SERVICES, INC.
(SW/4 of Section 29, Township 21 South, Range 38 East, NMPM)
LEA COUNTY, NEW MEXICO

1. Drum Storage: All drums containing materials other than fresh water must be stored on an impermeable pad with curbing. All empty drums should be stored on their sides with the bungs in and lined up on a horizontal plane. Chemicals in other containers such as sacks or buckets should also be stored on an impermeable pad and curb type containment. All drums and chemical containers should be clearly labeled to identify their contents and other emergency information necessary if they were to rupture, spill or ignite.

   All drums should be properly labeled and stored. If possible excess empty drums should be recycled or returned to the product manufacture.

2. Process Area: All process and maintenance areas which show evidence that leaks and spills are reaching the ground surface must be either paved and curbed or have some type of spill collection device incorporated into the design.

   Good yard maintenance practices were evident in the process area (see pictures 15, 16 and 17).

3: Above Ground Tanks: All above ground tanks which contain fluids other than fresh water must be bermed to contain a volume of one-third more than the total volume of the largest tank or of all interconnected tanks. All new facilities or modifications to existing facilities must place the tank on an impermeable type pad within the berm so that leaks can be identified.

   All above ground tanks within the facility are surrounded by a dike that has adequate containment volume. However, the tanks located at the processing area (see pictures 16 and 17) should be bermed along the bluff to contain any spills or leaks within the process area and away from the fresh water pond at the base of the bluff (see picture 19).

4. Open Top Tanks and Pits: To protect migratory birds, all tanks exceeding 16 feet in diameter, and exposed pits and ponds shall be screened, netted or covered.

   The facility has an approved permit (No. H-54) for an exception to division order R-

8952 for the protection of migratory birds. According to the approved permit, Pits 1, 2, 3, 5, 6, and 7 should contain produced water only and suction pumps and a boat are to be used on a continual basis to skim the pits until clean. Unless the small oil skimming ponds located at Pits 2, 5, and 7 north can be kept free of oil, these ponds should be screened, netted or covered (see pictures 6, 7, 8, 12 and 13).

5. Above Ground Saddle Tanks: Above ground saddle tanks must have impermeable pad and curb type containment unless they contain fresh water or fluids that are gases at atmospheric temperature and pressure.

   All saddle tanks should have proper leak containment.

6. Tank Labeling: All tanks, drums and containers should be clearly labeled to identify their contents and other emergency information necessary if the tank were to rupture, spill or ignite.

   Most of the above ground tanks are not labeled as to their contents and hazards (see pictures 1, 2, 6, 12, 13, 14, 15, 16, 17 and 19).

7. Below Grade Tanks/Sumps: All below grade tanks, sumps, and pits must be approved by the OCD prior to installation or upon modification and must incorporate secondary containment and leak-detection into the design. All pre-existing sumps and below grade tanks must demonstrate integrity on an annual basis. Integrity tests include pressure testing and/or visual inspection of cleaned out tanks or sumps, or other OCD approved methods.

   All future below grade tanks must follow these requirements.

8. Evaporation Ponds and Pits: All evaporation ponds and pits shall not exceed the maximum fill markers.

   Pit 3 was at maximum fill height (see picture 9).

9. Ground Water Monitor Wells: All ground water monitor wells should be secured to prevent tampering or illegal dumping down hole. This may include locking protective caps or proper plugging and abandonment of wells not in use.

   Ground water monitor wells should be locked.

10. Underground Process/Wastewater Lines: All underground process/wastewater pipelines must be tested to demonstrate their mechanical integrity at present and then every 5 years thereafter. Companies may propose various methods for testing such as pressure testing or other OCD approved methods.

Any underground process/wastewater lines will need to have a mechanical integrity testing proposal.

11. Housekeeping: All systems designed for spill collection/prevention should be inspected frequently to ensure proper operation and to prevent overtopping or system failure.

    Facility housekeeping, yard maintenance, and spill prevention/cleanup is good (see pictures 16, 17 and 18). In addition, oil recovery and remediation of Pits 4, 7 south, and 8 are progressing (see pictures 1,2, 3, 4, 14, and 15).

12. Trash and Potentially Hazardous Materials: All trash and potentially hazardous materials should be properly disposed of.

    Contaminated soil pile south of Pit 8 should be remediated and/or removed (see picture 3)

13. Spill Reporting: All spills/releases shall be reported pursuant to OCD Rule 116.

    At the time of inspection there were no spills evident at this facility.

14. Security: The facility shall be secured when no attendant is present, to prevent any unauthorized dumping. Securing the facility may included locks on tank valves, a perimeter fence and locked gate or other similar security measures.

    Facility has a perimeter fence and locking gate.

15. Signs: The facility shall have a sign in a conspicuous place at the facility. The sign shall be maintained in legible condition and shall be legible from at least fifty (50) feet and contain the following information : a) name of facility, b) location by quarter-quarter section, township and range, and c) emergency phone number.

    A facility sign is needed.

16. Application Requirements for Permit Under the New Rule 711: An application, Form C-137, for a permit renewal shall be filed in DUPLICATE with the Santa Fe Office of the Division and ONE COPY with the Hobbs OCD district office. The application shall comply with Division guidelines and shall include:

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

    Please submit with C-137 application.

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

This is already on file with the OCD.

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

Please submit with C-137 application.

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

This is already on file with the OCD.

(e) A plan for management of approved wastes;

Please submit with C-137 application.

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

Please submit with C-137 application.

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

Please submit with C-137 application.

(h) A Hydrogen Sulfide (H_2S) Prevention and Contingency Plan to protect public health;

Please submit with C-137 application.

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

Please submit with C-137 application.

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

This is already on file with the OCD.

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

Please submit with C-137 application.

SUNDANCE SERVICES INC. TREATING PLANT INSPECTION (PHOTOS BY OCD)

PHOTO NO. 1 DATE: 04/2/97

PHOTO NO. 2 DATE: 04/2/97

SUNDANCE SERVICES INC. TREATING PLANT INSPECTION (PHOTOS BY OCD)

PHOTO NO. 3 DATE: 04/2/97

PHOTO NO. 4 DATE: 04/2/97

SUNDANCE SERVICES INC. TREATING PLANT INSPECTION (PHOTOS BY OCD)

PHOTO NO. 5 DATE: 04/2/97

PHOTO NO. 6 DATE: 04/2/97

SUNDANCE SERVICES INC. TREATING PLANT INSPECTION (PHOTOS BY OCD)

PHOTO NO. 7 DATE: 04/2/97

PHOTO NO. 8 DATE: 04/2/97

SUNDANCE SERVICES INC. TREATING PLANT INSPECTION (PHOTOS BY OCD)

PHOTO NO. 9 DATE: 04/2/97

PHOTO NO. 10 DATE: 04/2/97

SUNDANCE SERVICES INC. TREATING PLANT INSPECTION (PHOTOS BY OCD)

PHOTO NO. 11 DATE: 04/2/97

PHOTO NO. 12 DATE: 04/2/97

SUNDANCE SERVICES INC. TREATING PLANT INSPECTION (PHOTOS BY OCD)

PHOTO NO. 13 DATE: 04/2/97

PHOTO NO. 14 DATE: 04/2/97

SUNDANCE SERVICES INC. TREATING PLANT INSPECTION (PHOTOS BY OCD)

PHOTO NO. 15 DATE: 04/2/97

PHOTO NO. 16 DATE: 04/2/97

SUNDANCE SERVICES INC. TREATING PLANT INSPECTION (PHOTOS BY OCD)

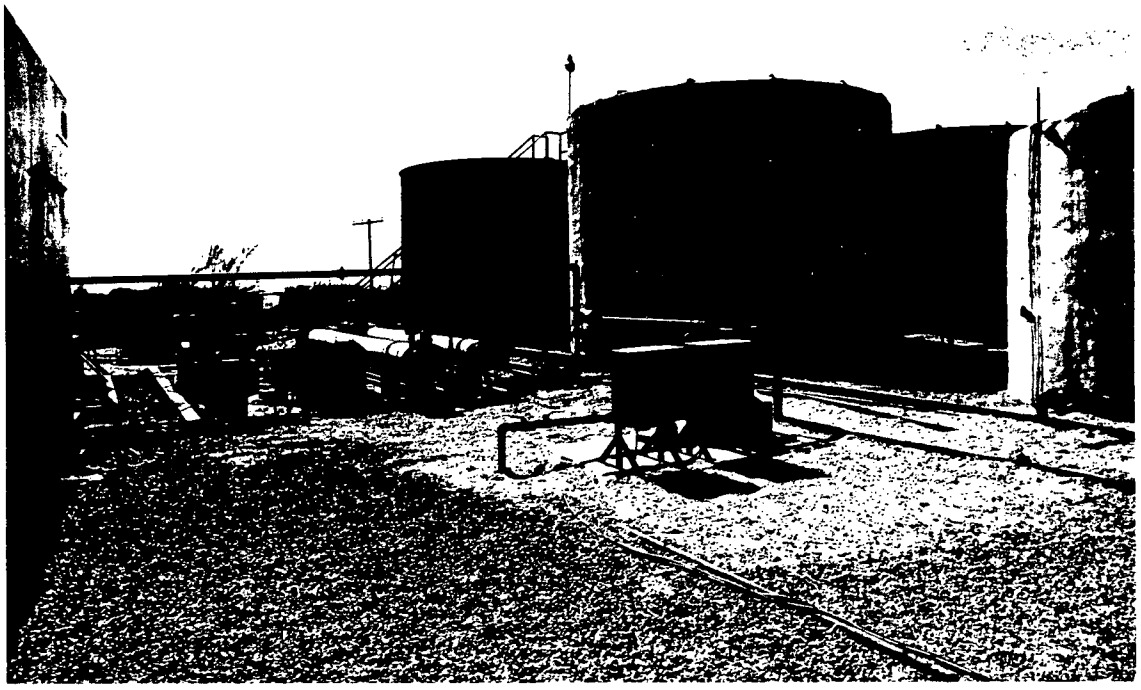


PHOTO NO. 17 DATE: 04/2/97

PHOTO NO. 18 DATE: 04/2/97

SUNDANCE SERVICES INC. TREATING PLANT INSPECTION (PHOTOS BY OCD)

PHOTO NO. 19 DATE: 04/2/97

NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

Martyne Kieling

From: Wayne Price
Sent: Wednesday, June 04, 1997 8:25 AM
To: Martyne Kieling; Pat Sanchez
Cc: Chris Williams
Subject: C-138 Star Tool
Importance: High

Dear Pat & Martyne:

Please note that on 12-13-96 Parabo submitted a C-138 for Star Tool for 85 bbls of sludge. As you know this was denied per my attached letter. Pat & I discussed this and with Star Tool. Please check your records to make sure the file indicates it was denied. I just recently received a copy back indicating this material has been approved. I will mark denied and place in both Parabo and Star Tools files.

Star Tool as you know has hired a Environmental consultant to assist them in their waste stream ID's and classification. Also I am presently working with them on their different waste streams. CRI has submitted C-138's for them, there are a few problems with nomenclatural but as some as we get that worked out I will be forwarding these to you. As usual Ken Marsh has ask us to expedite these submittals.

Thanks!

File -

CRISTAR

Sundance Services, Inc.
P.O. Box 1737
EUNICE, NEW MEXICO 88231
505 394-2511

March 6, 1997

Mr. Roger Anderson
New Mexico Oil Conservation Division
2040 South Pacheco
P.O. Box 6429
Santa Fe, New Mexico 87505

RE: Sundance Services Incorporated
Parabo Disposal Facility
Section 29, Township 12 South, Range 39 East
NMPM, Lea County, New Mexico

Dear Mr. Anderson,

This letter is to serve as a request for approval for Sundance Services to close pit #8, convert pit #7 to a dry solids pit, convert pit #4 from a BS&W pit to a solids pit, and build a material receiving station in pit #4.

As of this week, Sundance Services has completely extracted and reclaimed all floating oil from pit # 7. In addition, we have begun pumping water from the pond and will continue to do so until it is completely decanted.

Once pit #7 is completely emptied of water, Sundance Services seeks permission from the OCD to begin filling the pit with dry solids. Before dry solids are moved into pit #7, we will line the eastern boundary with dry dirt to stop the leakage which has occurred in the past. Once the eastern boundary is repaired, we will begin to move dry contaminated dirt from the large dirt mound adjacent to pit #8 into the southeast corner of the pit. This will eliminate any seepage in the future.

After the southeastern corner of pit #7 is filled, we will then begin to move solids from pit #8 and the large contaminated dirt mound adjacent to pit #8 into the north end of pit #7. Currently, pit #8 contains soft solids which could be difficult to compact. Therefore, Sundance Services believes that the best way to close pit #8 would be to transfer via crane half of the material from pit #8 into the northwest corner of pit #7 and stabilize the soft material with the dry contaminated dirt stored in the adjacent mound. After all of

the solids in pit #8 are stabilized, Sundance Services will close the pit following the guidelines documented in closure plan filed with the OCD.

Because pits #7 and #8 are the only active pits in the facility which can accept solids in a liquid form, Sundance Services also requests approval to convert pit #4 from a BS&W pit to a solids pit with the same classification as pits #7 and #8. Sundance Services is currently extracting BS&W from pit #4 and reclaiming the oil. Once all of the floating oil is removed, Sundance Services will pump the remaining water from the pond. After the pit is completely decanted, Sundance Services will dispose solids in the pit until it reaches capacity. At that point, Sundance will follow the same closure procedure as stated above for pit #8.

Once pit #4 is emptied of fluids, Sundance Services requests permission to build a fluid receiving station, wash out facility, unloading facility and drying area within the boundaries of pit #4. The proposed facility in pit #4 will have two open-top unloading tanks, two enclosed fluid processing tanks and all necessary plumbing and pumps. Trucks will unload material into the open-top tanks where the solids can settle. After settling, the liquids will be transferred to the fluid processing tanks. The solids will be removed and dried in the drying area. After drying, the solids will be disposed in pit #4 or in pit #7. The above areas will be completely confined within the boundaries of pit #4 and surrounded by monitoring wells.

With the above changes, Sundance Services seeks to minimize the storage of liquids (except brine water) in open pits and to reduce stored waste. With the new collection facility, material will be separated and treated to maximize waste recycling which reduces the amount of waste to be stored in the future.

Please contact me if you need further information. Thank you for your attention and consideration of this matter.

Sincerely,

Michael Patterson

Mike Patterson
Operations Manager

Sundance Services, Inc.

P.O. Box 1737
EUNICE, NEW MEXICO 88231
505 394-2511

August 12, 1996

RECEIVED
AUG 15 1996
Environmental Bureau
Oil Conservation Division

Mr. Roger Anderson
New Mexico Oil Conservation Division
2040 South Pacheco
P.O. Box 6429
Santa Fe, New Mexico 87505

RE: Sundance Services Inc.
Parabo Disposal Facility
Section 29, Township 12 South, Range 39 East
NMPM, Lea County, New Mexico

Dear Mr. Anderson;

Sundance Services Inc. request approval to add to our fluid receiving station a wash out and unloading facility which will consist of:

1) 22' X 24' concrete ramp
2) 2 - above ground open top receiving tanks
3) 1 - enclosed fluid storage tank
4) Necessary piping and accessories:
   Please see attachments A & B

Material will be unloaded into the tanks, solids allowed to settle and fluids transferred to fluid processing tanks. Solids will be removed to drying areas, then to solids disposal area. All tanks will be inspected daily for leaks.

Sundance also request approval of a drying area to be constructed on the west side of pit number 8. Drying area will be approximately 50' X 150' with 42" berms. (Please see attachment C). The above areas are inside the monitor wells which surround the facility. (Please see attachment D).

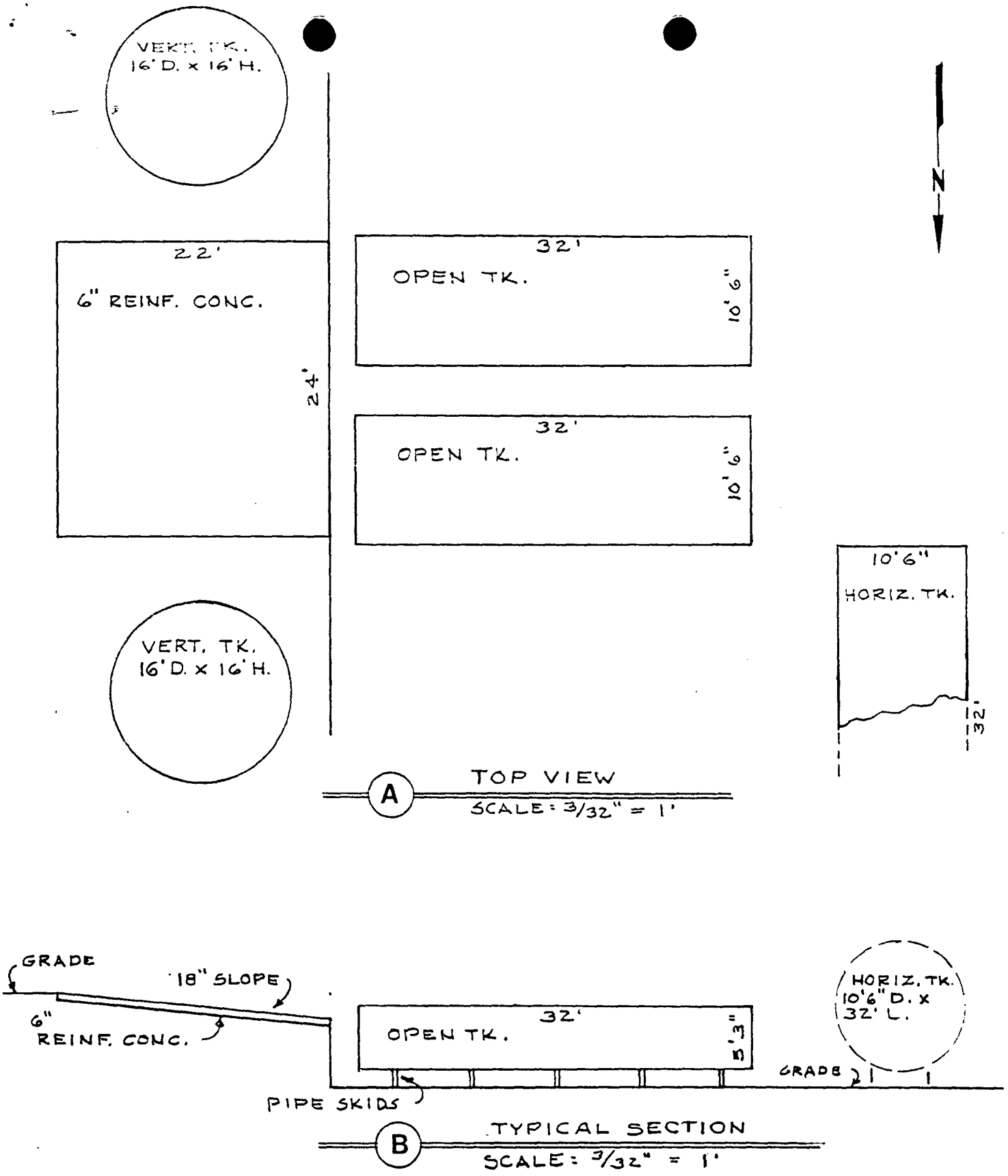
Please advise if you require additional information. Thank you for your consideration of this request.

Sincerely,

Sundance Services Inc.
Ken Marsh
Consultant

KM/dr

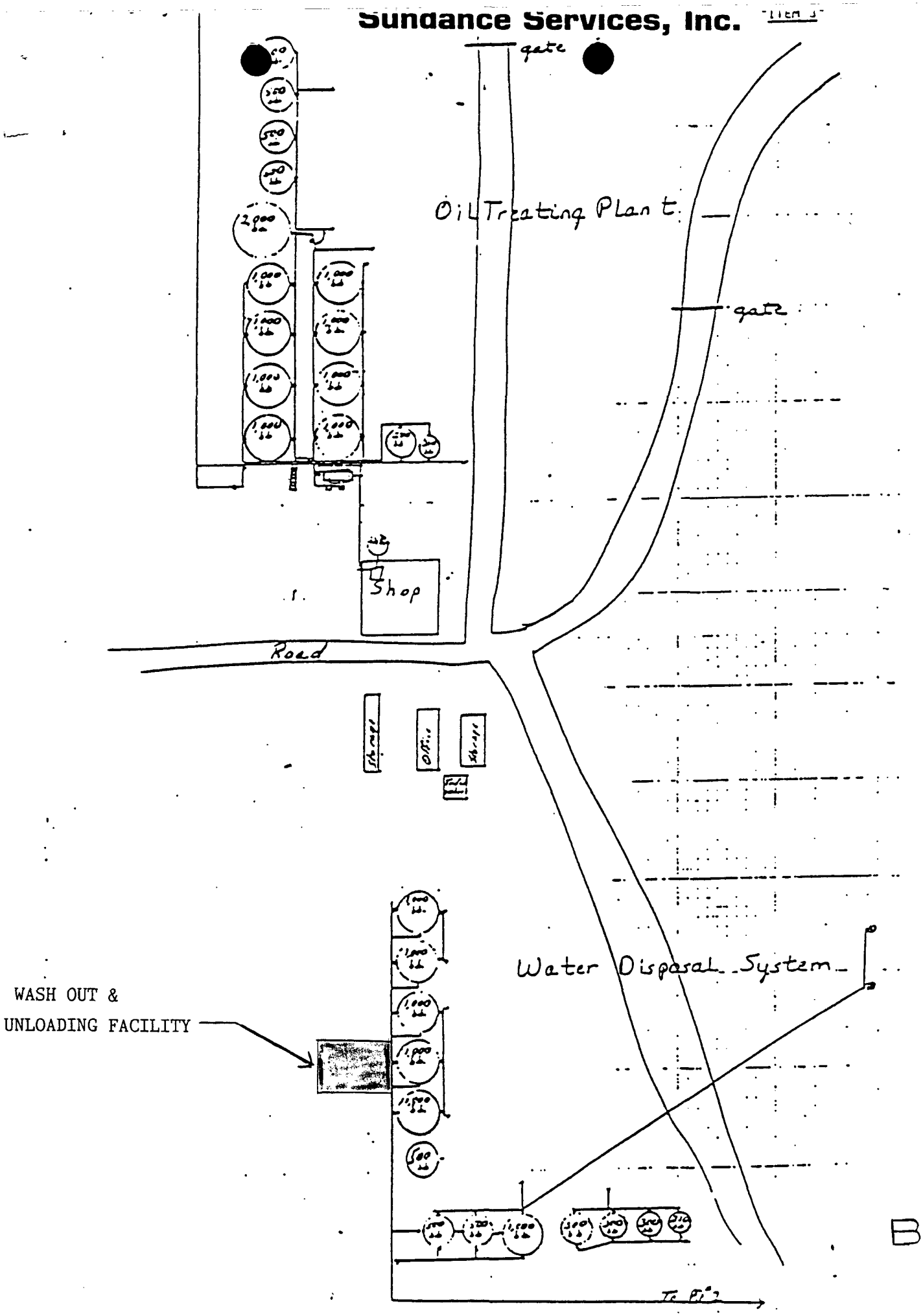
cc: Jerry Sexton -
NMOCD - Hobbs



WASHOUT SYSTEM A

SUNDANCE SERVICE, INC. PARABO FACILITY	
AUG. 12, 96	SHEET 1 OF 1

Sundance Services, Inc.



(EXHIBIT 5) - 3 PAGES

Site diagram

"ITEM 3"

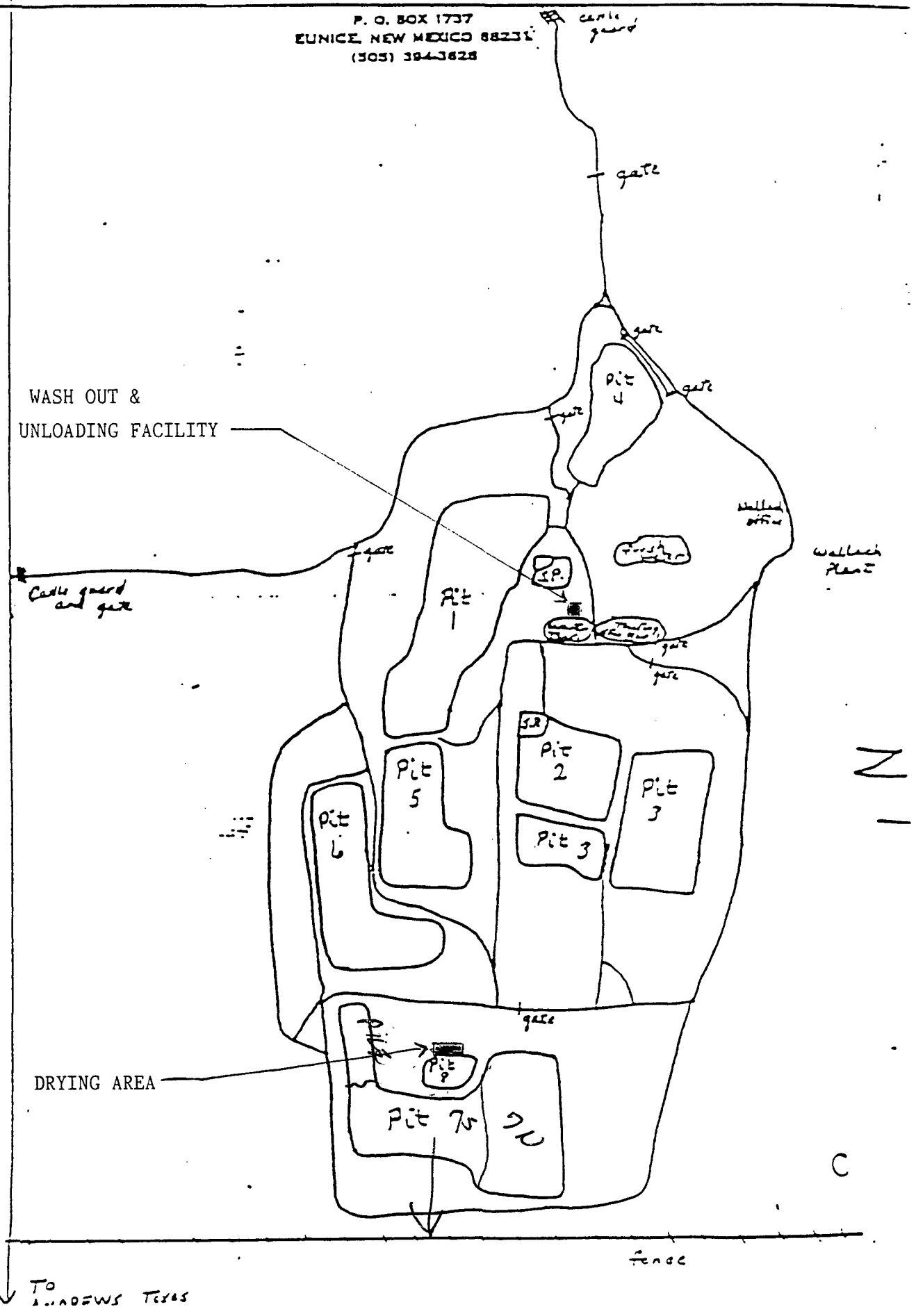
To Eunice N.M.

To Jal N.M.

To Hobbs N

Sundance Services, Inc.

P. O. BOX 1737
EUNICE, NEW MEXICO 88231
(505) 394-3828



To Andrews Texas

NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

POST OFFICE BOX 1980
HOBBS, NEW MEXICO 88241-1980
(505) 393-6161

RECEIVED
96 JUN 17 AM 8 52

June 11, 1996

Mr. Richard Brakey
Sundance Services, INC.
P.O. Box 1737
Eunice, New Mexico

Re: Parabo facility

Per your request please find attached our latest guidelines for Landfarms. Also, if you construct a new landfarm operation at Parabo this might require a modification of your existing rule 711 permit. Please call Chris Eustice at 505-827-7153 for this determination.

If you require any further assistance concerning this matter please do not hesitate to call (505-393-6161) or write.

Sincerely yours,

Wayne Price-Environmental Engineer

cc: Jerry Sexton-NMOCD District I Supervisor
Roger Anderson-NM NMOCD Environmental Bureau Chief, Santa Fe

attachments-1

PARABO, INC.

P. O. Box 1737
EUNICE, NEW MEXICO 88231

September 20, 1995

Mr. William J. LeMay
OCD Director
OIL CONSERVATION DIVISION
2040 S. Pacheco
Santa Fe, New Mexico 87505

RE: Parabo, Inc.

Dear Mr. LeMay:

As you are aware, Parabo, Inc. ("Parabo") intends to sell substantially all of the assets and properties of Parabo relating to its oil field waste disposal facility (the "Business") to Sundance Services, Inc. ("Sundance"). Parabo and Sundance would like to close this transaction as soon as possible.

Accordingly, and in accordance with instructions provided to Parabo by Chris Eustice (in a letter dated July 21, 1995), and in subsequent conversations with your Department, Parabo hereby requests your approval of the transfer by Parabo to Sundance of the following permits: (i) Order No. R-5516, modified by Orders A, B and C (Rule 711 Facility); and (ii) Order No. R-6940 (treating plant) (together, the "Permits").

Parabo and Sundance intend the transfer of the permits to be effective upon the closing of the purchase and sale transaction between Parabo and Sundance described above, and that immediately upon the occurrence of such closing, Sundance will be permitted to continue operating the Business as is now operated.

Your prompt attention to this matter would be appreciated. Please call me directly if you any comments or questions.

Very truly yours,

PARABO, INC.

Richard F. Brakey

Richard F. Brakey
President

RB/mm

DATE: 9/22/95

To ROGER ANDERSON - NMOCD

From

WAYNE PRICE - ENVIRONMENTAL ENGR. - NM.O.C.D. DISTRICT I

Energy & Minerals Department

Telephone Number 505-393-6161 FAX # 505-393-0720

- ☐ For Your Files
- ☐ Prepare a Reply for My Signature
- ☐ For Your Review and Return
- ☑ For Your Information
- ☐ For Your Handling
- ☐ For Your Approval
- ☐ As Per Your Request
- ☐ For Your Signature
- ☐ Please Advise
- ☐ For Your Attention

JERRY ASK ME TO FAX YOU THIS INFO!

Wayne

PARABO, INC.
P. O. Box 1737
EUNICE, NEW MEXICO 88231

September 20, 1995

Mr. Jerry Sexton
OCD Hobbs District Supervisor
OIL CONSERVATION DIVISION
1000 W. Broadway
Hobbs, New Mexico 88240

RE: Parabo, Inc.

Dear Mr. Sexton:

As you are aware, Parabo, Inc. ("Parabo") intends to sell substantially all of the assets and properties of Parabo relating to its oil field waste disposal facility (the "Business") to Sundance Services, Inc. ("Sundance"). Parabo and Sundance would like to close this transaction as soon as possible.

Accordingly, and in accordance with instructions provided to Parabo by Chris Eustice (in a letter dated July 21, 1995), and in subsequent conversations with your Department, Parabo is herewith submitting to you five executed copies of Form C-104, "Request for Allowable and Authorization to Transport Oil and Natural Gas", with respect to the following commercial disposal facility permit: Order No. SWD-364 (commercial disposal well) (the "Permit").

Parabo and Sundance intend the transfer of the permit to be effective upon the closing of the purchase and sale transaction between Parabo and Sundance described above, and that immediately upon the occurrence of such closing, Sundance will be permitted to continue operating the Business as is now operated.

Your prompt attention to this matter would be appreciated. Please call me directly if you any comments or questions.

Very truly yours,

PARABO, INC.

Richard F. Brakey

Richard F. Brakey
President

RB/mm
Enclosures

Sundance Services, Inc.

P.O.Box 1737 Eunice, New Mexico 88241
Phone: 505-393-7751 Facsimile: 505-393-6754

RECEIVED
SEP 21 1995
Environmental Bureau
Oil Conservation Division

September 18, 1995

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

Attn: William J. LeMay
Director

Subject: NMOCD Permit Name Change

Gentlemen:

I am writing on behalf of the Board of Directors of Sundance Services, Inc., a New Mexico Corporation, to request a permit name change under NMOCD regulation 711. Subject to your approval of this permit name change request, the assets of Parabo, Inc. will be transferred to Sundance Services, Inc. and all activities will thereafter by conducted by Sundance Services, Inc.

I wish to inform you that Sundance Services, Inc. is aware of, and will comply with the terms and conditions of the subject permit. Upon receipt of this permit name change, a new bond will be forwarded to NMOCD in the name of the successor company.

Should you have any questions, please advise. We look forward to a long and satisfactory relationship with your office.

Very truly yours,

Richard C. Jackson
President

Received via fax
6-29-95 @ 330 pm

DON MADDOX*
JAMES M. MADDOX*
SCOTTY HOLLOMAN*
GARY CLINGMAN*

*SHAREHOLDER / DIRECTOR

MADDOX LAW FIRM
PROFESSIONAL CORPORATION
ATTORNEYS AND COUNSELORS AT LAW
POST OFFICE BOX 2508
HOBBS, NEW MEXICO 88241
(505) 393-0505

MAIL: BOX 2508
OFFICE: 220 W. BROADWAY
SUITE 200
TELECOPIER (505) 397-2646

OIL CONSERVATION DIVISION
RECEIVED
95 JUL 5 AM 8 52

July 3, 1995

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

Via Fax 505/827-8177 and U. S. Mail

Re: Permit Transfers

Dear Mr. Eustice:

This firm represents Parabo, Inc. As you requested by telephone call June 30, 1995, please allow this letter to serve as written request for a written response from you or another member of the Oil Conservation Division for the OCD requirements to transfer the following permits:

1. Order R-5516, modified by order A, B, and C;

2. Order number SWD-364; and

3. Order number R-6940.

We would also request that you provide us, in writing, the current bonding requirements which would be necessary for any assignee of these permits.

Very truly yours,

Scotty Holloman

Scotty Holloman

SH:fj

xc: Paul Solomon

Submit 5 Copies
Appropriate District Office
DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

Form C-104
Revised 1-1-89
See Instructions
at Bottom of Page

REQUEST FOR ALLOWABLE AND AUTHORIZATION TO TRANSPORT OIL AND NATURAL GAS

I.

Operator	Well API No.
SUNDANCE SERVICES, INC.	

Address: P.O. Box 1737 EUNICE, New Mexico 88231

Reason(s) for Filing (Check proper box) ☐ Other (Please explain)

New Well ☐ Change in Transporter of:
Recompletion ☐ Oil ☐ Dry Gas ☐
Change in Operator ☒ Casinghead Gas ☐ Condensate ☐

If change of operator give name and address of previous operator: PARABO, INC. P.O. Box 1737 EUNICE, N.M. 88231

II. DESCRIPTION OF WELL AND LEASE

Lease Name	Well No.	Pool Name, Including Formation	Kind of Lease (State, Federal or Fee)	Lease No.
ROYALTY HOLDING	4			

Location
Unit Letter A : 660 Feet From The NORTH Line and 660 Feet From The EAST Line
Section 25 Township 21-S Range 37-E, NMPM, LEA County

III. DESIGNATION OF TRANSPORTER OF OIL AND NATURAL GAS

Name of Authorized Transporter of Oil ☐ or Condensate ☐	Address (Give address to which approved copy of this form is to be sent)
Name of Authorized Transporter of Casinghead Gas ☐ or Dry Gas ☐	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?	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 Tank	Date of Test	Producing Method (Flow, pump, gas lift, etc.)	
Length of Test	Tubing Pressure	Casing Pressure	Choke Size
Actual Prod. During Test	Oil - Bbls.	Water - Bbls.	Gas- MCF

GAS WELL

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

VI. OPERATOR 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.

Richard Brakey
Signature
RICHARD BRAKEY MGR
Printed Name Title
9-21-95 (505) 394-2511
Date Telephone No.

OIL CONSERVATION DIVISION

Date Approved _____

By _____

Title _____

INSTRUCTIONS: This form is to be filed in compliance with Rule 1104

1) Request for allowable for newly drilled or deepened well must be accompanied by tabulation of deviation tests taken in accordance with Rule 111.
2) All sections of this form must be filled out for allowable on new and recompleted wells.
3) Fill out only Sections I, II, III, and VI for changes of operator, well name or number, transporter, or other such changes.
4) Separate Form C-104 must be filed for each pool in multiply completed wells.

Submit 5 Copies
Appropriate District Office
DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

Form C-104
Revised 1-1-89
See Instructions
at Bottom of Page

REQUEST FOR ALLOWABLE AND AUTHORIZATION TO TRANSPORT OIL AND NATURAL GAS

I.

Operator: SUNDANCE SERVICES, INC.	Well API No.
Address: P.O. BOX 1737 EUNICE, NEW MEXICO 88231	

Reason(s) for Filing (Check proper box): New Well [ ] Recompletion [ ] Change in Operator [X] Other (Please explain) [ ]

Change in Transporter of: Oil [ ] Dry Gas [ ] Casinghead Gas [ ] Condensate [ ]

If change of operator give name and address of previous operator: PARABO, INC. P.O. BOX 1737 EUNICE, N.M. 88231

II. DESCRIPTION OF WELL AND LEASE

Lease Name	Well No.	Pool Name, Including Formation	Kind of Lease State, Federal or Fee	Lease No.
ROYALTY HOLDING	4			

Location: Unit Letter A : 660 Feet From The NORTH Line and 660 Feet From The EAST Line

Section 25 Township 21-S Range 37-E, NMPM, LEA County

III. DESIGNATION OF TRANSPORTER OF OIL AND NATURAL GAS

Name of Authorized Transporter of Oil [ ] or Condensate [ ]	Address (Give address to which approved copy of this form is to be sent)
Name of Authorized Transporter of Casinghead Gas [ ] or Dry Gas [ ]	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?	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 Tank	Date of Test	Producing Method (Flow, pump, gas lift, etc.)	
Length of Test	Tubing Pressure	Casing Pressure	Choke Size
Actual Prod. During Test	Oil - Bbls.	Water - Bbls.	Gas- MCF

GAS WELL

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

VI. OPERATOR 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.

Richard Brakey
Signature
RICHARD BRAKEY MGR
Printed Name Title
9-21-95 (505) 394-2511
Date Telephone No.

OIL CONSERVATION DIVISION

Date Approved _____

By _____

Title _____

INSTRUCTIONS: This form is to be filed in compliance with Rule 1104

1) Request for allowable for newly drilled or deepened well must be accompanied by tabulation of deviation tests taken in accordance with Rule 111.
2) All sections of this form must be filled out for allowable on new and recompleted wells.
3) Fill out only Sections I, II, III, and VI for changes of operator, well name or number, transporter, or other such changes.
4) Separate Form C-104 must be filed for each pool in multiply completed wells.

Submit 5 Copies
Appropriate District Office
DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

Form C-104
Revised 1-1-89
See Instructions
at Bottom of Page

REQUEST FOR ALLOWABLE AND AUTHORIZATION TO TRANSPORT OIL AND NATURAL GAS

I.

Operator	Well API No.
SUNDANCE SERVICES, INC.	

Address: P.O. Box 1737 EUNICE, New Mexico 88231

Reason(s) for Filing (Check proper box): New Well ☐ Recompletion ☐ Change in Operator ☒ Other (Please explain) ☐

Change in Transporter of: Oil ☐ Dry Gas ☐ Casinghead Gas ☐ Condensate ☐

If change of operator give name and address of previous operator: PARABO, INC. P.O. Box 1737 EUNICE, N.M. 88231

II. DESCRIPTION OF WELL AND LEASE

Lease Name	Well No.	Pool Name, Including Formation	Kind of Lease State, Federal or Fee	Lease No.
ROYALTY HOLDING	4			

Location: Unit Letter A : 660 Feet From The NORTH Line and 660 Feet From The EAST Line

Section 25 Township 21-S Range 37-E, NMPM, LEA County

III. DESIGNATION OF TRANSPORTER OF OIL AND NATURAL GAS

Name of Authorized Transporter of Oil ☐ or Condensate ☐	Address (Give address to which approved copy of this form is to be sent)
Name of Authorized Transporter of Casinghead Gas ☐ or Dry Gas ☐	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?	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 Tank	Date of Test	Producing Method (Flow, pump, gas lift, etc.)	
Length of Test	Tubing Pressure	Casing Pressure	Choke Size
Actual Prod. During Test	Oil - Bbls.	Water - Bbls.	Gas- MCF

GAS WELL

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

VI. OPERATOR 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.

Richard Brake
Signature

RICHARD BRAKE — MGR
Printed Name — Title

9-21-95 — (505) 394-2511
Date — Telephone No.

OIL CONSERVATION DIVISION

Date Approved _____

By _____

Title _____

INSTRUCTIONS: This form is to be filed in compliance with Rule 1104

1) Request for allowable for newly drilled or deepened well must be accompanied by tabulation of deviation tests taken in accordance with Rule 111.
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P.O. Box 2088
Santa Fe, New Mexico 87504-2088

Form C-104
Revised 1-1-89
See Instructions
at Bottom of Page

REQUEST FOR ALLOWABLE AND AUTHORIZATION TO TRANSPORT OIL AND NATURAL GAS

I.

Operator	Well API No.
SUNDANCE SERVICES, INC.	

Address: P.O. Box 1737 EUNICE, New Mexico 88231

Reason(s) for Filing (Check proper box)

- New Well ☐
- Recompletion ☐
- Change in Operator ☒
- Other (Please explain) ☐

Change in Transporter of:

Oil	☐	Dry Gas	☐
Casinghead Gas	☐	Condensate	☐

If change of operator give name and address of previous operator: PARABO, INC. P.O. Box 1737 EUNICE, N.M. 88231

II. DESCRIPTION OF WELL AND LEASE

Lease Name	Well No.	Pool Name, Including Formation	Kind of Lease (State, Federal or Fee)	Lease No.
ROYALTY HOLDING	4			

Location

Unit Letter A : 660 Feet From The NORTH Line and 660 Feet From The EAST Line

Section 25 Township 21-S Range 37-E, NMPM, LEA County

III. DESIGNATION OF TRANSPORTER OF OIL AND NATURAL GAS

Name of Authorized Transporter of Oil ☐ or Condensate ☐	Address (Give address to which approved copy of this form is to be sent)
Name of Authorized Transporter of Casinghead Gas ☐ or Dry Gas ☐	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?	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

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Perforations			Depth Casing Shoe

TUBING, CASING AND CEMENTING RECORD

HOLE SIZE	CASING & TUBING SIZE	DEPTH SET	SACKS CEMENT

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Actual Prod. During Test	Oil - Bbls.	Water - Bbls.	Gas- MCF

GAS WELL

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

VI. OPERATOR 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.

Richard Brake

Signature

RICHARD BRAKE — MGR

Printed Name — Title

9-21-95 — (505) 394-2511

Date — Telephone No.

OIL CONSERVATION DIVISION

Date Approved _____

By _____

Title _____

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Revised 1-1-89
See Instructions
at Bottom of Page

REQUEST FOR ALLOWABLE AND AUTHORIZATION TO TRANSPORT OIL AND NATURAL GAS

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SUNDANCE SERVICES, INC.	

Address: P.O. Box 1737 EUNICE, New Mexico 88231

Reason(s) for Filing (Check proper box)

- New Well ☐
- Recompletion ☐
- Change in Operator ☒
- Other (Please explain) ☐

Change in Transporter of: Oil ☐ Dry Gas ☐ Casinghead Gas ☐ Condensate ☐

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If well produces oil or liquids, give location of tanks.	Unit	Sec.	Twp.	Rge.	Is gas actually connected?	When ?

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Elevations (DF, RKB, RT, GR, etc.)	Name of Producing Formation	Top Oil/Gas Pay	Tubing Depth
Perforations			Depth Casing Shoe

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HOLE SIZE	CASING & TUBING SIZE	DEPTH SET	SACKS CEMENT

V. TEST DATA AND REQUEST FOR ALLOWABLE

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Length of Test	Tubing Pressure	Casing Pressure	Choke Size
Actual Prod. During Test	Oil - Bbls.	Water - Bbls.	Gas- MCF

GAS WELL

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

VI. OPERATOR 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.

Richard Bradley
Signature

RICHARD BRADLEY — MGR
Printed Name — Title

9-21-95 — (505) 394-2511
Date — Telephone No.

OIL CONSERVATION DIVISION

Date Approved _____

By _____

Title _____

INSTRUCTIONS: This form is to be filed in compliance with Rule 1104

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2) All sections of this form must be filled out for allowable on new and recompleted wells.
3) Fill out only Sections I, II, III, and VI for changes of operator, well name or number, transporter, or other such changes.
4) Separate Form C-104 must be filed for each pool in multiply completed wells.

TO: Roger Anderson

CC: Jerry Sexton
Wayne Price

SUBJECT: Parabo-ERSI
PRIORITY: 4
ATTACHMENTS:

DATE: 04-26-95
TIME: 11:15

Dear Roger,

I just received a telephone call from Richard Brakey the manager of the Parabo facility. Please note that he has informed me that ERSI and other parties involved in the treating plant project have filed a $45 millon dollar lawsuit against Parabo for misrepresentation. According to what Richard Brakey told me it is based on "in part" the fact that Parabo's pits had lead contents that prevented them from selling the product, even to the point that it might be hazardous? He mentioned something about the environmental audit performed by Geraghty & Miller,INC. which was part of the investigation required by the US DOJ, was part of the suit.

He also indicated that Win White (President & CEO of Unichem) and Charlie Root (Unichem Environmental manager) had discussed the above mentioned report with Ed Hurst (NMED-Haz Waste) at that time. He also indicated that Mr. White arranged and negotiated the original contract with ERSI.

Richard also thought that the results of this report were supplied to the NMOCD.

OIL CONSERVATION DIVISION
RECEIVED

'95 APR 11 PM 8 52

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

MEMORANDUM OF MEETING OR CONVERSATION

☐ Telephone ☒ Personal	Time 8:00 AM	Date 4/7/95

Originating Party	Other Parties
RICHARD BRAKEY - PARABO	WAYNE PRICE
DAVE POLZER - G&M	JERRY SEXTON

Subject

PARABO SELL

Discussion

RICHARD BRAKEY INFORMED THIS OFFICE THAT THEY WERE CONDUCTING AN ENVIRONMENTAL AUDIT FOR THE PURPOSE OF SELLING PARABO TO TW INTL. (AUSTIN TX).

THEY REVIEWED PARABO'S SILE. -
DISCUSSED DIKE LEAKS AROUND MW-85, SOLID WASTE STORED NEAR PIT #8, FUTURE PLANS FOR PIT 7 AS A SOLIDS PIT

Conclusions or Agreements

INFORMED RICHARD BRAKEY THAT ANY MAJOR MODIFICATIONS OR CHANGES TO FACILITY SHOULD BE APPROVED THRU THE SANTA FE ENVIRONMENTAL BUREAU.

Distribution cc: ROGER ANDERSON
JERRY SEXTON

Signed

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

BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

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

March 11, 1994

CERTIFIED MAIL
RETURN RECEIPT NO. P-111-334-165

Mr. Richard Brakey
Parabo Disposal
P.O. Box 1737
Eunice, New Mexico 88231

RE: **APPROVAL FOR MONITOR WELL CONSTRUCTION**
PARABO DISPOSAL FACILITY
LEA COUNTY, NEW MEXICO

Dear Mr. Brakey:

The New Mexico Oil Conservation Division (OCD) has received the February 18, 1994, report entitled "Investigation of Saltwater in MW-85," submitted by Geraghty & Miller, Inc. on behalf of Parabo Disposal Inc. The report contains the results from the investigation of the saltwater occurrence in MW-85 and the proposed short-term remedial action. The remedial action plan consists of installing two recovery wells in the lower red bed surface at MW-85-11 and near MW-85. The effectiveness of the recovery well system will be evaluated by regular monitoring of fluids in the monitor wells in the vicinity of MW-85. In addition, the suspected source of the contamination, Pit No. 7, will be converted to a solids pit to enhance sealing of the bottom and reduce the potential for saltwater leakage from the pit.

Based on the information provided in your request, the OCD hereby approves the February 18, 1994 remedial action plan under the following conditions:

1. By October 3, 1994, Parabo Disposal will submit a report summarizing the results of the remedial action plan (ie. recovery well success). The report will include any additional remedial actions necessary if the ongoing recovery plan appears inadequate.

2. Since Parabo has indicated that saltwater leaking from Pit No. 7 is the source of the contamination, Parabo Disposal will submit a plan by October 3, 1994, to eliminate the source of contamination. Please note that conversion of the saltwater pit to a basic sediment pit is a modification of your OCD Rule 711 permit and will require a formal request for modification.

Please be advised that the OCD approval does not relieve Parabo of liability if the remediation system does not effectively contain or remediate contamiants migrating from the facility. In addition, the OCD approval does not relieve you of liability for compliance with any other laws and/or regulations.

If you have any questions please do not hesitate to contact me at (505) 827-5884.

Sincerely,

Kathy M Brown

Kathy M. Brown
Geologist

xc: Wayne Price, OCD Hobbs Office

STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

HOBBS DISTRICT OFFICE

RECEIVED

'94 FEB 25 AM 8 39

BRUCE KING
GOVERNOR

POST OFFICE BOX 1980
HOBBS, NEW MEXICO 88241-1980
(505) 393-6161

To: Roger Anderson-Environmental Bureau Chief

From: Wayne Price-Environmental Engineer District I

Subject: Parabo Investigation of Saltwater In MW-85

Date: February 22, 1994

Dear Roger,

Please find enclosed the Geraghty & Miller, Inc. report investigating saltwater occurrence in MW-85. Jerry Sexton and I met with Mr. Richard Brakey on February 22, 1994 to discuss this issue.

We feel that the proposal is a short term solution and we recommend that Parabo Inc. be allowed to implement this course of action for a period of six months to determine it's effectiveness. After this time frame we suggest that another meeting be held with Parabo personnel to reach a final decision. Please note that Parabo is presently procuring bids for this project and would like to start within two weeks.

This material is being submitted to you for your comments and approval of the plan.

If you have any questions please don't hesitate to call or write.

Sincerely yours,

Wayne Price

Wayne Price-Environmental Engineer District I

cc: Jerry Sexton-District I Supervisor
William J. LeMay - Division Director
Richard Brakey - Parabo Inc.

Attachments-1

Submit to Appropriate
District Office in Triplicate

DISTRICT I
PO Box 1980
Hobbs, NM 88241-1980

DISTRICT II
PO Drawer DD
Artesia, NM 88211-0719

OIL CONSERVATION DIVISION
RECEIVED
'94 FEB 2 AM 8 35

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

DISTRICT III
1000 Rio Brazos Rd.
Aztec, NM 87410

DISTRICT IV
PO Box 2088
Santa Fe, NM 87504-2088

REQUEST FOR APPROVAL TO ACCEPT SOLID WASTE

XXXXXXXXXXXXXXXXXXXXXXXXX

1. RCRA Exempt: ☐ Non-Exempt: ☒
   Verbal Approval Received: Yes ☒ No ☐

2. Destination
   PARABO, INC.

3. Address of Facility Operator
   5 miles EAST OF EUNICE, N.M.

4. Generator
   ARCO

5. Name of Originating Site
   State B 1578/State L

6. Name of Transporter
   UNKNOWN

7. Location of Material (Street Address or ULSTR)
   Buckeye, New Mexico

8. State
   New Mexico

9. Circle One

A. All requests for approval to accept oilfield exempt wastes will be accompanied by a certification of waste from the Generator; one certificate per job.
B. All requests for approval to accept non-oilfield exempt wastes will be accompanied by a certification of waste status from the Generator and the New Mexico Environment Department or other appropriate government agency; two certificates per job.
C. All requests for approval to accept non-exempt wastes must be accompanied by necessary chemical anaylses to prove the material is non-hazardous and the Generator's certification of origin. No waste classified as hazardous by listing or testing will be approved.

All transporters must certify the wastes delivered are only those consigned for transport.

BRIEF DESCRIPTION OF THE MATERIAL:

See Attached Arco Letter to NMOCD dated January 24, 1994.

Estimated Volume _____ cy Known Volume (to be entered by the operator at the end of the haull: _____ cy

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

SIGNATURE Richard Brakey TITLE VICE-PRESIDENT DATE 2-1-94

TYPE OR PRINT NAME RICHARD BRAKEY TELEPHONE NO. (505) 394-2511

(This space for State Use)

APPROVED BY [illegible] TITLE ENVIRONMENTAL ENGR DATE 2/1/94

APPROVED BY [illegible] Brown TITLE Geologist DATE 2/2/94

CONDITIONS OF APPROVAL, IF ANY:

ARCO

CERTIFICATE OF WASTE STATUS

NON-EXEMPT WASTE MATERIAL

Originating Location: ARCO Oil and Gas State 1576 Tank Battery

Source: Chemical Contaminated Soil Under Chemical Drums

Quantity: Less Than 5 cubic yards

Disposal Location: Parabo

"As a condition of acceptance for disposal, it is hereby certified that this waste is a non-exempt waste as defined by the Environmental Protection Agency's (EPA) July 1988 Regulatory Determination. This waste has been analyzed for the characteristic of ignitability and for total benzene and the results show the material to be non-hazardous. Furthermore, based on generator's knowledge and product MSDS, this waste does not exhibit any hazardous characteristic as defined in 40 CFR 261. It is further certified that to our knowledge, which is supported by analytical sampling and MSDS, that no "listed waste" pursuant to the provisions of 40 CFR 261, Subparts C and D, has been added or mixed with the waste so as to make the resultant mixture a "hazardous waste" pursuant to the provisions of 40 CFR, Section 261.3 (b)."

I, the undersigned as the agent for ARCO Oil & Gas concur with the status of the waste form the subject site.

Name: Nathan J. Binau

Title/Agency: Env. Engr.

Address: P.O. Box 1610, Midland, TX 79702

Signature: Nath Bin

Date: 1/29/94

Parabo

CERTIFICATE OF WASTE STATUS

NON-EXEMPT WASTE MATERIAL

Originating Location: ARCO Oil and Gas State 1576 Tank Battery

Source: Chemical Contaminated Soil Under Chemical Drums

Quantity: Less Than 5 cubic yards

Disposal Location: Parabo

"As a condition of acceptance for disposal, it is hereby certified that this waste is a non-exempt waste as defined by the Environmental Protection Agency's (EPA) July 1988 Regulatory Determination. This waste has been analyzed for the characteristic of ignitability and for total benzene and the results show the material to be non-hazardous. Furthermore, based on generator's knowledge and product MSDS, this waste does not exhibit any hazardous characteristic as defined in 40 CFR 261. It is further certified that to our knowledge, which is supported by analytical sampling and MSDS, that no "listed waste" pursuant to the provisions of 40 CFR 261, Subparts C and D, has been added or mixed with the waste so as to make the resultant mixture a "hazardous waste" pursuant to the provisions of 40 CFR, Section 261.3 (b)."

I, the undersigned as the agent for PARABO, INC concur with the status of the waste form the subject site.

Name: RICHARD BRAKEY

Title/Agency: VICE PRESIDENT

Address: PO. BOX 1737 EUNICE, N.M. 88240

Signature: Richard Brakey

Date: 2-1-94

xc: Henson
Pierce
Martin
Phillips Trade File
RF

ARCO Oil and Gas Company
Western District
600 N. Marienfeld
Midland, Texas 79701
Post Office Box 1610
Midland, Texas 79702
Telephone 915 688 5200

1/24/94

This will allow us to dispose of the cleanup soil from the State B 1576 & State B 1578/State L DE Lease. As per the trade agreement.

Please wait to dispose until we have received an approval letter back.
— NJB

January 24, 1994

Mr. Jerry Sexton
New Mexico Oil Conservation Division
1000 West Broadway
P.O. Box 1980
Hobbs, NM 88240

Dear Mr. Sexton:

ARCO Oil and Gas Company respectfully requests permission to dispose of approximately 5 cubic yards of chemical contaminated soil and an undetermined volume of crude contaminated soil at the Parabo disposal facility near Eunice.

These materials will be generated from site cleanup activities at the State B 1576 and State B 1578/State L "DE" Leases near Buckeye, New Mexico. The chemical contaminated soil arose one of two chemical drums at the 1576 Battery. Sampling has shown that only one of the two drums present at the Battery was leaking. This is supported by the fact that carbon disulfide, a major constituent of the second drum (MAGNA-D-WAX 905), was not detectable in the laboratory analysis of the soil under that drum. The leaking drum has been identifed as the emulsion breaker E-4416.

As the analytical results and the product MSDS for E-4416 show, the chemical containing soil is classified as a non-hazardous waste. This classification is supported by the material's flash point of greater than 150 °F and the soil's total benzene concentration of less than 0.2 mg/kg, which is below the TCLP limit of 0.5 mg/kg. ARCO feels that additional testing (i.e. TCLP, reactivity, and corrosivity tests) is not warranted based on the information contained in the product MSDS. ARCO plans to remove and replace all soil under the drums to a depth of approximately 18 inches.

If you have any questions on this matter, please feel free to contact me at (915) 688-5799. Your timely response to this request will be greatly appreciated.

Sincerely,

Nathan J. Binau
Environmental Engineer

NJB/njb

Attachments (2)

SOUTHWESTERN LABORATORIES

Order # M3-12-024

01/05/94 12:08

Client: ARCO Oil and Gas Company

TEST RESULTS BY SAMPLE

Sample: 04A 1576 Lse. E-4416 Drum Surf Collected: 11/29/93

Test Name	Method	Result	Units	Detection Limit	Date Started	Analyst
IGNITABILITY, CLOSED-CUP	SW-846, 1010	>150	F		12/05/93	CAB
TOT.PET. HYDROCARBONS SOIL	EPA 418.1	22600	mg/kg	5.0	12/08/93	RBB

Sample: 05A 1576 Lse. E-4416 Drum 6" Collected: 11/29/93

Test Name	Method	Result	Units	Detection Limit	Date Started	Analyst
IGNITABILITY, CLOSED-CUP	SW-846, 1010	>150	deg. F		12/05/93	CAB
TOT.PET. HYDROCARBONS SOIL	EPA 418.1	11100	mg/kg	5.0	12/08/93	RBB

Sample: 06A Lse. 1576 E-4416 Drum 12" Collected: 11/29/93

Test Name	Method	Result	Units	Detection Limit	Date Started	Analyst
IGNITABILITY, CLOSED-CUP	SW-846, 1010	>150	deg. F		12/05/93	CAB
TOT.PET. HYDROCARBONS SOIL	EPA 418.1	2800	mg/kg	5.0	12/08/93	RBB

SOUTHWESTERN LABORATORIES

Order # 93-12-024

01/05/94 12:08

Client: ARCO Oil and Gas Company

TEST RESULTS BY SAMPLE

Sample: 07A Lse. 1576 Dewax Drum 12" Collected: 11/29/93

Test Name	Method	Result	Units	Detection Limit	Date Started	Analyst
CARBON DISULFIDE	SW-846, 8240	<25	ug/kg	25	01/03/94	DAL
IGNITABILITY, CLOSED-CUP	SW-846, 1010	>150	deg. F		12/05/93	CAB
TOT.PET. HYDROCARBONS SOIL	EPA 418.1	500	mg/kg	5.0	12/08/93	RBB

SOUTHWESTERN LABORATORIES

Order # K3-12-024

01/05/94 12:08

Client: ARCO Oil and Gas Company

TEST RESULTS BY SAMPLE

Sample Description: 1576 Lea. E-4416 Drum Surf Lab No: 04A
Test Description: BTEX - SOIL SAMPLE Method: SW-846, 8020 Test Code: BTEX_S
Collected: 11/29/93

Date Extracted		Date Started	12/10/93
Analyst	RBB	Detection Limit	0.01
Units	mg/kg	Method	SW-846, 8020

Compound	Results
BENZENE	< 0.2
TOLUENE	1.9
ETHYLBENZENE	9.5
XYLENE	64

Sample Description: 1576 Lea. E-4416 Drum 6" Lab No: 05A
Test Description: BTEX - SOIL SAMPLE Method: SW-846, 8020 Test Code: BTEX_S
Collected: 11/29/93

Date Extracted		Date Started	12/10/93
Analyst	RBB	Detection Limit	0.01
Units	mg/kg	Method	SW-846, 8020

Compound	Results
BENZENE	< 0.2
TOLUENE	1.8
ETHYLBENZENE	2.0
XYLENE	131

SOUTHWESTERN LABORATORIES

Order # X3-12-024
01/05/94 12:08
Client: ARCO Oil and Gas Company

TEST RESULTS BY SAMPLE

Sample Description: Lse. 1576 E-4416 Drum 12" Lab No: 06A
Test Description: BTEX - SOIL SAMPLE Method: SW-846, 8020 Test Code: BTEX_S
Collected: 11/29/93

Date Extracted		Date Started	12/10/93
Analyst	RBB	Detection Limit	0.01
Units	mg/kg	Method	SW-846, 8020

Compound	Results
BENZENE	< 0.2
TOLUENE	5.1
ETHYLBENZENE	3.4
XYLENE	24

Sample Description: Lse. 1576 Dewax Drum 12" Lab No: 07A
Test Description: BTEX - SOIL SAMPLE Method: SW-846, 8020 Test Code: BTEX_S
Collected: 11/29/93

Date Extracted		Date Started	12/10/93
Analyst	RBB	Detection Limit	0.01
Units	mg/kg	Method	SW-846, 8020

Compound	Results
BENZENE	< 0.2
TOLUENE	4.7
ETHYLBENZENE	< 0.2
XYLENE	< 0.2

MATERIAL SAFETY DATA SHEET

Printed 12-01-1993

OFC(R) E-4416 EMULSION BREAKER

"OFC" is a registered trademark of Baker Performance Chemicals Incorporated
MSDS ID: 6-010670

1 - GENERAL INFORMATION

BAKER PERFORMANCE CHEMICALS, INC.
A Baker Hughes Company
3920 ESSEX LANE, P.O. BOX 27714
HOUSTON, TX 77227-7714

EMERGENCY TELEPHONE NUMBERS:
CHEMTREC: 1-800-424-9300
800-231-3606
TELEPHONE NUMBER FOR INFORMATION:
713-599-7400

DOT SHIPPING NAME
FLAMMABLE LIQUID, N.O.S., (CONTAINS XYLENE, ISOPROPANOL), 3, UN 1993, III

NFPA CLASSIFICATION: HEALTH (2) FLAMMABILITY (3) REACTIVITY (0)
SPECIFIC HAZARD (0)
CERCLA RQ: 1277 (XYLENE)

2 - SUMMARY OF HAZARDS

WARNING

PHYSICAL HAZARDS:	HIGHLY FLAMMABLE LIQUID
ACUTE HEALTH EFFECTS: (SHORT-TERM)	SUSPECT INHALATION HAZARD SUSPECT EYE CONTACT HAZARD SUSPECT SKIN IRRITATION HAZARD SUSPECT INGESTION HAZARD NO DATA ON SKIN ABSORPTION FOUND
CHRONIC HEALTH EFFECTS: (LONG-TERM)	NO INFORMATION IS AVAILABLE ON CHRONIC HEALTH HAZARDS. HOWEVER, REPEATED SKIN CONTACT SHOULD BE AVOIDED AS THIS MATERIAL MAY CONTAIN POLYNUCLEAR AROMATIC HYDROCARBONS WHICH HAVE BEEN REPORTED TO INDUCE TUMORS IN LAB ANIMALS. SEE SUPPLEMENT.

3 - COMPONENTS

COMPONENT NAME	CAS NUMBER	% COMPOSITION BY (WT.)
HEAVY AROMATIC SOLVENT	64742-94-5	<37
ISOPROPYL ALCOHOL	67-63-0	< 5
*XYLENE	1330-20-7	<10
HEAVY AROMATIC XYLENE BOTTOMS	64741-68-0	< 5

TSCA INVENTORY-- ALL INGREDIENTS ARE LISTED

SARA SECTION--
XYLENE IS PRESENT AT AP 10% BY WT.

4 - PHYSICAL AND CHEMICAL DATA

BOILING POINT
180F
FREEZING POINT
N/DA
SPECIFIC GRAVITY (H2O=1 AT 39.2F)
.96
VISCOSITY UNITS, TEMP.
N/DA
VAPOR PRESSURE
6.3 MM HG AT 70F

PH
6.0 TO 8.0
DENSITY
7.83 LBS/GAL
VOLATILE CHARACTERISTICS
MODERATE
SOLUBILITY IN WATER
MODERATE
STABILITY
STABLE

4 - PHYSICAL AND CHEMICAL DATA (continued)

VAPOR SP GR (AIR=1 AT 60 - 90F)
2.6

HAZARDOUS POLYMERIZATION
NOT EXPECTED TO OCCUR

APPEARANCE AND ODOR
DARK BROWN LIQUID; AROMATIC ODOR

CONDITIONS AND MATERIALS TO AVOID
HEAT, SPARKS, OPEN FLAMES
STRONG OXIDIZING AGENTS, STRONG ALKALIES

HAZARDOUS DECOMPOSITION PRODUCTS
INCOMPLETE COMBUSTION MAY GENERATE CARBON MONOXIDE AND TRACE OXIDES AND/OR COMPOUNDS OF NITROGEN.

5 - OCCUPATIONAL EXPOSURE LIMITS

SUBSTANCE	SOURCE	DATE	TYPE	VALUE	TIME
ISOPROPYL ALCOHOL					
	ACGIH	1987	TLV	400 PPM	8 HRS
			STEL	500 PPM	15 MIN
	OSHA	1971	PEL	400 PPM	8 HRS
XYLENE					
	ACGIH	1987	TLV	100 PPM	8 HRS
			STEL	150 PPM	15 MIN
	OSHA	1971	PEL	100 PPM	8 HRS

6 - FIRE AND EXPLOSION

FLASH POINT METHOD=(TCC)
76F

AUTOIGNITION TEMP. METHOD=
N/DA

FLAMMABLE LIMITS (% VOLUME IN AIR)
LOWER: 1.1 UPPER: 12

FIRE AND EXPLOSION HAZARDS
RELEASES VAPORS AT NORMAL AMBIENT TEMPERATURES. WHEN MIXED WITH AIR AND EXPOSED TO IGNITION SOURCE, VAPORS CAN BURN IN OPEN OR EXPLODE IF CONFINED. FLAMMABLE VAPORS MAY BE HEAVIER THAN AIR. MAY TRAVEL LONG DISTANCES ALONG GROUND BEFORE IGNITING/FLASHING BACK TO VAPOR SOURCE.

EXTINGUISHING MEDIA
DRY CHEMICAL
CO2
FOAM

SPECIAL FIREFIGHTING PROCEDURES
DO NOT ENTER FIRE AREA WITHOUT PROPER PROTECTION. SEE SECTION 4 - DECOMPOSITION PRODUCTS POSSIBLE. FIGHT FIRE FROM SAFE DISTANCE/PROTECTED LOCATION. HEAT MAY BUILD PRESSURE/RUPTURE CLOSED CONTAINERS, SPREADING FIRE, INCREASING RISK OF BURNS/INJURIES. WATER MAY BE INEFFECTIVE IN FIREFIGHTING DUE TO LOW FLASH POINT. USE WATER SPRAY/FOG FOR COOLING. EVEN IF MATERIAL IS WATER SOLUBLE, MAY NOT BE PRACTICAL TO EXTINGUISH FIRE BY WATER DILUTION. NOTIFY AUTHORITIES IF LIQUID ENTERS SEWER/PUBLIC WATERS.

7 - HEALTH HAZARDS

ROUTES OF EXPOSURE
INHALATION
ALTHOUGH NO APPROPRIATE HUMAN OR ANIMAL HEALTH EFFECTS DATA ARE KNOWN TO EXIST, THIS MATERIAL IS EXPECTED TO BE AN INHALATION HAZARD.

EYE CONTACT -- PRIMARY ROUTE
ALTHOUGH NO APPROPRIATE HUMAN OR ANIMAL HEALTH EFFECTS DATA ARE KNOWN TO EXIST, THIS MATERIAL IS EXPECTED TO CAUSE EYE IRRITATION.

7 - HEALTH HAZARDS (continued)

SKIN ABSORPTION
NO APPROPRIATE HUMAN OR ANIMAL HEALTH EFFECTS DATA ARE KNOWN TO EXIST.
SKIN IRRITATION -- PRIMARY ROUTE
ALTHOUGH NO APPROPRIATE HUMAN OR ANIMAL HEALTH EFFECTS DATA ARE KNOWN TO EXIST, THIS MATERIAL IS EXPECTED TO BE A SKIN IRRITANT.
INGESTION
ALTHOUGH NO APPROPRIATE HUMAN OR ANIMAL HEALTH EFFECTS DATA ARE KNOWN TO EXIST, THIS MATERIAL IS EXPECTED TO BE AN INGESTION HAZARD.
MEDICAL CONDITIONS AGGRAVATED BY EXPOSURE
SEE SUPPLEMENT

8 - PROTECTIVE EQUIPMENT / CONTROL MEASURES

RESPIRATORY PROTECTION
IF EXPOSURE CAN EXCEED THE PEL/TLV, USE ONLY NIOSH/MSHA APPROVED AIR-PURIFYING OR SUPPLIED AIR RESPIRATOR OPERATED IN A POSITIVE PRESSURE MODE PER THE NIOSH/OSHA 1981 OCCUPATIONAL HEALTH GUIDELINES FOR CHEMICAL HAZARDS.
EYE PROTECTION
EYE PROTECTION SUCH AS CHEMICAL SPLASH GOGGLES AND/OR FACE SHIELD MUST BE WORN WHEN POSSIBILITY EXISTS FOR EYE CONTACT DUE TO SPLASHING OR SPRAYING LIQUID, AIRBORNE PARTICLES, OR VAPOR. CONTACT LENSES SHOULD NOT BE WORN.
SKIN PROTECTION
WHEN SKIN CONTACT IS POSSIBLE, PROTECTIVE CLOTHING INCLUDING GLOVES, APRON, SLEEVES, BOOTS, HEAD AND FACE PROTECTION SHOULD BE WORN. THIS EQUIPMENT MUST BE CLEANED THOROUGHLY AFTER EACH USE.
ENGINEERING CONTROLS
PROVIDE LOCAL EXHAUST OR GENERAL ROOM VENTILATION TO MINIMIZE EXPOSURE TO VAPORS. ELECTRICAL SYSTEMS SHOULD CONFORM TO NATIONAL ELECTRIC CODE.
OTHER HYGENIC PRACTICES
EMERGENCY EYE WASH FOUNTAINS AND SAFETY SHOWERS SHOULD BE AVAILABLE IN THE IMMEDIATE VICINITY OF ANY POTENTIAL EXPOSURE.
OTHER WORK PRACTICES
USE GOOD PERSONAL HYGIENE PRACTICES. WASH HANDS BEFORE EATING, DRINKING, SMOKING, OR USING TOILET FACILITIES. PROMPTLY REMOVE SOILED CLOTHING/WASH THOROUGHLY BEFORE REUSE. SHOWER AFTER WORK USING PLENTY OF SOAP AND WATER.

9 - EMERGENCY AND FIRST AID

INHALATION
IF OVERCOME BY EXPOSURE, REMOVE VICTIM TO FRESH AIR IMMEDIATELY. GIVE OXYGEN OR ARTIFICIAL RESPIRATION AS NEEDED. OBTAIN EMERGENCY MEDICAL ATTENTION. PROMPT ACTION IS ESSENTIAL.
EYE CONTACT
IN CASE OF EYE CONTACT, IMMEDIATELY RINSE WITH CLEAN WATER FOR 20-30 MINUTES. RETRACT EYELIDS OFTEN. OBTAIN EMERGENCY MEDICAL ATTENTION.
SKIN CONTACT
IMMEDIATELY REMOVE CONTAMINATED CLOTHING. WASH SKIN THOROUGHLY WITH MILD SOAP/WATER. FLUSH WITH LUKEWARM WATER FOR 15 MINUTES. IF STICKY, USE WATERLESS CLEANER FIRST. OBTAIN EMERGENCY MEDICAL ATTENTION.
INGESTION
IF SWALLOWED, GIVE LUKEWARM WATER (PINT) IF VICTIM COMPLETELY CONSCIOUS/ALERT. DO NOT INDUCE VOMITING/RISK OF DAMAGE TO LUNGS EXCEEDS POISONING RISK. OBTAIN EMERGENCY MEDICAL ATTENTION. PROMPT ACTION IS ESSENTIAL.
EMERGENCY MEDICAL TREATMENT PROCEDURES
VIGOROUS ANTI-INFLAMMATORY/STEROID TREATMENT MAY BE REQUIRED AT FIRST EVIDENCE OF PULMONARY/UPPER AIRWAY EDEMA.
IF SWALLOWED, DO NOT INDUCE VOMITING. GASTRIC LAVAGE AND CATHARTIC INDICATED.

MATERIAL SAFETY DATA SHEET

OFC(R) E-4416 EMULSION BREAKER

MSDS ID: 6-010670

10 - SPILL AND DISPOSAL

PRECAUTIONS IF MATERIAL IS SPILLED OR RELEASED
RELEASE CAN CAUSE FIRE OR EXPLOSION AND HUMAN HEALTH HAZARD. EVACUATE AND LIMIT ACCESS. EXTINGUISH ALL IGNITION SOURCES. IMPOUND AND RECOVER LARGE LAND SPILL; SOAK UP SMALL SPILL. ON WATER, CONTAIN/MINIMIZE DISPERSION, COLLECT. REPORT PER REGULATORY REQUIREMENTS.

WASTE DISPOSAL METHODS
CONTAMINATED PRODUCT/SOIL/WATER MAY BE RCRA/OSHA REGULATED WASTE DUE TO LOW FLASH POINT (SEE 40 CFR 261 AND 29 CFR 1910). LANDFILL SOLIDS AT PERMITTED SITES. USE REGISTERED TRANSPORTERS. BURN CONCENTRATED LIQUIDS. AVOID FLAMEOUTS. ASSURE EMISSIONS COMPLY WITH APPLICABLE REGULATIONS. DILUTE AQUEOUS WASTE MAY BIODEGRADE. AVOID OVERLOADING/POISONING PLANT BIOMASS. ASSURE EFFLUENT COMPLIES WITH APPLICABLE REGULATIONS.

11 - ADDITIONAL PRECAUTIONS

HANDLING AND STORAGE PROCEDURES
HANDLE "EMPTY" CONTAINERS WITH CARE/RESIDUE MAY BE FLAMMABLE AND EXPLOSIVE. KEEP CONTAINERS CLOSED WHEN NOT IN USE. KEEP OUT OF REACH OF CHILDREN. EMPTY CONTAINERS WHICH HAVE NOT BEEN PROPERLY DECONTAMINATED SHOULD BE DESIGNATED RCRA HAZARDOUS WASTE NUMBER D001 (IGNITABLE). IN ADDITION TO THE FIRE/EXPLOSION HAZARD, RESIDUAL VAPOR AND LIQUID MAY ALSO BE HARMFUL TO UNPROTECTED PERSONNEL.

DECONTAMINATION PROCEDURES
ISOLATE, VENT, DRAIN, WASH, AND PURGE EQUIPMENT BEFORE MAINTENANCE. REMOVE ALL IGNITION SOURCES. CHECK ATMOSPHERE FOR EXPLOSIVENESS AND OXYGEN DEFICIENCIES. IF ANY RESIDUAL PRODUCT MAY BE PRESENT, TOTAL-ENCAPSULATING IMPERVIOUS PROTECTIVE SUITS, GLOVES, AND BOOTS SHOULD BE WORN. SEE PROTECTIVE EQUIPMENT SECTION 8 FOR PROPER RESPIRATORY PROTECTION.

12 - LABEL INFORMATION

USE STATEMENT
FOR INDUSTRIAL USE ONLY
KEEP OUT OF REACH OF CHILDREN

SIGNAL WORD
WARNING

PHYSICAL HAZARDS
HIGHLY FLAMMABLE

HEALTH HAZARDS
INHALATION HAZARD
EYE IRRITANT
SKIN IRRITANT
HIGH INGESTION HAZARD-CHEMICAL PNEUMONIA
SIMILAR MATERIAL INDUCES TUMORS IN LAB ANIMALS

PRECAUTIONARY MEASURES
DO NOT HANDLE NEAR HEAT, SPARKS, OR OPEN FLAME.
KEEP CONTAINER CLOSED WHEN NOT IN USE.
DO NOT STORE NEAR COMBUSTIBLE MATERIALS.
DO NOT GET IN EYES.
AVOID PROLONGED OR REPEATED BREATHING OF VAPOR.
AVOID CONTACT WITH SKIN.
USE ONLY WITH ADEQUATE VENTILATION/PERSONAL PROTECTION.
PREVENT CONTACT WITH FOOD, CHEWING, OR SMOKING MATERIALS.
DO NOT TASTE/SWALLOW.
DO NOT TAKE INTERNALLY.

MATERIAL SAFETY DATA SHEET

OFC(R) E-4416 EMULSION BREAKER

MSDS ID: 6-010670

13 - SUPPLEMENT

ACUTE AND CHRONIC HEALTH EFFECTS
REGARDING POTENTIAL CHRONIC HEALTH HAZARDS WHICH MAY RESULT FROM LONG-TERM, REPEATED CONTACT, THIS MATERIAL MAY CONTAIN POLYNUCLEAR AROMATIC HYDROCARBONS (PNA'S). STUDIES HAVE SHOWN THAT THE REPEATED PAINTING OF PNA'S ON THE SKIN OF EXPERIMENTAL ANIMALS OVER A SUSTAINED PERIOD OF TIME RESULTS IN THE INDUCTION OF TUMORS. INDIVIDUALS SHOULD AVOID SKIN CONTACT AND SHOULD WASH AFFECTED AREAS IMMEDIATELY IF CONTACT OCCURS.
PROLONGED, REPEATED EXPOSURES TO HIGH LEVELS OF XYLENE CAN INDUCE CENTRAL NERVOUS SYSTEM EFFECTS INCLUDING DEPRESSION, DIZZINESS, NUMBNESS, TREMORS, IMPAIRED MEMORY, HEADACHE, NAUSEA AND LACK OF APPETITE. MODERATE LIVER ENLARGEMENT, KIDNEY INVOLVMENT AND EVEN DEATH IS POSSIBLE IF EXPOSURE IS NOT CONTROLLED.
ISOPROPANOL HAS BEEN REPORTED IN ONE STUDY TO BE FETOTOXIC AT LEVELS OF 2.5% IN DRINKING WATER. NO TERATOGENIC EFFECTS WERE OR HAVE BEEN REPORTED. THERE ARE NO REPORTS OF ADVERSE REPRODUCTIVE EFFECTS IN HUMANS EXPOSED TO THIS CHEMICAL.

NOTE -- QUALIFIERS AND CODES USED IN THIS MSDS

EQ	= EQUAL	AP	= APPROXIMATELY
LT	= LESS THAN	GT	= GREATER THAN
TR	= TRACE	UK	= UNKNOWN
N/AP	= NOT APPLICABLE	N/P	= NO APPLICABLE INFORMATION FOUND
N/DA	= NO DATA AVAILABLE		

14 - DISCLAIMERS

NOTE: THE INFORMATION ON THIS MSDS IS BASED ON DATA WHICH IS CONSIDERED TO BE ACCURATE. BPCI, HOWEVER, MAKES NO GUARANTEES OR WARRANTY, EITHER EXPRESSED OR IMPLIED OF THE ACCURACY OR COMPLETENESS OF THIS INFORMATION.

THE CONDITIONS OR METHODS OF HANDLING, STORAGE, USE AND DISPOSAL OF THE PRODUCT ARE BEYOND OUR CONTROL AND MAY BE BEYOND OUR KNOWLEDGE. FOR THIS AND OTHER REASONS, WE DO NOT ASSUME RESPONSIBILITY AND EXPRESSLY DISCLAIM LIABILITY FOR LOSS, DAMAGE OR EXPENSE ARISING OUT OF OR IN ANY WAY CONNECTED WITH THE HANDLING, STORAGE, USE OR DISPOSAL OF THIS PRODUCT.

THIS MSDS WAS PREPARED AND IS TO BE USED ONLY FOR THIS PRODUCT. IF THE PRODUCT IS USED AS A COMPONENT IN ANOTHER PRODUCT, THIS MSDS INFORMATION MAY NOT BE APPLICABLE.

BY: ANITA WRIGHT
REGULATORY INFORMATION SPECIALIST

DATE: 12/1/93 SUPERCEDES: 3/2/93

12/1/93 - ADDED DENSITY

Gold Star Service Company, Inc.

P.O. BOX GS 801 MAIN 505-394-2504
EUNICE, NEW MEXICO 88231

COVER SHEET

DATE 1-19-94

TO Kathy Brown FAX# 505-827-5741

FROM Royce Crowell FAX# 505-394-2504

PG.S INCLUDING COVER SHEET 3

DESCRIPTION Letter
Lab Analysis

PROBLEMS CONCERNING FAX CALL (505) 394-2504

Gold Star Service Company, Inc.

P.O. BOX GS 801 MAIN 505-394-2504
EUNICE, NEW MEXICO 88231

January 19, 1994

Kathy Brown
Oil Conservation Division
P.O. Box 2088
Santa Fe, New Mexico

Kathy,

Concerning the waste I have in my yard, I want to certify the only constituents in the waste that could test hazardous is benzine. The Cardinal Laboratorie's analysis attached shows it is not.

I would like to dispose of this waste at Parabo SWD Inc.

Sincerely Yours,

Royce Crowell

Royce Crowell

Verbal approval to Royce Crowell and Richard Brakey (Parabo) to accept waste on Jan. 19, 1994.
Kathy Brown NMOCD
Faxed to Parabo 1/19/94

CARDINAL LABORATORIES

PHONE (915) 673-7001 • 2111 BEECHWOOD • ABILENE, TX 79603
PHONE (505) 393-2326 • 101 E. MARLAND • HOBBS, NM 88240
PHONE (505) 326-4669 • 118 S. COMMERCIAL AVE. • FARMINGTON, NM 87401

FINAL ANALYSIS REPORT

Date: 1/19/94
Lab#: H1489

Company: Gold Star
Address: P.O. Box 68
City, State: Eunice, NM 88231

Project Name:
Project Location: Eunice Yard
Sampled by: SC Date: 1/18/94 Time: 1650
Analyzed by: HM Date: 1/18/94 Time: 1757
Type of Samples: Aqueous Sample Condition:
Units: mg/l

Samp #	Field Code	BENZENE
1	Fiberglass Holding Tank	0.310

QC Recovery	0.899
QC Spike	0.881
Accuracy	102.0%
Air Blank	<0.001

Methods - AUTOMATED HEADSPACE GC
- EPA SW-846; EPA METHODS 8020

Michael R. Fowler

Date 1/19/94

ERSI / PARABO Jan 7, 1994

(OCD, NMED Haz Waste)

- Discussion on the determination of Pit #4.
- Concern over the levels of Lead in the Pit
- OCD/NMED considers the pit to be exempt from RCRA Haz Waste. Lead can come from exempt wastes (tank bottoms, ~~pipe dope~~ produced water)
- ERSI does need to change the location of their treating plant permit (312 permit) They were permitted for the Jal location and they have moved to a fixed location at Parabo. Need to send OCD letter requesting transfer of permit and to address the bond and operation commitments.

PARABO, INC.
P. O. Box 1737
EUNICE, NEW MEXICO 88231

April 20, 1993

Copy Page should include

William J. LeMay
Director
Oil Conservation Division
Energy, Minerals and Natural Resources Department
State of New Mexico
P. O. Box 2088
State Land Office Building
Santa Fe, New Mexico 87504

Subject: **April 2, 1993 Memorandum to All Commercial Surface Disposal Facilities**

Dear Bill,

I wish to begin this letter by stating how much we at Unichem International and Parabo support the intent of your recent memorandum. We have been concerned with this same issue for a number of years and have recently begun a similar documentation procedure for our Parabo surface disposal facility. It is our feeling that documentation, certification, classification, and tracking of exploration and production (E&P) associated wastes is long overdue. In addition, if we do not address the issue as an industry along with the State, then in all probability someone will do it for us and we will probably not like the result.

However, it is our feeling that your April 2, 1993 memorandum is premature. We do not feel that commercial surface disposal facilities should be singled out or necessarily lead the way. This can have a detrimental effect upon our business in that it may encourage our customers to seek other methods of disposal. In addition, the concerns prompting documentation and certification of E&P wastes for surface disposal facilities exist for all E&P disposal sites, i.e., disposal injection wells and private surface disposal locations.

The memorandum identified certain E&P waste classifications that are uncommon and undefined. We feel that some of the terms are ambiguous and misleading. We feel that the scope and authority of the memorandum should be delineated and that these terms should be well defined. This would allow for better comprehension of the intent and requirements of the memorandum.

In addition, the certification methods and procedures are unclear. For example, would a corporate vice-president for the generator

need to meet the transport or vacuum truck driver at the well location in order to properly comply with the certification requirements? By what mechanism will the "Certification of Waste Status" be obtained from the NMED? From other states?

And finally, what is the final status of wastes generated at the disposal facility after co-mingling exempt E&P wastes with non-exempt wastes? What are the implications of accepting wastes that are not strictly provided for within the disposal permit?

We hope that you appreciate our questions in the light of support for your efforts. We encourage the development of requirements for the classification, documentation and tracking of E&P wastes. We extend our resources in the development of meaningful requirements. We have asked that Charles Root, our environmental manager, participate in the activities of the joint committee of the NMOGA and IPA to address these issues. We wish to help and not hinder.

We respectfully request that you send additional correspondence regarding this memorandum to either announce a temporary stay of execution of the memorandum until the regulated community has an opportunity to contribute, establish a later "effective date", or to more clearly define the intent, scope, authority, and requirements.

We await and anticipate your response and ask that you call if you desire further information.

Best Regards,

Parabo, Inc.

Richard Brakey

State of New Mexico
ENVIRONMENT DEPARTMENT
Harold Runnels Bulding
1190 St. Francis Drive, P.O. Box 26110
Santa Fe, New Mexico 87502
(505) 827-2850

BRUCE KING
GOVERNOR

JUDITH M. ESPINOSA
SECRETARY

RON CURRY
DEPUTY SECRETARY

April 19, 1993

Mr. Jim Britton, VP
Unichem International Inc.
P.O. Box 1499
Hobbs, New Mexico 88241

Subject: Regulatory Status of Water Pumped from Pond 4. Parablo Oil Reclamation and Disposal Facility, Lea County, New Mexico

Dear Mr. Britton;

In reference to our telephone conversation of April 14, 1993, and the documentation supplied to this agency, it has been determined that the exempt oil and gas waste from those oil and gas exploration and production activities which are now found in Pond 4 at your Parablo facility does fall under the exclusion rule of the Resource Conservation and Recovery Act (RCRA). This should allow you to begin your oil reclaiming operation.

If you have any questions, please feel free in contacting me at 505-827-4308.

Sincerely,

Edward L. Horst, RCRA Program Manager
Hazardous and Radioactive Materials Bureau

ELH:sl

cc: Roger Anderson, OCD
file

TO: Roger Anderson

From: Jerry Sexton

April 13, 1993

Enclosed are the latest copies of lists of solid materials received from Controlled Recovery and Parabo, as discussed in our meeting.

If I can be of further help, please feel free to call.

CRI

CONTROLLED RECOVERY INC.

P.O. BOX 369, HOBBS, NM 88241 (505) 393-1079

February 22, 1993

Jerry Sexton
Oil Conservation Division
P.O. Box 1980
Hobbs, NM 88241-1980

Dear Jerry:

Per your request listed below is the summary of the amounts and locations of the contaminated soil we took at our facility during the month of January:

Company	Location	Amounts
Homco	Abilene, TX	1820 yards

If you have any questions about the above material, please call.

Sincerely,

Ken Marsh
President

Mis-filed

PARABO, INC.

№ 3251

DATE	TRANSPORTED BY	DRIVER/TRUCK NO.	PRODUCER	LEASE & WELL	BBLS.	PRODUCTION WATER, BSW ETC.
1-7-93	WALTON		CONOCO	WARREN UNIT BTRY #1	12 YDS	OILY DIRT
1-7-93	WALTON		CONOCO	SEMU DRINKARD BTRY #6	25 YDS	OILY DIRT
1-8-93	MCCASLAND		ROWLAND TRUCKING	HOBBS YARD	12 YDS	CEMENT
1-15-93	K+S		CONOCO	SEMU EUMONT "E"	9 YDS	OILY DIRT
1-15-93	K+S		CONOCO	WARREN MCKEE BTRY "K"	28 YDS	OILY DIRT
1-18-93	COLBORN		AMOCO	SOUTH HOBBS "GSA" UNIT 62	36 YDS	OILY DIRT CEMENT + BLOCKS
1-18-93	COLBORN		AMOCO	S.H.U. 224	2 YDS	OILY DIRT CEMENT
1-18-93	COLBORN		AMOCO	S.H.U. 232	2 YDS	OILY DIRT CEMENT
1-18-93	COLBORN		AMOCO	S.H.U. 18	20 YDS	OILY DIRT CEMENT
1-19-93	COLBORN		AMOCO	S.H.U. 18	4 YDS	OILY DIRT
1-19-93	COLBORN		AMOCO	S.H.U. 75	20 YDS	OILY DIRT.
1-22-93	COLBORN		AMOCO	S.H.U. 19	20 YDS	OILY DIRT CEMENT BLOCKS
1-22-93	COLBORN		AMOCO	S.H.U. 20	2 YDS	OILY DIRT CEMENT BLOCKS
1-27-93	L. RAMIREZ		CONOCO	LOCKHART A-22	12 YDS	OILY DIRT
1-27-93	L. RAMIREZ		CONOCO	SOUTH EUNICE UNIT NORTH EAST SATELLITE	16 YDS	OILY DIRT
1-27-93	L. RAMIREZ		CONOCO	SOUTH EUNICE UNIT NORTH WEST SATELLITE	4 YDS	OILY DIRT
1-27-93	L. RAMIREZ		CONOCO	SOUTH EUNICE UNIT WELL 66	4 YDS	OILY DIRT
1-28-93	L. RAMIREZ		CONOCO	LOCKHART B-13 A BTRY	4 YDS	OILY DIRT
1-28-93	L. RAMIREZ		CONOCO	STEVENS B-35 WELL #1	8 YDS	OILY DIRT
1-28-93	L. RAMIREZ		CONOCO	STATE A-2	4 YDS	OILY DIRT
1-29-93	L. RAMIREZ		CONOCO	LOCKHART A-12 BTRY	8 YDS	OILY DIRT

FAX COVER SHEET

Operations Department
April 12, 1993

Page 1 of 4

FROM:	TO:
Jim Britton	Ed Horst
COMPANY NAME:	**COMPANY NAME:**
Unichem International Inc.- Hobbs, NM	New Mexico Environment Department
PHONE NUMBER:	**PHONE NUMBER:**
505/393-7751	
FAX NUMBER:	**FAX NUMBER:**
505/393-6754	827-4361

COMMENTS:

Here is the letter regarding Parabo Pit #4 that we discussed. We anxiously await your decision.

Sincerely,

Jim Britton

cc: Roger Anderson
New Mexico Oil Conservation Division
FAX # 827-5741

If transmission is not complete or if material is illegible, please notify me immediately at the number listed above. To response via facsimile, call 505/393-6754 (automatic unit).

GERAGHTY & MILLER, INC.
Environmental Services

Ground Water Engineering Hydrocarbon Remediation Education

April 12, 1993

Mr. Jim Britton
Unichem International
P.O. Box 1499
Hobbs, NM 88241

RE: Regulatory Status of Water Pumped From Pond 4, Parabo Oil Reclamation and Disposal Facility, Lea County, New Mexico.

Dear Jim:

The following discussion sets forth our understanding of the regulatory status of water to be pumped from Pond 4 at the Parabo facility. This analysis reflects Geraghty & Miller's technical understanding of the regulations and applicable statutes and should not be construed as a legal opinion. If you desire a legal opinion or legal advice, we recommend that you consult with legal counsel.

BACKGROUND

The Parabo oil field waste product disposal and oil reclamation facility located in Lea County, New Mexico receives exempt oil and gas wastes from oil and gas exploration and production locations throughout New Mexico and Texas. All materials received by Parabo are considered wastes "associated with the exploration and production of oil and gas" and are therefore considered exempt from the definition of hazardous waste, 40 Code of Federal Regulations 261.4((b)(5). These wastes consist primarily of bottom sediment and water (BS&W), produced water, and drilling fluids.

Parabo operates both a disposal operation and oil reclamation operation. Waters and fluids that are not amenable to oil recovery are placed into a series of on-site evaporation and disposal ponds. Materials that may have recoverable crude oil are routed through an oil recovery system, with residual materials and sediments being disposed into one of the on-site disposal ponds. Additional contaminant removal and oil separation occurs in the disposal ponds allowing for further periodic oil reclamation. Accumulated waters (both produced waters and rainwater) are periodically pumped from the pond, routed through an oil water separator system and then disposed into one of the evaporation ponds.

One of the two BS&W ponds (Pond 4) has been inactive since September 25, 1990 with no materials being placed into the pond or removed from the pond. Rainwater, however, has fallen into the pond resulting in the pond level rising to its maximum capacity. With the onset of the rainy season approaching, Parabo now wishes to re-commence oil

recovery and disposal operations at pond 4. The next section will evaluate the regulatory issues surrounding the proposed operation of pond 4.

DISCUSSION

The Parabo facility operates pursuant to New Mexico Oil Conservation Division (NMOCD) Order Nos. R-5516, R-5516-A, R-5516 B, and R-5516-C. These division orders stipulate facility operational parameters, monitoring requirements and design specifications. Operation of Pond 4 is authorized and covered by these orders.

As an oilfield waste disposal and processing facility, the only wastes managed at the site consist of materials exempt from regulation under the Resource Conservation and Recovery Act (RCRA). In a March 22, 1993 agency notice, the U.S. Environmental Protection Agency (EPA) made it clear that wastes generated by oil reclamation operations remain exempt from the requirements of RCRA, 58 Fed.Reg. p. 15284. This recent notice elaborates upon the notice of July 6, 1988 (53 Fed.Reg. p. 25446) in which EPA made a Regulatory Determination of the application of RCRA to oil and gas related wastes. With respect to the exempt status of oil reclamation wastes, the recent notice provides the following guidance:

1. Wastes that have come from down-hole (i.e., brought to the surface during oil and gas E&P operations) or have otherwise been generated by contact with the oil and gas production stream during the removal of produced water or other contaminants, are exempt materials.

2. EPA has consistently taken the position that wastes derived from the treatment of an exempt waste remain exempt from the requirements of RCRA Subtitle C.

3. Treatment of, or product recovery from, E&P exempt wastes prior to disposal does not negate the exemption.

4. The off-site transport of exempt waste from a primary field site for treatment, reclamation, or disposal does not negate the exemption.

The evaporation and separation activities occurring within Pond 4 facilitate further oil recovery. The pond uses solar energy (direct sunlight) to reduce the viscosity of pond contents and to evaporate water that in turn allows oil to be skimmed off the surface of the pond. The very size of the pond (4 acres) and the nature of pond operation (open and unenclosed) anticipates that some rainwater will enter the pond. The introduction of this

GERAGHTY & MILLER, INC.

water and the subsequent removal, treatment and disposal of this water should not negate the application of the oil and gas exemption for the following reasons:

1. Water removed from pond 4 is generated by contact with the oil and gas production stream during the removal of produced water or other contaminants, and therefore remains exempt.

2. The water removed from pond 4 (a combination of produced water and rainwater) is derived (by virtue of facility construction and operating parameters) directly from the treatment of an exempt waste material, and therefore remains exempt.

The suggestion that the introduction of rainwater into pond 4 would somehow negate the application of the oil and gas exemption does not appear to be supported by any agency guidance or policy relative to the oil and gas exemption. In fact, EPA states in the recent Federal Register notice that the exemption as it applies to oil and gas service companies is not negated by the introduction of rinse water when cleaning tanks or trucks containing exempt wastes. The analogy as it applies to rainwater (intrinsically related to the treatment process) coming into contact with exempt wastes during treatment, seems clear.

SUMMARY

In summary, water removed from pond 4 in the course of normal pond operations should not be subject to regulation under subtitle C of RCRA. This water is necessarily generated by facility operations and is intrinsically related to oil reclamation and recovery operations. No agency policy, regulations or statutes appear to provide any contrary interpretation.

I hope this discussion is useful. As always, Geraghty & Miller appreciates the opportunity to be of service to Unichem International. If you have any further questions or comments regarding this issue, please call.

Sincerely,

GERAGHTY & MILLER, INC.

D. E. Polter

David E. Polter
Regional Regulatory Specialist

cc: Steve Reed

STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
HOBBS DISTRICT OFFICE

OIL CONSERVATION DIVISION
RECEIVED
'93 APR 7 AM 8 49

BRUCE KING
GOVERNOR

POST OFFICE BOX 1980
HOBBS, NEW MEXICO 88241-1980
(505) 393-6161

April 5, 1993

Unichem International
P.O. Box 1499
Hobbs, NM 88240

Attn: Wayne Price

RE: APPROVAL FOR DISPOSAL OF WASTE

Dear Mr. Price:

In reference to your letter dated April 1, 1993, we hereby give you authorization to dispose the 2 to 4 barrels of exempt waste, (produced water/crude oil), at your Parabo oilfield facility.

Very truly yours,

Jerry Sexton

JERRY SEXTON
District I Supervisor

/sad

xc: Roger Anderson - Santa Fe

New Mexico DRUG FREE It's a State of Mind!

Rick McCalip, Director
Safety & Environmental Services
Natural Gas & Gas Products Department

Conoco Inc.
600 N. Dairy Ashford Rd.
P. O. Box 2197, HU 3034
Houston, TX 77252
(713) 293-1123

April 2, 1993

Mr. Jerry Sexton
New Mexico Oil Conservation Division
P.O. Box 1980
Hobbs, NM 88241-1980

Re: **Request for Authorization for Disposal of Oil Field Waste at Unichem Parebo Facility**
Conoco Inc., Ramsey Gas Processing Plant

Dear Mr. Sexton:

Conoco Inc. requests authorization to dispose of oil field waste from the Ramsey Gas Plant at Unichem's Parebo facility. The waste is spent "Selexsorb", a type of activated alumina. The "Selexsorb" was in liquid hydrocarbon service to remove CO_2 and H_2S from the natural gas liquids prior to sale. Due to its service, the "Selexsorb" is a non-exempt waste. Analytical results for the waste are attached verifying that the waste is a non-exempt, non-hazardous waste.

The "Selexsorb" was generated at the Conoco Ramsey Gas Plant near Orla, TX. Conoco will also receive authorization from the Texas Railroad Commission prior to shipping the waste. A copy of the Railroad Commission authorization will be sent to your office once received. Authorization from the Railroad Commission is valid for only thirty days, therefore Conoco is requesting authorization from the OCD first.

Your timely review of this request is appreciated. If you have any questions or require further information, please contact Vicki Wood at (713) 293-1124.

Sincerely,

Rick McCalip

Rick McCalip

Attachment

OK RC
called Jerry 4/12/93

Conoco Environmental Services
TC Report

January 13, 1993 Page 1

Location: HOUSTON
Project Name: RAMSEY SPENT SELEX SORB
Sample Source:
Sample Number: RSY-SPENT-SELEX-SORB
Date Sampled: December 16, 1992
Lab ID: ITC B212202-01

Type: Regulated

EPA No.	Constituent	CAS No.	Reg. Level (MG/L) *	Result	Scaled Result	Unit
D004	ARSENIC	7440-38-2	5.0	< 0.50		MG/L
D005	BARIUM	7440-39-3	100.0	< 1.0		MG/L
D006	CADMIUM	7440-43-9	1.0	< 0.025		MG/L
D007	CHROMIUM	7440-47-3	5.0	< 0.050		MG/L
D008	LEAD	7439-92-1	5.0	< 0.25		MG/L
D009	MERCURY	7439-97-6	0.2	< 0.00020		MG/L
D010	SELENIUM	7782-49-2	1.0	< 0.50		MG/L
D011	SILVER	7440-22-4	5.0	< 0.050		MG/L
D012	ENDRIN	72-20-8	0.02			
D013	LINDANE	58-89-9	0.4			
D014	METHOXYCHLOR	72-43-5	10.0			
D015	TOXAPHENE	8001-35-2	0.5			
D016	2,4-D	94-75-7	10.0			
D017	2,4,5-TP	93-72-1	1.0			
D018	BENZENE	71-43-2	0.5	< 0.03		MG/L
D019	CARBON TETRACHLORIDE	56-23-5	0.5	< 0.03		MG/L
D020	CHLORDANE	57-74-9	0.03			
D021	CHLOROBENZENE	108-90-7	100.0	< 0.03		MG/L
D022	CHLOROFORM	67-66-3	6.0	< 0.03		MG/L
D023	o-CRESOL	95-48-7	200.0			
D024	m-CRESOL	108-39-4	200.0 (4)			
D025	p-CRESOL	106-44-5	200.0			
D026	CRESOLS (TOTAL)		200.0 (2)	< 0.04		MG/L
D027	1,4-DICHLOROBENZENE	106-46-7	7.5	< 0.04		MG/L
D028	1,2-DICHLOROETHANE	107-06-2	0.5	< 0.03		MG/L
D029	1,1-DICHLOROETHYLENE	75-35-4	0.7	< 0.03		MG/L
D030	2,4-DINITROTOLUENE	121-14-2	0.13 (1)	< 0.04		MG/L
D031	HEPTACHLOR	76-44-8	0.008			
D032	HEXACHLOROBENZENE	118-74-1	0.13 (1)	< 0.04		MG/L
D033	HEXACHLOROBUTADIENE	87-68-3	0.5	< 0.04		MG/L
D034	HEXACHLOROETHANE	67-72-1	3.0	< 0.04		MG/L
D035	2-BUTANONE	78-93-3	200.0	< 0.5		MG/L
D036	NITROBENZENE	98-95-3	2.0	< 0.04		MG/L
D037	PENTACHLOROPHENOL	87-86-5	100.0 (3)	< 0.2		MG/L
D038	PYRIDINE	110-86-1	5.0	< 0.2		MG/L
D039	TETRACHLOROETHYLENE	127-18-4	0.7	< 0.03		MG/L
D040	TRICHLOROETHYLENE	79-01-6	0.5	< 0.03		MG/L
D041	2,4,5-TRICHLOROPHENOL	95-95-4	400.0	< 0.04		MG/L
D042	2,4,6-TRICHLOROPHENOL	88-06-2	2.0	< 0.04		MG/L
D043	VINYL CHLORIDE	75-01-4	0.2	< 0.05		MG/L

(1) Quantitation limit is greater than the calculated regulatory level. The quantitation limit therefore becomes the regulatory level.
(2) If o-, m- and p-cresol concentration can not be differentiated, the total cresol concentration is used. The regulatory level for total cresol is 200 mg/l.
(3) The Agency is proposing a new regulatory level (5.0 mg/l) for this constituent based upon the latest toxicity information.
(4) m- and p- Cresol concentration can not be differentiated, total m- and p- concentration is reported as m-CRESOL.

Conoco Environmental Services
Lab Analysis QAQC Report

January 13, 1993

RSY-SPENT-SELEX-SORB
Lab Sample ID: B212202-01 Analysis Lab: ITC

Method Number: EPA6010 Prep Method: 3010
Batch Start Date: 17-DEC-92 Instrument: A Batch Number: 1

Spike:

Analyte/Parameter	RPR	Lab Sample ID
ARSENIC (AS)	96.0	B212202-01 ITC
BARIUM (BA)	91.0	B212202-01 ITC
CADMIUM (CD)	93.0	B212202-01 ITC
CHROMIUM (CR)	91.0	B212202-01 ITC
LEAD (PB)	97.0	B212202-01 ITC
SELENIUM (SE)	100.0	B212202-01 ITC
SILVER (AG)	82.0	B212202-01 ITC

Method Number: EPA7470 Prep Method: 7470
Batch Start Date: 17-DEC-92 Instrument: B Batch Number: 1

Spike:

Analyte/Parameter	RPR	Lab Sample ID
MERCURY	88.0	B212202-01 ITC

Method Number: EPA8240
Batch Start Date: 17-DEC-92 Instrument: E1 Batch Number: 1

Spike:

Analyte/Parameter	RPR	Lab Sample ID
1,1-DICHLOROETHYLENE	92.0	B212202-01 ITC
1,2-DICHLOROETHANE	109.0	B212202-01 ITC
2-BUTANONE	53.0	B212202-01 ITC
BENZENE	95.0	B212202-01 ITC
CARBON TETRACHLORIDE	110.0	B212202-01 ITC
CHLOROBENZENE	96.0	B212202-01 ITC
CHLOROFORM	115.0	B212202-01 ITC
TETRACHLOROETHYLENE	95.0	B212202-01 ITC
TRICHLOROETHYLENE	110.0	B212202-01 ITC
VINYL CHLORIDE	70.0	B212202-01 ITC

Surrogates:

1,2-DICHLOROETHANE-D4	98.0	B212202-01 ITC
BROMOFLUOROBENZENE	100.0	B212202-01 ITC
TOLUENE-D8	98.0	B212202-01 ITC

Method Number: EPA8270 Prep Method: 3510NS
Batch Start Date: 17-DEC-92 Instrument: E Batch Number: 1

Spike:

Analyte/Parameter	RPR	Lab Sample ID
1,4-DICHLOROBENZENE	62.0	B212202-01 ITC
2,4,5-TRICHLOROPHENOL	88.0	B212202-01 ITC
2,4,6-TRICHLOROPHENOL	94.0	B212202-01 ITC
2,4-DINITROTOLUENE	81.0	B212202-01 ITC
CRESOLS (TOTAL)	80.0	B212202-01 ITC
HEXACHLOROBENZENE	86.0	B212202-01 ITC
HEXACHLOROBUTADIENE	69.0	B212202-01 ITC
HEXACHLOROETHANE	64.0	B212202-01 ITC
NITROBENZENE	87.0	B212202-01 ITC

RSY-SPENT-SELEX-SORB
Lab Sample ID: B212202-01 Analysis Lab: ITC

Analyte/Parameter	RPR	Lab Sample ID
PENTACHLOROPHENOL	95.0	B212202-01 ITC
PYRIDINE	43.0	B212202-01 ITC
Surrogates:		
2,4,6-TRIBROMOPHENOL	83.0	B212202-01 ITC
2-FLUOROBIPHENYL	66.0	B212202-01 ITC
2-FLUOROPHENOL	72.0	B212202-01 ITC
NITROBENZENE-D5	81.0	B212202-01 ITC
PHENOL-D5	84.0	B212202-01 ITC
TERPHENYL-D14	95.0	B212202-01 ITC

STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

MEMORANDUM

BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

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

TO: ALL COMMERCIAL SURFACE DISPOSAL FACILITIES

FROM: WILLIAM J. LEMAY, Director
Oil Conservation Division

SUBJECT: DOCUMENTATION REQUIRED FOR ACCEPTANCE OF WASTE

DATE: APRIL 2, 1993

The Oil Conservation Division (OCD) has issued a number of Rule 711 permits for commercial surface disposal facilities which allow the facilities to accept certain types of wastes. The OCD has not previously listed the documentation that should accompany all waste accepted at these facilities. Attached is a list of the documentation to accompany any waste accepted by an OCD-permitted commercial disposal facility. Listed are the certifications and tests required for the various classifications of waste. Also attached is a list of the oil and gas wastes exempted from EPA "hazardous waste" classification.

This documentation provides protection from hazardous waste regulations for the waste generator, transporter and disposal facility and facilitates OCD oversight. Please note that certain types of non-oilfield wastes can also be accepted by a disposal facility under its OCD Rule 711 permit. The OCD is currently in the process of developing an information form to accompany each load of waste received at a disposal facility. Until that form is finalized, each facility may develop and use its own forms and shall retain these records at the facility.

If you have any questions regarding the technical aspects of the documentation needed, please call **Roger Anderson** at **505/827-5812**.

DOCUMENTATION REQUIRED TO ACCEPT WASTES
COMMERCIAL SURFACE DISPOSAL FACILITIES
(April 1, 1993)

1. Exempt Oilfield Waste: A "Certification of Waste Status" signed by a corporate official of the waste generator certifying that the wastes are generated from oil and gas exploration and production operations and are exempt from Resource Conservation and Recovery Act (RCRA) Subtitle C regulations.

2. Exempt, Non-Oilfield Waste: A "Certification of Waste Status" signed by the New Mexico Environment Department (NMED) or the appropriate regulatory agency for non-oilfield wastes which are exempt from RCRA Subtitle C regulations. Acceptance is on a case-by-case basis only after OCD approval from both Santa Fe and the appropriate district office.

3. Non-exempt, Non-hazardous Waste from OCD Permitted Facilities: The analytical results of *Hazardous Waste Characterization. The test for hazardous characteristics for a particular waste may be effective for one year from the date of analysis, if, the subsequent wastes from the same waste stream are accompanied by a statement from a corporate official that there has been no change in the processes employed or the chemicals stored/used at the facility generating the waste. Acceptance is on a case-by-case basis only after OCD approval from both Santa Fe and the appropriate district office.

4. Non-Exempt, Non-hazardous, Non-Oilfield Waste: The analytical results of *Hazardous Waste Characterization **and** a "Certification of Waste Status" certifying the non-hazardous classification of the wastes signed by the NMED or appropriate regulatory agency. Acceptance of waste is on a case-by-case basis only after OCD approval from both Santa Fe and the appropriate district.

5. Hazardous Waste: At no time will wastes which are hazardous by either listing or testing be accepted at an OCD permitted disposal facility.

* Includes corrosivity, reactivity, ignitability, and toxic constituents and a certification that no listed hazardous wastes are contained within the wastes. The samples for these analyses and results will be obtained from the wastes prior to removal from the generator's facility and without dilution in accordance with EPA SW-846 sampling procedures.

EPA WASTE CLASSIFICATION
O & G EXPLORATION AND PRODUCTION WASTES*

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

- Produced water;
- Drilling fluids;
- Drill cuttings;
- Rigwash;
- Drilling fluids and cuttings from offshore operations disposed of onshore;
- Geothermal production fluids;
- Hydrogen sulfide abatement wastes from geothermal energy production;
- Well completion, treatment, and stimulation fluids;
- Basic sediment and water and other tank bottoms from storage facilities that hold product and exempt waste;
- Accumulated materials such as hydrocarbons, solids, sand, and emulsion from production separators, fluid treating vessels, and production impoundments;
- Pit sludges and contaminated bottoms from storage or disposal of exempt wastes;
- Workover wastes;
- Gas plant dehydration wastes, including glycol-based compounds, glycol filters, filter media, backwash, and molecular sieves;
- Gas plant sweetening wastes for sulfur removal, including amines, amine filters, amine filter media, backwash, precipitated amine sludge, iron sponge, and hydrogen sulfide scrubber liquid and sludge;
- Cooling tower blowdown;
- Spent filters, filter media, and backwash (assuming the filter itself is not hazardous and the residue in it is from an exempt waste steam);
- Packing fluids;
- Produced sand;
- Pipe scale, hydrocarbon solids, hydrates, and other deposits removed from piping and equipment prior to transportation;
- Hydrocarbon-bearing soil;
- Pigging wastes from gathering lines;
- Wastes from subsurface gas storage and retrieval, except for nonexempt wastes listed below;
- Constituents removed from produced water before it is injected or otherwise disposed of;
- Liquid hydrocarbons removed from the production stream but not from oil refining;
- Gases from the production stream, such as hydrogen sulfide and carbon dioxide, and volatilized hydrocarbons;
- Materials ejected from a producing well during the process known as blowdown;
- Waste crude oil from primary field operations and production;
- Light organics volatilized from exempt wastes in reserve pits or impoundments or production equipment;
- *Liquid and solid wastes generated by crude oil and crude tank bottom reclaimers****.

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

- Unused fracturing fluids or acids;
- Gas plant cooling tower cleaning wastes;
- Painting wastes;
- Oil and gas service company wastes, such as empty drums, drum rinsate, vacuum truck rinsate, sandblast media, painting wastes, spent solvents, spilled chemicals, and waste acids;
- Vacuum truck and drum rinsate from trucks and drums transporting or containing non-exempt waste;
- Refinery wastes;
- *Liquid and solid wastes generated by refined oil and product tank bottom reclaimers****;
- Used equipment lubrication oils;
- Waste compressor oil, filters, and blowdown;
- Used hydraulic fluids;
- Waste solvents;
- Waste in transportation pipeline-related pits;
- Caustic or acid cleaners;
- Boiler cleaning wastes;
- Boiler refractory bricks;
- Boiler scrubber fluids, sludges, and ash;
- Incinerator ash;
- Laboratory wastes;
- Sanitary wastes;
- Pesticide wastes;
- Radioactive tracer wastes;
- Drums, insulation, and miscellaneous solids.

---

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

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

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

(rev. NMOCD 9/91)

NOTES:

1. As of September 25, 1990, any facility disposing of 1.1 tons or more of non-exempt waste per month with benzene as a constituent (e.g. oily liquid or solids, or aromatic wastes) is disposing of hazardous waste if, after testing, benzene levels of liquids, and of liquid leachate from solids are above 0.5 milligrams per liter (equivalent to 500 parts per billion). Benzene is a naturally occurring constituent of crude oil and refined product (especially gasoline), and is also used as a cleaning solvent. (Other types of solvents and chemicals have been subject to hazardous waste rules for several years.)

   As of March 29, 1991, facilities disposing of between 0.11 and 1.1 tons of non-exempt waste per month became subject to the same rules. Regulation of such facilities is the responsibility of either the US Environmental Protection Agency or the New Mexico Environment Department (dependent on jurisdiction transfer from USEPA).

   The following OCD regulated facilities, especially, may be subject to hazardous waste rules for disposal of wastes and contaminated soils containing benzene:

   - Oil and gas service companies having wastes such as vacuum truck, tank, and drum rinsate from trucks, tanks and drums transporting or containing non-exempt waste.
   - Crude oil treating plants and crude tank bottom reclaimers using benzene solvent, or liquids containing benzene as cleaning solutions.
   - Transportation pipelines and mainline compressor stations generating waste, including waste deposited in transportation pipeline-related pits.

   Source: Federal Register, Thursday, March 29, 1990, p.11,798 - 11,877.

2. In April, 1991, EPA clarified the status of oil and tank bottom reclamation facilities:

   A. Those wastes that are derived from the processing by reclaimers of only exempt wastes from primary oil and gas field operations are also exempt from the hazardous waste requirements. For example, wastes generated from the process of recovering crude oil from tank bottoms are exempt because the crude storage tanks are exempt.

   B. Those reclaimer wastes derived from non-exempt wastes (eg. reclamation of used motor oil, refined product tank bottoms), or that otherwise contain material which are not uniquely associated with or intrinsic to primary exploration and production field operations would not be exempt. An example of such non-exempt wastes would be waste solvent generated from the solvent cleaning of tank trucks that are used to transport oil field tank bottoms. The use of solvent is neither unique nor intrinsic to the production of crude oil.

   Source: EPA Office of Solid Waste and Emergency Response letter opinion dated April 2, 1991, signed by Don R. Clay, Assistant Administrator.

UNICHEM INTERNATIONAL

FAX COVER SHEET

Operations Department

March 30, 1993

#1064 3:51 pm

Wayne Price Wayne Price	**TO:** Roger Anderson
COMPANY NAME: Unichem International Inc.- Hobbs, NM	**COMPANY NAME:** NMOCD - Santa Fe, NM
PHONE NUMBER: 505/393-7751	**PHONE NUMBER:** 505/827-5812
FAX NUMBER: 505/393-6754	**FAX NUMBER:** 505/827-5741

COMMENTS:

SUBJECT:

Attached are the following documents:

1. Letter from Parabo to NMOCD - processing Pit #4 (BS&W)
2. Flow sheet of this process - submitted to EPA, Washington, DC. Sept. 1990.
3. Sales and purchases for above.
4. Analytical work for Pit #4 (BS&W) taken from tank #210 - ran by Unichem.

Please note that when NMOCD sampled Parabo in April of 1989 and July of 1990 our process included BS&W pit #4 being processed by CADDO Processing Company. Therefore we have reason to believe that this analytical work should represent the contents of Pit #4.

If transmission is not complete or if material is illegible, please notify me immediately at the number listed above. To response via facsimile, call 505/393-6754 (automatic unit).

PARABO, INC.

P. O. Box 1737
EUNICE, NEW MEXICO 88231

November 29, 1989

TO; Jerry Sexton, New Mexico Oil Conservation Division

FROM: Richard Brakey

SUBJECT: Processing B S & W pit at Parabo

Dear Jerry:

I would like to inform you of our intentions to lower the fluid level of the B S & W pit at Parabo by utilizing an outside firm to process the B S & W of all recoverable hydrocarbons.

CADDO PROCESSING COMPANY of Shreveport Louisiana, has signed a contract with Parabo as of November 15, 1989, to process the B S & W pit and sell the recovered hydrocarbons. Parabo will dispose of the produced water in to the evaporations ponds and dispose of the remaining solids back into the B S & W pit.

CADDO will be setting up their equipment at Parabo sometime in December with the recovery operation in full swing right after the first of January.

Richard

884-0371 PO BOX 2552 78400

JORDAN LABORATORIES, INC.
CHEMISTS AND ENGINEERS
CORPUS CHRISTI, TEXAS
AUGUST 30, 1990

UNICHEM INTERNATIONAL
P.O. BOX 1499
HOBBS, NEW MEXICO 88240

REPORT OF ANALYSIS

IDENTIFICATION: BS&W TANK BOTTOM SAMPLE
PARABO-1 TANK #210
10:00 AM 7-31-90

RESULTS ON TCLP - EXTRACT

	MG/L	ANALYSIS DATE
ARSENIC	0.019	08-16-90
BARIUM	0.60	08-29-90
CADMIUM	<0.01	08-27-90
CHROMIUM	<0.01	08-27-90
LEAD	<0.1	08-27-90
MERCURY	<0.001	08-22-90
SELENIUM	<0.001	08-16-90
SILVER	<0.01	08-27-90

LAB. NO. M28-6165

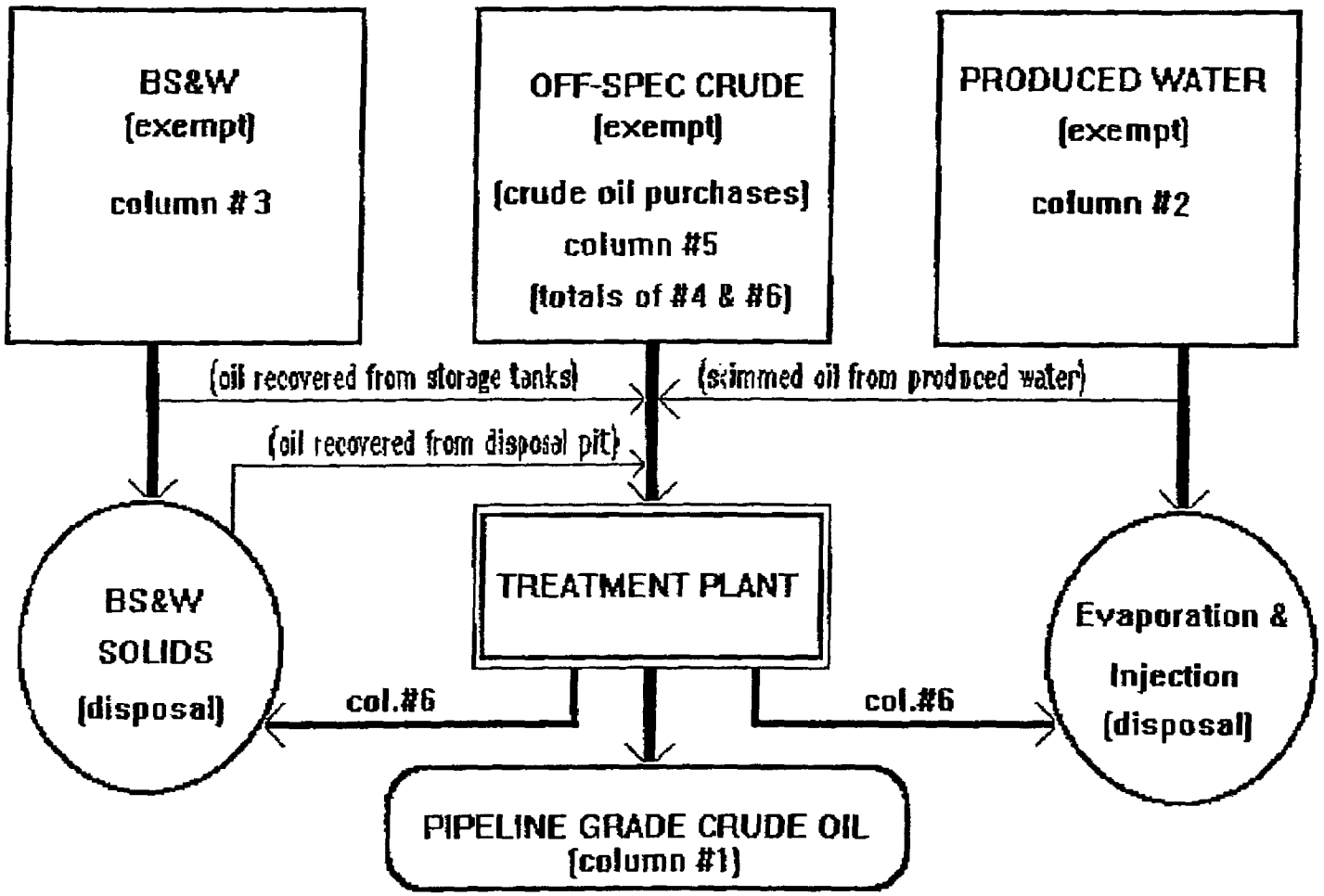
RESPECTFULLY SUBMITTED,

CARL F. CROWNOVER

PARABO, INC.
SALES & PURCHASES
(FIGURES IN 42 GALLON BARRELS)

	1 CRUDE OIL SALES	2 PRODUCTION WATER	3 B S & W	4 NET OFF-SPEC CRUDE PURCHASES	5 GROSS OFF-SPEC CRUDE PURCHASES	6 OFF-SPEC CRUDE B S & W
1989						
JANUARY	2,517.73	11,257.00	4,286.00	4,967.80	7,623.00	2,655.20
FEBRUARY	3,262.52	10,774.00	3,530.00	1,711.77	3,908.05	2,196.28
MARCH	2,719.27	23,008.00	7,529.00	3,222.54	6,278.11	3,055.57
APRIL	2,472.91	17,336.00	5,563.00	2,607.30	6,636.91	4,029.61
MAY	2,202.84	28,404.00	1,736.00	2,381.90	4,407.23	2,025.33
JUNE	3,736.77	21,015.00	2,360.00	2,022.15	3,408.12	1,385.97
JULY	3,233.68	24,884.00	2,276.00	2,248.70	4,003.00	1,754.30
AUGUST	3,262.08	32,227.00	6,481.00	2,812.84	5,824.74	3,011.90
SEPTEMBER	3,789.12	33,687.00	2,899.00	3,199.70	5,131.00	1,931.30
OCTOBER	2,462.17	23,106.00	4,002.00	1,792.15	4,214.00	2,421.85
NOVEMBER	2,642.72	11,182.00	1,765.00	2,048.20	3,085.00	1,036.80
DECEMBER	2,704.91	18,402.00	4,097.00	2,593.60	5,323.00	2,729.40
1989 TOTAL	34,976.72	255,282.00	46,524.00	31,608.65	59,842.16	28,233.51
1990						
JANUARY	4,491.10	29,623.00	2,495.00	4,276.24	6,246.84	1,970.60
FEBRUARY	4,851.23	35,024.00	3,188.00	4,733.70	6,828.78	2,095.08
MARCH	5,806.06	47,227.00	4,517.00	5,374.06	9,527.59	4,153.53
APRIL	4,279.48	35,017.00	2,827.00	3,769.81	6,390.52	2,620.71
MAY	6,700.18	31,401.00	2,035.00	7,943.78	11,667.34	3,723.56
JUNE	8,326.62	8,680.00	1,789.00	8,634.04	11,255.37	2,621.33
JULY	7,375.51	9,300.00	2,058.00	6,209.52	9,798.92	3,589.40
AUGUST	5,648.25	9,436.00	3,830.00	5,605.74	8,895.34	3,289.60
SEPTEMBER						
OCTOBER						
NOVEMBER						
DECEMBER						
1990 TOTAL	47,478.43	205,708.00	22,739.00	46,546.89	70,610.70	24,063.81
COMBINED TOTALS	129,933.58	666,698.00	92,002.00	124,702.43	201,063.56	76,361.13

WASTE CRUDE OIL RECLAMATION TREATMENT/DISPOSAL

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 Volume in drive C is 8555-U61
 Volume Serial Number is 184B-529C
 Directory of C:\WINDOWS

PARABO    BMP     141558 09-14-90   4:43p
        1 file(s)      141558 bytes
                     9746432 bytes free
```

Sundance Ser. Pit 7 South

4-2-97

Sundance Serv. Pit 7 South

4-2-97

Sundance Ser. Pit 8

4-2-97

3

Sundance Ser Pit 8

4-2-97

Sundance Scr. Pit ~~Ca~~ 5

4-2-97

5

Sundance Serv. Pit 5

4-2-97

Sundance Serv. Pit 2a
4-2-97

7

Sundance Scru. Pit 2a

4/-2-97

Sundance Ser Pit 3

4-2-97

Sundance Services Pit 2b

4-2-97

Sundance Serv. Pit 2a

4-2-97

Sundance Ser. Pit 7 North

4-2-97

Sundance Services Pit 7 North

4-2-97

Sundance Services Pit 4

4-2-97

Sundance Services Pit 4

4-2-97

Sundance Ser. Treating Plant

Pit 4 in Distance

Gold fish Pond in Foreground

4-2-97

Sundance Services Treating Plant
Centrafuge

4-2-97

Sundance Serv. Treating Plant

4-2-97

Sundance Services Treating Plant

4-2-97