NM1 - 6

GENERAL CORRESPONDENCE

YEAR(S):

1990 - 1991

September 10, 1991

TO BE PUBLISHED ON OR BEFORE SEPTEMBER 19, 1991

PUBLIC NOTICE

NEW MEXICO ENVIRONMENT DEPARTMENT

Notice is hereby given that, pursuant to New Mexico Water Quality Control Commission Regulations, the following proposed discharge plans have been submitted for approval to the New Mexico Environment Department. The information in this notice generally has been supplied by the applicant and may or may not have been confirmed by the Environment Department.

DP-164 DEGROOT DAIRY, Pete Degroot, Owner, Rt. 2, 3892 Hobson Road, Roswell, NM 88201, proposes to renew its discharge plan for the discharge of 17,000 gallons per day of dairy waste water from a 550-cow dairy. The facility is located approximately 6 miles southeast of Roswell in Section 32, T11S, R3E, Chaves County. Milking center waste water and manure contaminated runoff is discharged to two holding ponds and then to 70 acres of cropland. Ground water below the site is at a depth of approximately 21 feet and has a total dissolved solids concentration of approximately 3,000 milligrams per liter.

DP-443 BELEN - SLUDGE, Danny Tafoya, Plant Supervisor, 503 Becker Avenue, Belen, NM 87002, proposes to renew its discharge plan to discharge 4,000 gallons per day of activated sludge from the Belen waste water treatment plant at the Belen landfill. The facility is located approximately 2 1/2 miles south of Belen in Sections 35 and 36, T5N, R2E, Valencia County. The activated sludge will be applied by spreading it with a liquid transport truck over 14 acres. Ground water below the site is at a depth of approximately 200 feet and has a total dissolved solids concentration of approximately 540 milligrams per liter.

DP-444 CLINES CORNERS OPERATING COMPANY, D.E. Murphy, One Yacht Club Drive, Clines Corners, NM 87070, proposes to modify and renew its discharge plan to discharge 12,000 gallons per day of domestic sewage to four total retention lagoons from a retail, restaurant, gift shop, service stations, food mart, employee housing and proposed RV park facility. The facility is located in the NW 1/4 of NE 1/4, Section 16, T9N, R12E, Torrance County. The modification would entail adding a 60-unit RV park and increasing the number of lagoons from three to four. Ground water below the site is at a depth of approximately 900 feet and has a total dissolved solids concentration of more than 1,000 milligrams per liter.

DP-591 CORRECTION: CHINO MINES CO. - SX/EW
The depth to ground water in the public notice published on or about June 26, 1991 was incorrect. Also based on more recent information, the amount of copper solution being circulated should be 23 million gallons per day rather than the previously published value of 19 million gallons per day. The corrected notice is printed below.

DP-591 CHINO MINES CO. - SX/EW, D.P. Milovich, Manager, Chino Mines Co., Hurley, NM 88043, proposes to renew its discharge plan for the discharge of approximately 23 million gallons per day of copper leach solution at the solvent extraction/ electrowinning plant. The plant is located at Santa Rita in Sections 25 and 26, T17S, R12W, Grant County. The leach solution contains approximately 100,000 milligrams per liter (mg/l) total dissolved solids and 60,000 mg/l sulfates, and has a pH of less than 2. The discharge plan is for the solvent extraction/ electrowinning plant and the two process ponds at the plant. The ponds are lined with 80 mil thick, high-density polyethylene. Ground water below the site is at a depth of approximately 45 feet and has a total dissolved solids concentration of approximately 2,500 mg/l.

DP-818 CONTROLLED RECOVERY, INC., Ken Marsh, President, P.O. Box 369, Hobbs, NM 88241, proposes to treat contaminated hydrocarbon soils from leaking underground storage tanks at Controlled Recovery Inc.'s land farm. The facility is located approximately 36 miles west of Hobbs in the S 1/2, N 1/2 of Section 27, T20S, R32E, Lea County. Contaminated hydrocarbon soil will be bio-remediated and disced every 30 days or as needed. Ground water below the site is at a depth of approximately 35 feet. Total dissolved solids concentration is unknown.

DP-819 NEW MEXICO BI-PRODUCTS, Garth Merrick, Owner, P.O. Box 2257, Hereford, TX 79045, proposes to discharge 600 gallons per day of wash down water from a transfer station for animal bi-products to be used for pet food production. The facility is located in Albuquerque in the SE 1/4, SE 1/4 of Section 8, T9N, R3E, Bernalillo County. The wash down water from the transfer station will be treated in a septic tank and discharged to septage pits. Ground water below the site is at a depth of approximately 208 feet and has a total dissolved solids concentration of approximately 190 milligrams per liter.

DP-821 B & B DAIRY, Ron Bizzell, Co-Owner, 278 Chickasaw Road, Hagerman, NM 88232, proposes to discharge approximately 3500 gallons per day of milking parlor wash water. The facility is located approximately 9 miles west of Hagerman in the NE 1/4 of Section 1, T14S, R24E, Chaves County. The wash water will be directed to a concrete pit and then irrigated onto range land. Ground water below the site is at a depth of approximately 260 feet and has a total dissolved solids concentration of approximately 730 milligrams per liter.

DP-823 BERNALILLO COUNTY PUBLIC WORKS - UST, John Ramsey, Bernalillo County, 2400 Broadway, S.E., Albuquerque, NM 87102, proposes to discharge up to 1370 gallons per day of treated hydrocarbon contaminated ground water from the Bernalillo County Public Works Site. The facility is located in Albuquerque in the NE 1/4, NE 1/4, NE 1/4 of Section 32, T10N, R3E, Bernalillo County. The hydrocarbon contaminated ground water will be recovered from the underlying aquifer and undergo treatment using an infiltration basin located along the northern portion of the site. Ground water below the site is at a depth of approximately 55 feet and has a total dissolved solids concentration of approximately 10,000 milligrams per liter.

Any interested person may obtain further information from the Ground Water Section of the Environment Department, telephone (505) 827-2906, and may submit written comments to the Ground Water Section, Environment Department, P.O. Box 26110, Santa Fe, NM 87502. Prior to ruling on any proposed discharge plan or its modification, the Environment Department will allow thirty (30) days after the date of publication of this notice to receive written comments and during which a public hearing may be requested by any interested person. Requests for public hearing shall set forth the reasons why the hearing should be held. A hearing will be held if the Environment Department determines that there is significant public interest.

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

BRUCE KING
GOVERNOR

August 6, 1991

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

CERTIFIED MAIL
RETURN RECEIPT NO. P-756-666-892

Mr. Ken Marsh, President
Controlled Recovery, Inc.
P. O. Box 369
Hobbs, New Mexico 88241

RE: Permit Modification
Controlled Recovery Disposal Facility
Lea County, New Mexico

Dear Mr. Marsh:

The Oil Conservation Division (OCD) has received your requests dated July 16, 1991, for permit modifications for the above referenced facility. The modifications consist of the addition of a second safety, skimming and observation pond in series with the existing pond and the enlargement of the solids disposal pits.

Pursuant to OCD Rule 711 and based on the information provided in your requests, the proposed modifications are hereby approved.

The modifications are considered minor modifications, therefore, the issuance of public notice is not required.

Please be aware that this approval does not relieve you of liability should your operation result in actual pollution of surface or ground waters or the environment actionable under other laws and/or regulations.

If you have any questions, please do not hesitate to call Roger Anderson at (505) 827-5884.

Sincerely,

William J. LeMay
Director

WJL/RCA/sl

cc: OCD Hobbs Office

CRI [illegible]

Hoffman

7/18/91

THE REPRODUCTION OF

THE

FOLLOWING

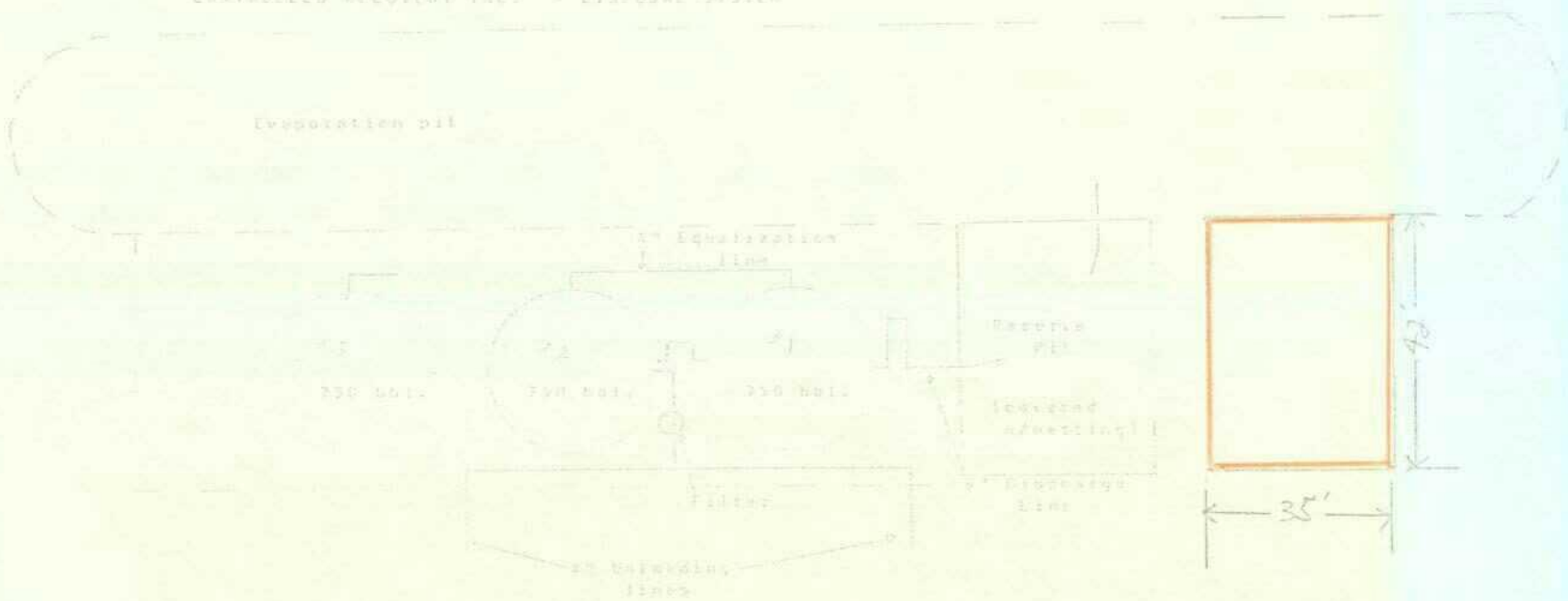
DOCUMENT (S)

CANNOT BE IMPROVED

DUE TO

THE CONDITION OF

THE ORIGINAL


42'
35'

CRI

OIL CONSERVATION DIVISION
RECEIVED
91 JUL 17 AM 11 40

CONTROLLED RECOVERY, INC.

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

July 16, 1991

Mr. Roger Anderson
State of New Mexico
Energy, Minerals, and Natural Resources Department
Oil Conservation Division
P.O. Box 2088
Santa Fe, NM 87504

RE: New Mexico OCD R-9166

Dear Mr. Anderson:

Controlled Recovery Inc. is asking administrative approval to enlarge the solid pit (east pit) of our halfway facility. The reasons for the request are:

1) Increased disposal capacity
2) To reconstruct the shape of the pit to facilitate unloading of trucks for safety precautions on windy days or when area is wet from rainfall.
4) To excavate virgin material before it becomes contaminated to use for backfill and berms.
5) To be able to formulate and implement a location system for customer's records (we have had several requests).
6) To assist our company in advance planning, both economic and facility usage.
7) To be able to take advantage of equipment availability.
8) For long range business planning for expenditures and tax consequences.

I am enclosing a plot of the existing pit with an outline of the planned dimensions and shape.

The proposed enlargement might not be done in its entirety in one stage but perhaps in several stages so as to take advantage of some of the above mentioned factors.

Thank you for your consideration.

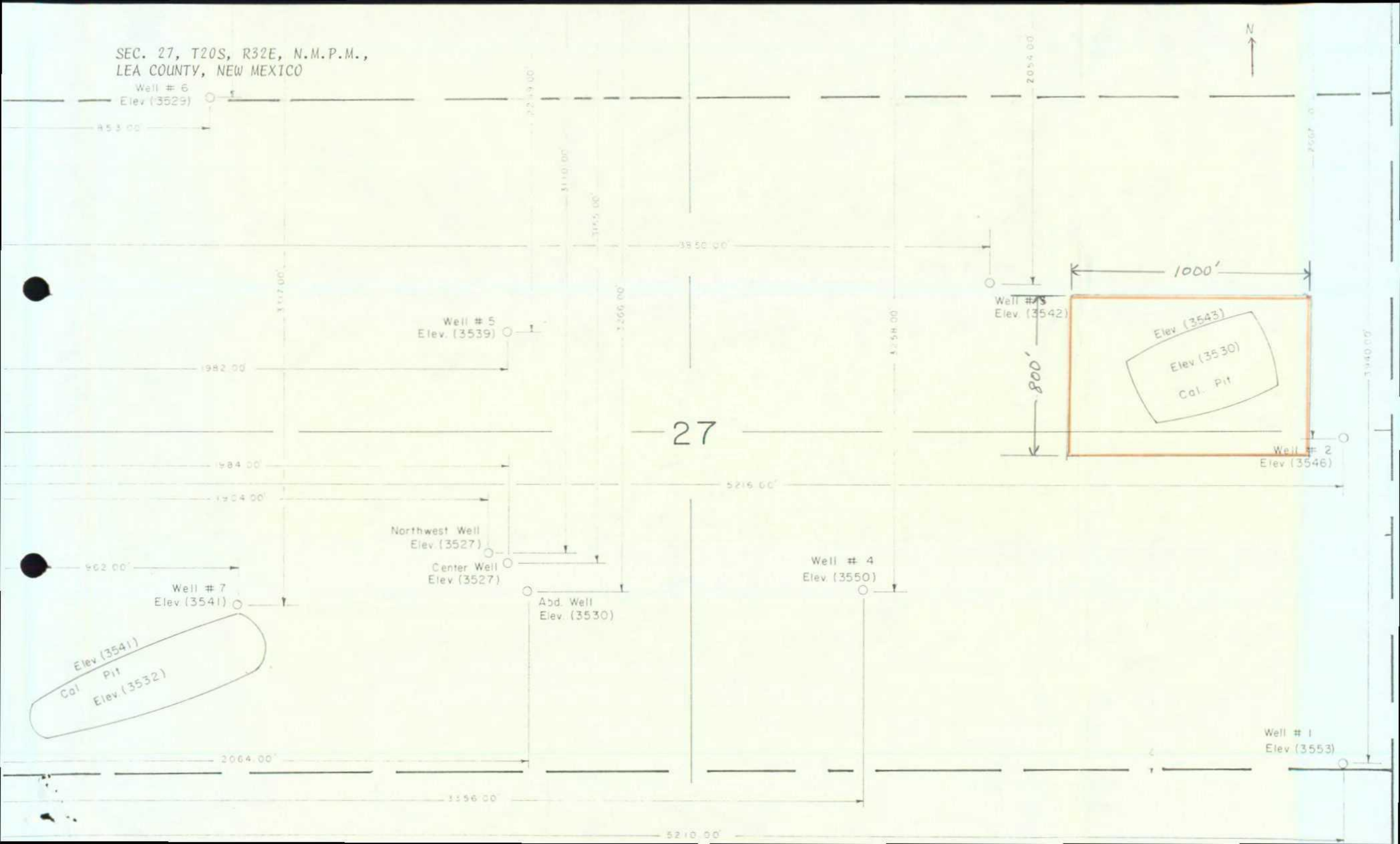
Sincerely,

Ken Marsh
President

KRM/baj

Enclosures

SEC. 27, T20S, R32E, N.M.P.M.,
LEA COUNTY, NEW MEXICO



Submit 4 Copies
to Appropraite
District Office

DISTRICT I
P.O. Box 1980, Hobbs, NM 88241-1980

DISTRICT II
P.O. Drawer DD, Artesia, NM 88211-0719

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

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION
RECEIVED
'91 AUG 1 AM 10 02

Form C-134
Aug. 1, 1989

OIL CONSERVATION DIVISION

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

Permit No. H-76
(For Division Use Only)

APPLICATION FOR EXCEPTION TO DIVISION ORDER R-8952
FOR PROTECTION OF MIGRATORY BIRDS Rule 8(b), Rule 105(b), Rule 312(h), Rule 313, or Rule711(I)

Operator Name: Controlled Recovery Inc (CRI)

Operator Address: P.O. Box 369 Hobbs, NM 88241

Lease or Facility Name Halfway Location ____ 27 20S 32E
Ut. Ltr. Sec. Twp. Rge

Size of pit or tank: large

Operator requests exception from the requirement to screen, net or cover the pit or tank at the above-described facility.

__b__ The pit or tank is not hazardous to migratory waterfowl. Describe completely the reason pit is non-hazardous.

The pit contains only production water.

1) If any oil or hydrocarbons should reach this facility give method and time required for removal:

Within 24 hours, plant employees will remove oil by use of vacuum truck,

2) If any oil or hydrocarbons reach the above-described facility the operator is required to notify the appropriate District Office of the OCD with 24 hours.

____ Operator proposes the following alternate protective measures: All production water goes through a tank skimming process then into a 30'x40' safety pit then enters open pits which are flagged.

CERTIFICATION BY OPERATOR: I hereby certify that the information given above is true and complete to the best of my knowledge and belief.

Signature Ken Marsh Title President Date July 15, 1991

Printed Name Ken Marsh Telephone No. (505) 393-1079

FOR OIL CONSERVATION DIVISION USE

Date Facility Inspected ____

Inspected by ____

Approved by ORIGINAL SIGNED BY JERRY SEXTON
DISTRICT I SUPERVISOR

Title ____

Date JUL 30 1991

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

BRUCE KING
GOVERNOR

July 19, 1991

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

Controlled Recovery Inc.
P. O. Box 369
Hobbs, New Mexico 88241-Ø369

Subject: Formation Cuttings Etc from ABC Yard to CRI

Attn: Robert Whittemore

Dear Mr. Whittemore:

As per instructions from the Oil Conservation Division Environmental Bureau the material at the ABC Yard is an accumulation from the cleaning of frac tanks, reverse tanks and Etc. and was obtained from oil wells, gas wells or class II injection wells and is not classified as hazardous materials.

The material has not been mixed with any non-oil field materials and Controlled Recovery Inc. is an approved disposal site for such material and can accept the material.

Very truly yours

OIL CONSERVATION DIVISION

Jerry Sexton
Supervisor, District I

JS:bp

cc: ABC Rental
File

CRI

CONTROLLED RECOVERY INC.

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

July 16, 1991

Mr. Roger Anderson
State of New Mexico
Energy, Minerals, and Natural Resources Department
Oil Conservation Division
P.O. Box 2088
Santa Fe, NM 87504

RE: New Mexico OCD R-9166

Dear Mr. Anderson:

Controlled Recovery Inc. is asking administrative approval to add one safety, skimming, and observation pit to our water disposal system. We wish to have 2 pits in sequence to better observe and control any trash that might escape into our evaporation pit.

Mr. Jerry Sexton has suggested an additional measure to cope with the peak volumes of this system.

I am enclosing a plot to show the size and location of the proposed new pit.

The pit will be netted in accordance with OCD rules and regulations.

Sincerely,

Ken Marsh
President

KRM/baj

Enclosure

New Mexico Health and Environment Department

March 14, 1991

Dear Concerned Citizen:

Enclosed is a fact sheet regarding a draft closure plan that the Environmental Improvement Division (EID) proposes to approve for White Sands Missile Range (WSMR) for final closure of its hazardous waste treatment tank system located at the High Energy Laser Systems Test Facility (HELSTF). The treatment tank system is inactive and is presently under interim status granted to facilities that were in operation on the effective date of the Federal Resource Conservation and Recovery Act regulations.

Copies of the draft closure plan are available for review at the offices of the EID Hazardous and Radioactive Waste Bureau, 1190 St. Frances Drive, Santa Fe, N.M. 87503, and at the offices of EID District III, 1001 N. Salano Drive, Las Cruces, N.M. 88004. If you wish to make any comments on this proposed closure plan, they must be made in writing and be received by the EID Hazardous and Radioactive Waste Bureau at the address mentioned above, by April 21, 1991.

If you have any questions regarding this draft closure plan, please contact Marc Sides at (505) 827-2749, or at the address given below.

Sincerely,

A. Elizabeth Gordon

A. Elizabeth Gordon, Ph.D.
Permitting Supervisor
Hazardous and Radioactive Waste Bureau

CLOSURE PLAN FACT SHEET

for the

HIGH ENERGY LASER SYSTEMS TEST FACILITY (HELSTF)

TREATMENT TANK SYSTEM

Activities: Closure of a hazardous waste treatment system at the White Sands Missile Range (WSMR) under the New Mexico Hazardous Waste Act.

Facility Name: U.S. Army White Sands Missile Range

EPA ID Number: NM2750211235

Location: The main headquarters is approximately 26 miles east of Las Cruces, New Mexico and 45 miles north of El Paso, Texas. The Treatment Tank System is about 22 miles north of the main headquarters.

Pre-closure Activities: The treatment tank system is located at the HELSTF. It was designed for an evaporative treatment capacity of 74,400 gallons and installed in 1985. The tank treated by evaporation hazardous waste generated by the HELSTF Cleaning Facility and by the Chromated Deionized Water System. The tank system consists of a two-cell concrete tank structure with a reinforced synthetic liner and leak detection system. A waste transfer line connects the tank to the waste generation points. The tank system was declared to be leaking and all free liquid waste was removed in October 1989 and subsequently disposed in a permitted facility. The tank is presently empty of all waste material except those residues possibly embedded in the ballast sand and in the transfer lines.

Closure of Facility: The proposed closure plan calls for the removal of the concrete tank, liner, and ballast sand. All waste material will be managed and disposed of as hazardous waste unless sampling and analysis

indicates the absence of all hazardous constituents. The waste transfer lines will be decontaminated or excavated and disposed of at a permitted disposal facility. Soils and subsoils will be investigated to determine if any contamination is present, and if so, the extent of the contamination and the feasibility of clean closure.

Closure Plan Availability: A copy is available for public review at the New Mexico Environmental Improvement Division (EID), Radioactive and Hazardous Waste Bureau, 1190 St. Frances Drive, Santa Fe, New Mexico and the New Mexico EID District III office, 1001 N. Salano Drive, Las Cruces, New Mexico.

Comment Period and Request for Hearing: Any person, including WSMR, who wishes to comment on the tentative decision to approve the closure plan, or who wishes to request a public hearing may do so by submitting written comments or requests to the New Mexico EID, Radioactive and Hazardous Waste Bureau, 1190 St. Frances Drive, Santa Fe, New Mexico 87503, ATTENTION: Mr. Marc Sides. Any request for hearing shall state the nature of the issues proposed to be raised in the hearing and must include the requestor's name and address. Only comments and requests for public hearing received by April 21, 1991 will be considered.

Final Decision: All comments submitted on this proposed closure plan will be considered in formulating a final decision. The New Mexico EID will notify WSMR and each person who submitted a written comment during the public comment period, of the final decision, or of any public hearing which may be scheduled.

Sune - CRI file

New Mexico Health and Environment Department

March 14, 1991

Dear Concerned Citizen:

Enclosed is the fact sheet regarding a draft permit that the Environmental Improvement Division (EID) and the U. S. Environmental Protection Agency (EPA) propose to issue to Resource Protection, Inc. for the operation of its hazardous waste storage facility. A copy of the draft permit is available for review at the Hobbs Public Library, 509 N. Shipp; the Carlsbad Public Library, 101 S. Halagueno; at the offices of the EID Hazardous and Radioactive Waste Bureau, 1190 St. Francis Dr., Santa Fe, NM 87503; and at the offices of EPA Region 6 at 1445 Ross Avenue, Dallas, Texas 75202. If you wish to make any comments on this proposed draft permit, they must be made in writing and be received by the Hazardous and Radioactive Waste Bureau or the EPA Region 6 RCRA Permits Branch at the respective addresses mentioned above by May 2, 1991.

If you have any questions regarding this draft permit, please contact me the address given below, or at (505) 827-2862.

Sincerely,

A. Elizabeth Gordon, Ph.D.

A. Elizabeth Gordon, Ph.D.
Permitting Supervisor
Hazardous and Radioactive Waste Bureau

FACT SHEET

Intent to Issue a Permit for the Operation of
A Hazardous Waste Storage Facility
Under the New Mexico Hazardous Waste Act

RESOURCE PROTECTION, INC.

LEA COUNTY, NM

Activities:	Hazardous waste storage in containers.
Facility name:	Resource Protection, Inc.
EPA ID number:	NMD 986670354
Location:	Section 27, T. 20 S., R. 32 E.; Lea County, NM (near the intersection of Lea Co. Rd C-29 and US Highway 62-180).
Landowner:	Resource Protection, Inc.
Operator:	Resource Protection, Inc.

Activities:

The proposed facility will be a commercial hazardous waste storage facility, capable of handling virtually all legally defined hazardous waste except for explosives. No radioactive waste of any kind may be handled.

Description of the Permit:

The permit describes the structures, equipment, and procedures Resource Protection, Inc. will use to store hazardous waste in containers in compliance with the New Mexico Hazardous Waste Management Regulations. The wastes will be stored in containers that meet or exceed the requirements of the Department of Transportation, and will be separated from each other in storage according to chemical compatibility. The permit includes a waste analysis plan, preparedness and prevention procedures, a training plan, a description of waste handling procedures, a contingency plan, and a closure plan.

Availability of the Draft Permit:

A copy is available for public review in the reference sections of the Hobbs Public Library (509 N. Shipp), and the Carlsbad Public Library (101 S. Halagueno); and at the office of the Hazardous and Radioactive Waste Bureau of the Environmental Improvement Division, 1190 St. Francis Dr., Santa Fe.

Comment Period:

Any person, including the applicant, who wishes to comment on the tentative decision to issue the permit or on the terms of the draft permit may do so by submitting written comments to the Hazardous and Radioactive Waste Bureau, Environmental Improvement Division, 1190 St. Francis Dr., Santa Fe, NM, 87503; attention Dr. Elizabeth Gordon. Comments must be received by May 2, 1991 to be considered.

Procedure for Requesting a Hearing:

Any person, including the applicant, who wishes to request a public hearing concerning the proposed action may do so by submitting a written request to the address given in the section above. Any request for a hearing must be made in writing and must state the nature of the issues to be raised in the hearing. Requests must be received by May 2, 1991 to be considered.

Final Decision:

All comments submitted concerning this proposed action will be considered in formulating the final decision. Under the Hazardous Waste Management Regulations, the Director may either approve the permit as written, modify the permit based on the comments received, or deny the permit in whole or in part. If the permit is issued, it will become the operating conditions for hazardous waste management at Resource Protection, Inc. The Environmental Improvement Division will notify Resource Protection, Inc. and each person who submitted a written comment during the public comment period, of the final decision or of any public hearing which may be scheduled.

FACT SHEET
MODULE IV

Intent to Issue Permit Conditions under the
Hazardous and Solid Waste Amendments of 1984 to the
Resource Conservation and Recovery Act

Facility Name:	Resource Protection, Inc.
EPA I.D. Number:	NMD986670354
Location:	Section 17, T. 20 S., R. 32 E., Lea County, NM (near the intersection of Lea Co. Rd C-29 and US Highway 62-180).
Landowner:	Resource Protection, Inc.
Facility Operator:	Resource Protection, Inc.
Regulatory Background:	The Federal law that requires permits for hazardous waste facilities is the Resource Conservation and Recovery Act (RCRA). The State of New Mexico is authorized by the U.S. Environmental Protection Agency (EPA) to carry out regulatory activities which were required by RCRA prior to November of 1984. In November of 1984, Congress passed extensive changes to RCRA, known as the Hazardous and Solid Waste Amendments (HSWA), which resulted in additional requirements for permits issued under RCRA. The State has not yet been authorized to act in lieu of EPA, and EPA has retained authority for this portion of the permit. Module IV, in conjunction with the Hazardous Waste Operating Permit drafted by the State of New Mexico, constitutes the complete draft RCRA permit for this facility.
Preliminary Activities:	A RCRA Facility Assessment (RFA) was conducted from November 1990 to February 1991 to identify any areas of hazardous waste management activities, past or present. The RFA did not identify any units which could not be addressed by the operating permit prepared by the State.
Description of the permit:	The requirements of HSWA implemented in Module IV of the permit are waste minimization, prohibition

of dust suppression with hazardous wastes, land disposal prohibitions, corrective for continuing releases, and notification of the new identification of any solid waste management units or areas of concern not specifically identified during the RFA.

Availability of the draft permit:

A copy is available for public review in the reference sections of the Hobbs Public Library (509 N. Shipp), and the Carlsbad Public Library (101 S. Halagueno); and at the office of the Hazardous and Radioactive Waste Bureau of the New Mexico Environmental Improvement Division, 1190 St. Francis Drive, Santa Fe; or at the offices of the U.S. EPA, Region 6, 1445 Ross Avenue, Dallas, TX 75202.

Comment Period:

Any person including the applicant, who wishes to comment on the tentative decision to issue the permit may do so by submitting written comments to the U.S. EPA Region 6, RCRA Permits Branch, 1445 Ross Avenue, Dallas, TX 75202. Only comments received by May 2, 1991, will be considered.

Procedures for Requesting a Hearing:

Any affected person, including the applicant who wished to request a public hearing concerning the proposed action, may do so by submitting a written request to either of the addresses in the above section. Any request for a hearing shall be submitted in writing and shall state the nature of the issues proposed to be raised in the hearing. Only requests received by May 2, 1991, will be considered.

Final Decision:

All comments submitted on this proposed action will be considered in formulating a final decision. Under the Code of Federal Regulations, the Regional Administrator of EPA Region 6 may either approve the permit as written, modify the permit based on the comments received, or deny the permit, either in whole or in part. The EPA will notify Resource Protection, Inc., and each person who submitted a written comment during the public comment period, of the final decision, or of any public hearing which may be scheduled.

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

BRUCE KING
GOVERNOR

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

February 25, 1991

CERTIFIED MAIL
RETURN RECEIPT NO. P-327-278-084

Mr. Ken Marsh, President
Controlled Recovery, Inc.
P. O. Box 369
Hobbs, New Mexico 88241

Dear Mr. Marsh:

The Oil Conservation Division (OCD) has received your request dated February 20, 1991, for approval to accept waste soils, gel and sludge material from the Dowell Schlumberger facility in Hobbs.

Based on the analytical results submitted with your request, there are no hazardous constituents in the wastes. Therefore, the wastes are approved for disposal at your facility.

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

Sincerely,

Roger C. Anderson
Environmental Engineer

RCA/sl

cc: OCD Hobbs Office

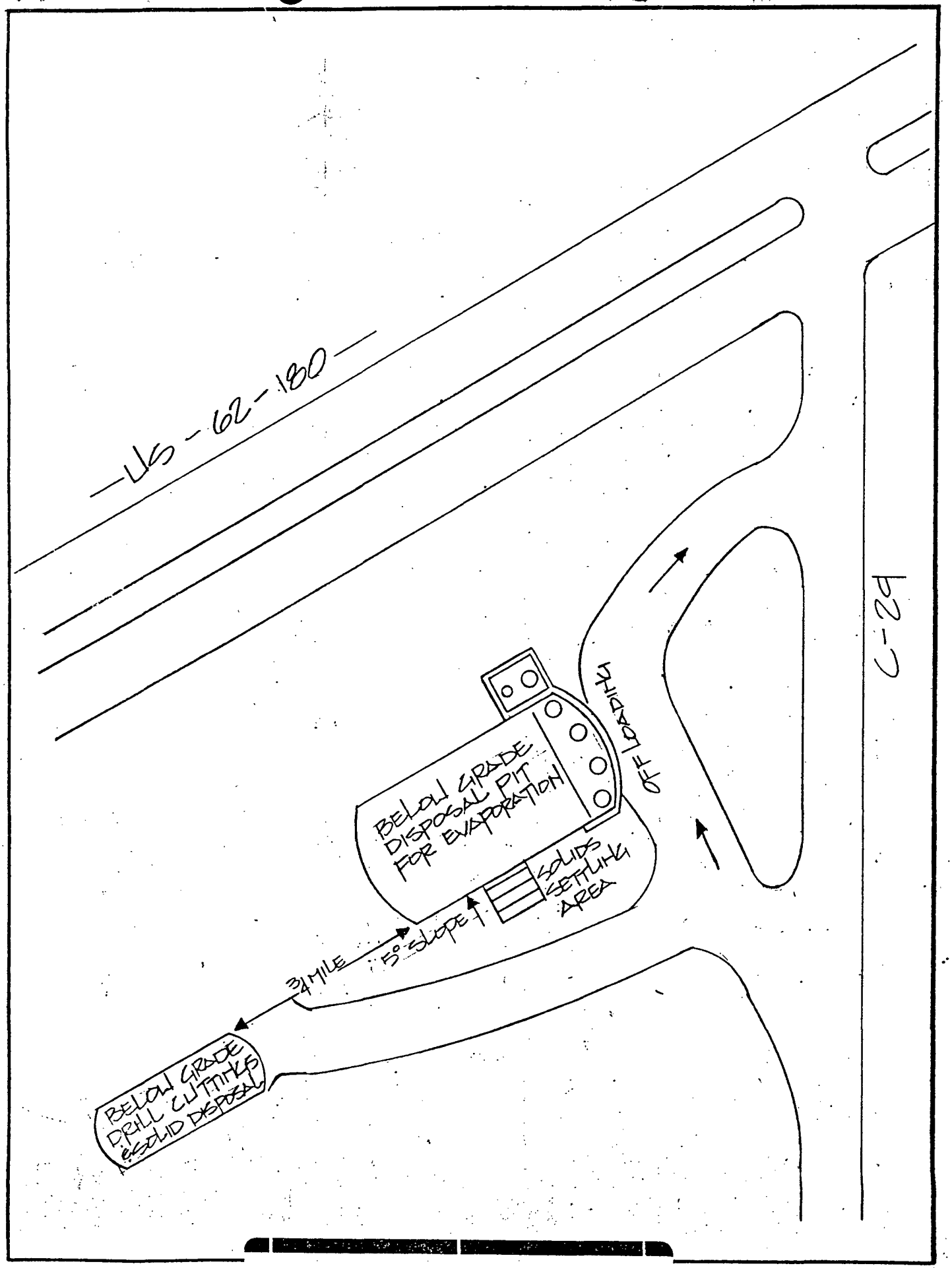
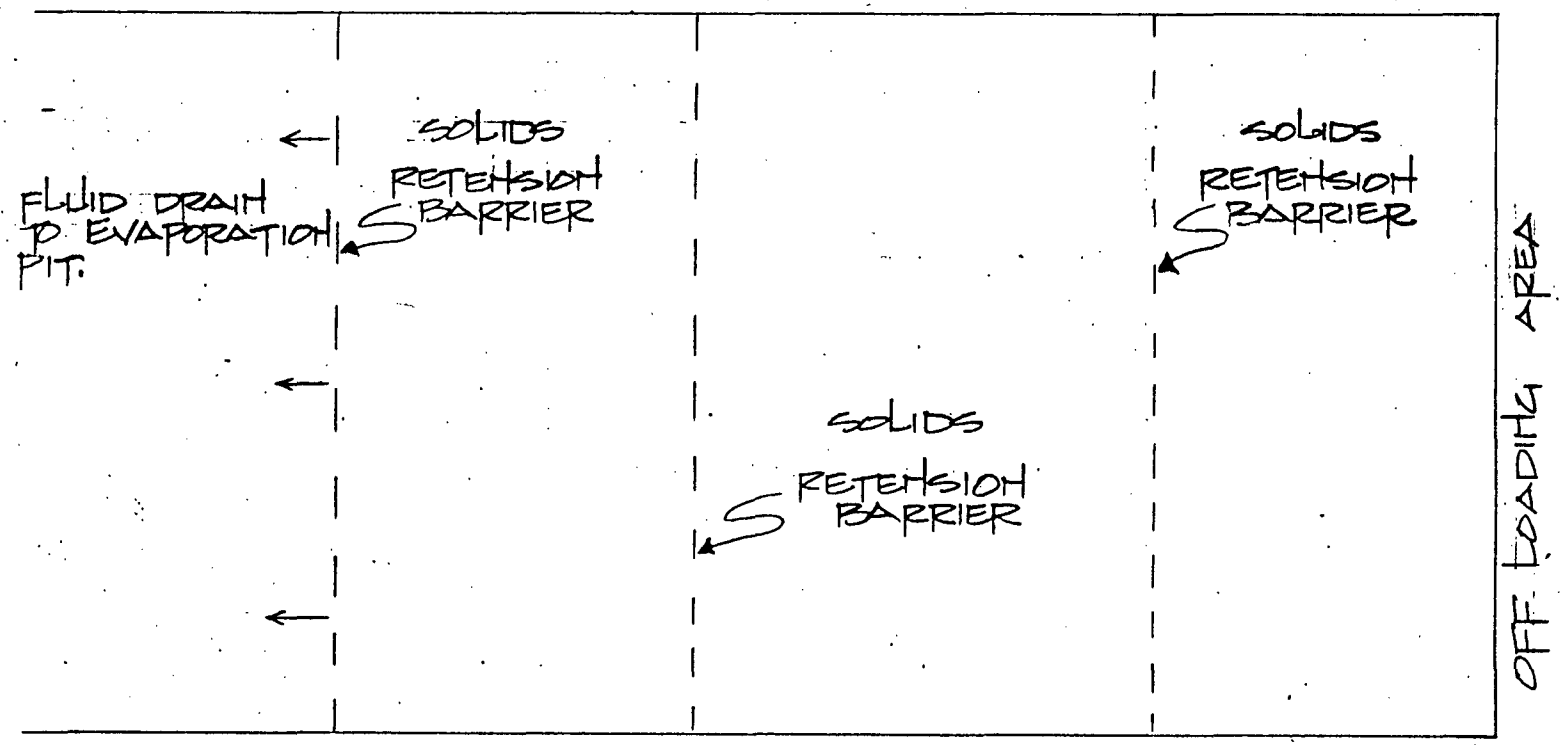
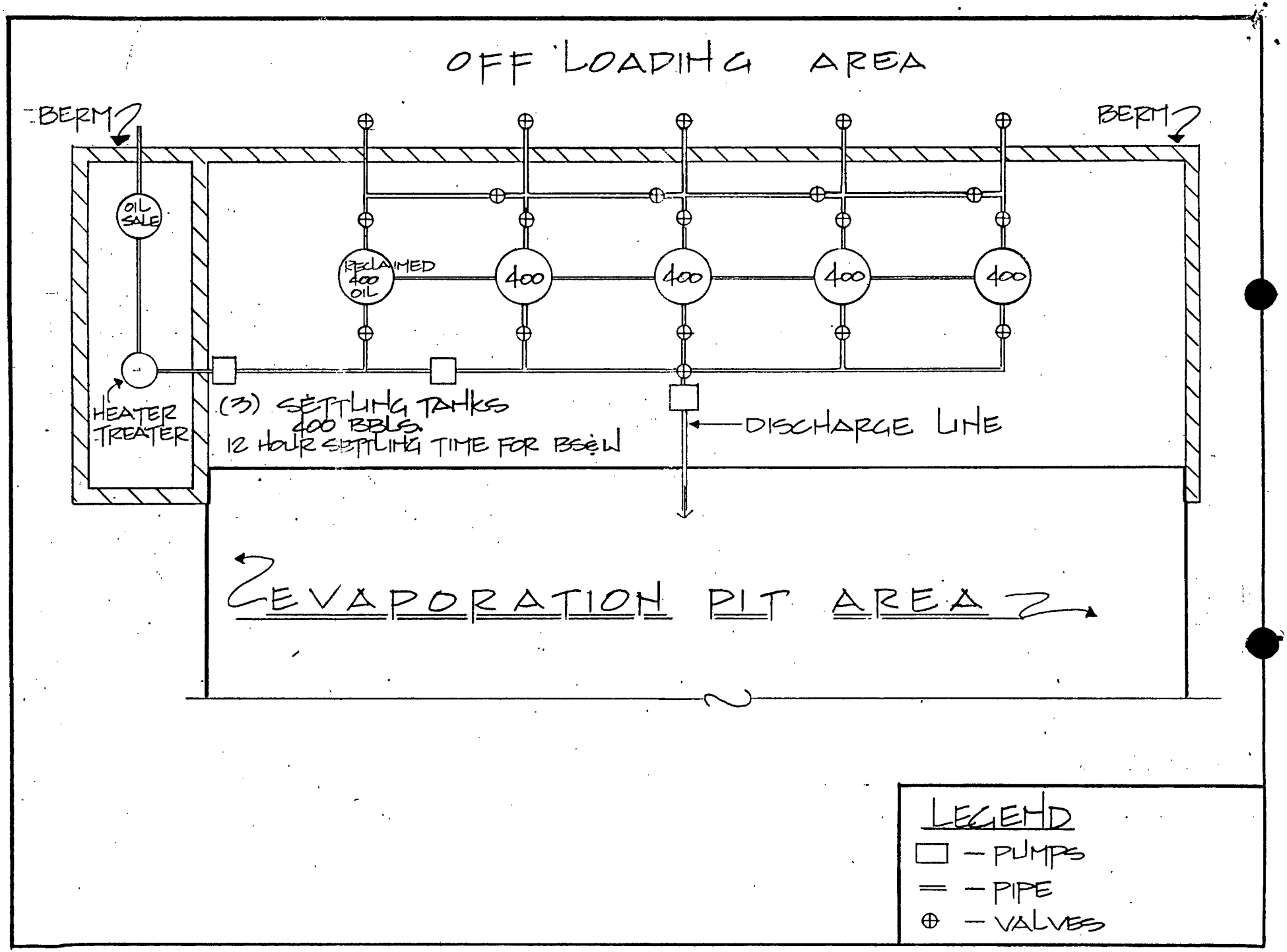

US-62-180
C-24
BELOW GRADE DISPOSAL PIT FOR EVAPORATION
SOLIDS SETTLING AREA
OFF LOADING
5° SLOPE
3/4 MILE
BELOW GRADE DRILL CUTTINGS & SOLID DISPOSAL

EXHIBIT "C"

SETTLING RAMP FOR DRILLING SOLIDS
INDUSTRY STANDARD DESIGN




OFF LOADING AREA
BERM
BERM
OIL SALE
RECLAIMED 400 OIL
400
400
400
400
HEATER TREATER
(3) SETTLING TANKS 400 BBLS. 12 HOUR SETTLING TIME FOR BS&W
DISCHARGE LINE
EVAPORATION PIT AREA
LEGEND
□ – PUMPS
= – PIPE
⊕ – VALVES

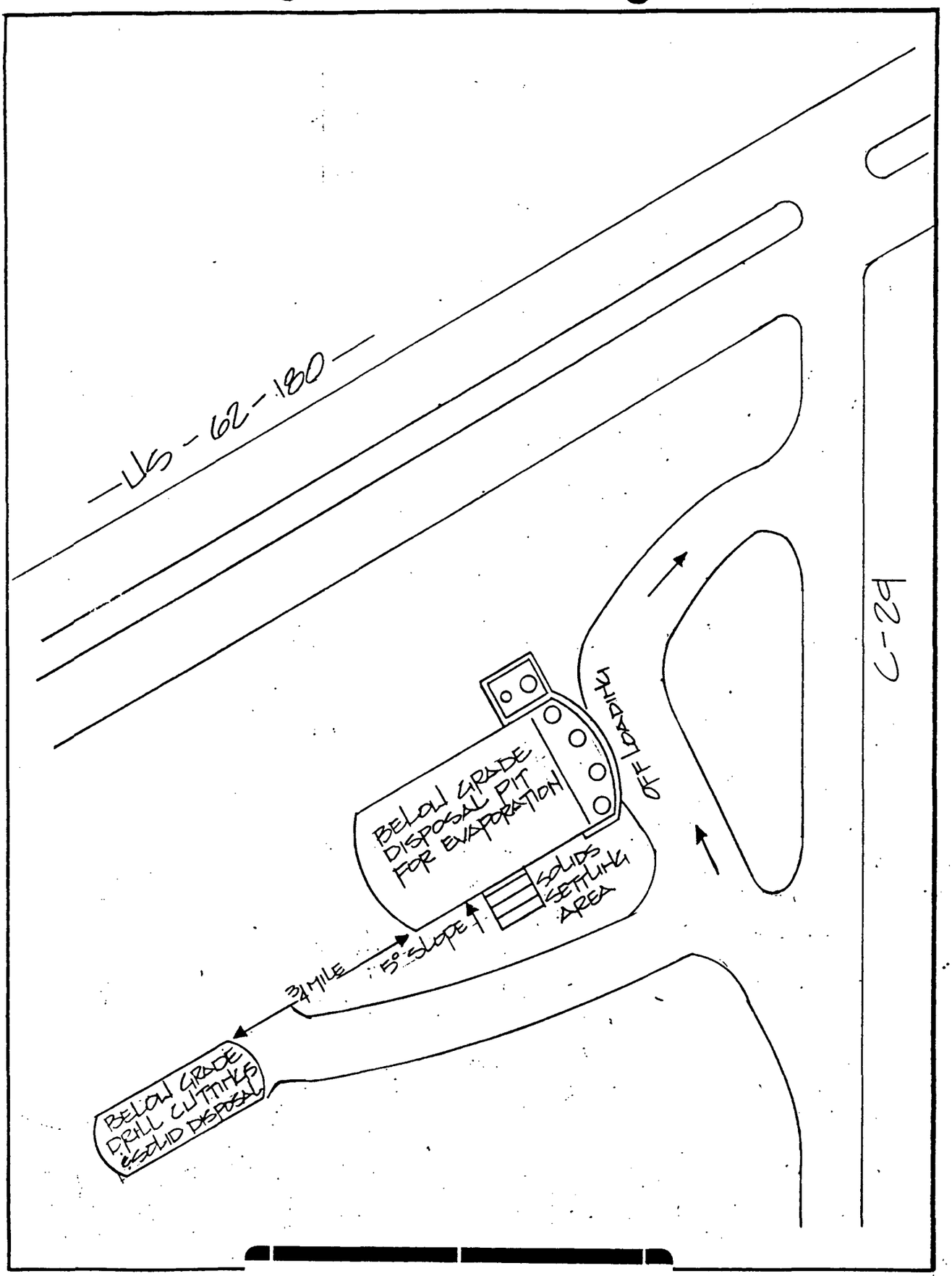
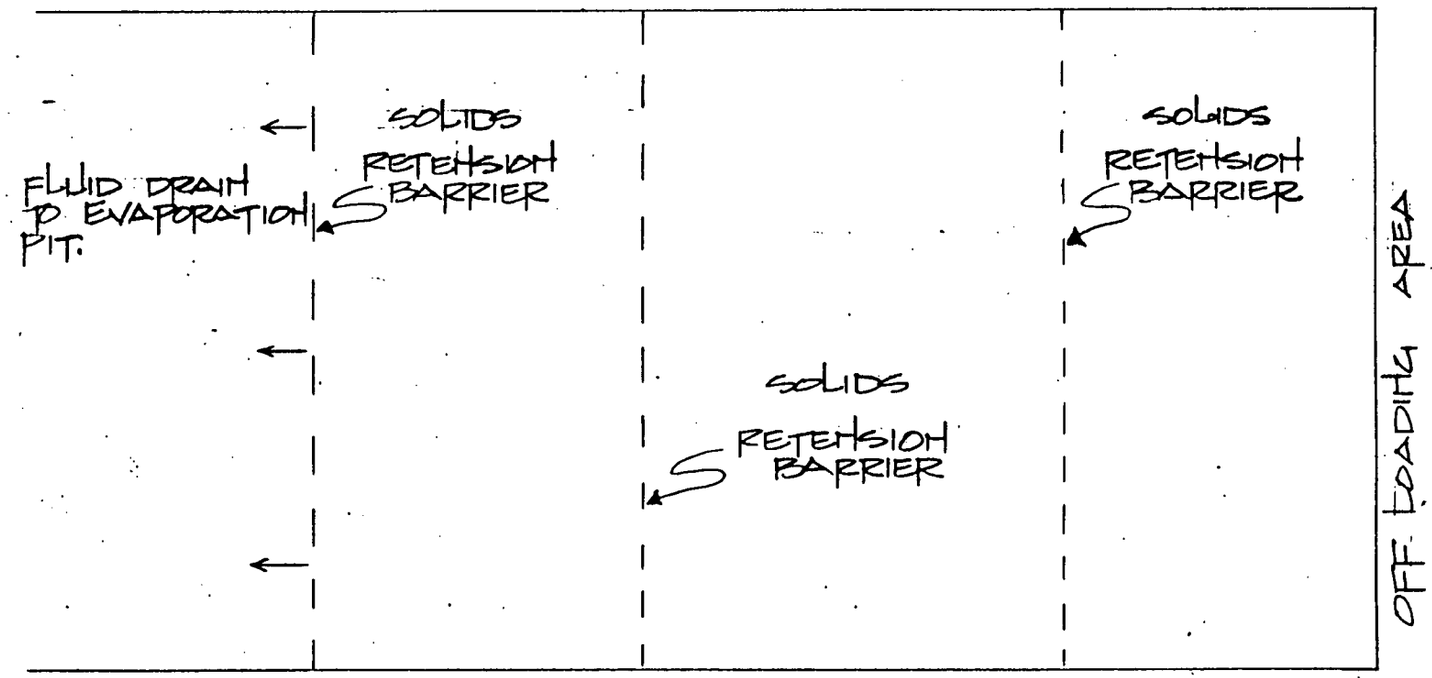
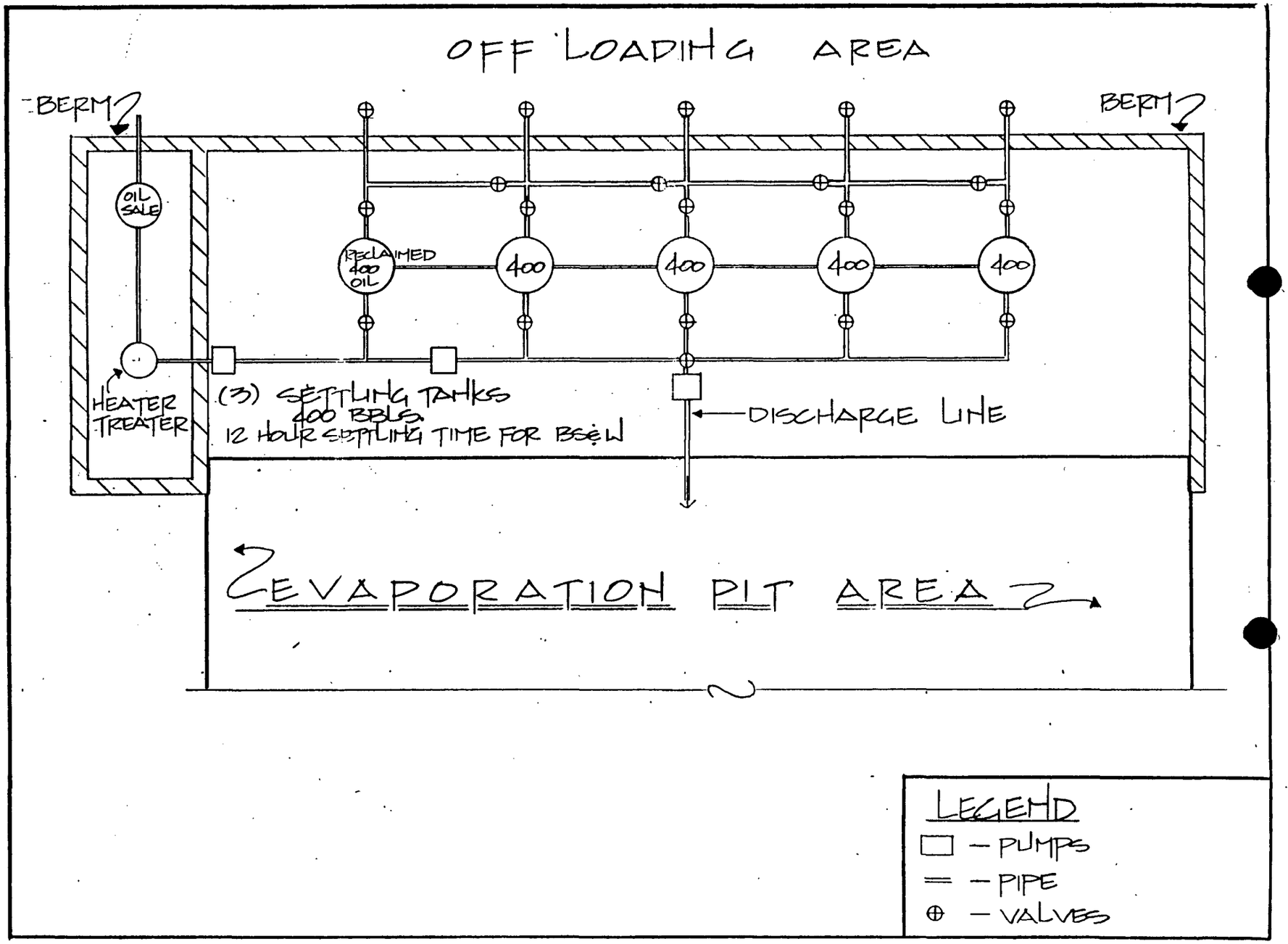

US - 62 - 180
C-24
BELOW GRADE DISPOSAL PIT FOR EVAPORATION
SOLIDS SETTLING AREA
OFF LOADING
3/4 MILE
5° SLOPE
BELOW GRADE DRILL CUTTINGS SOLID DISPOSAL

EXHIBIT "C"

SETTLING RAMP FOR DRILLING SOLIDS
INDUSTRY STANDARD DESIGN




OFF LOADING AREA
BERM
BERM
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RECLAIMED 400 OIL
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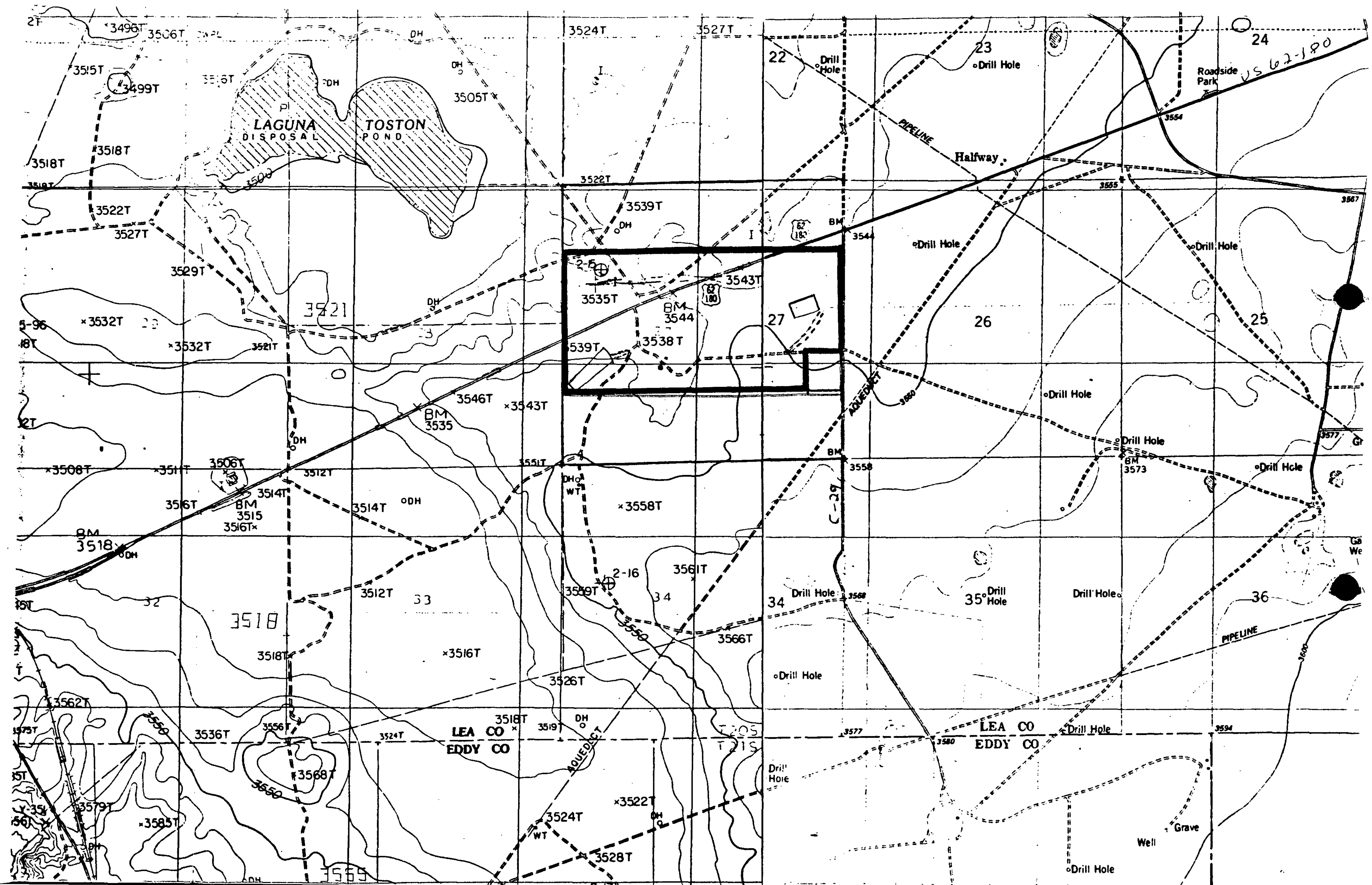
HEATER TREATER
(3) SETTLING TANKS 400 BBLS.
12 HOUR SETTLING TIME FOR BS&W
DISCHARGE LINE
EVAPORATION PIT AREA
LEGEND
□ – PUMPS
= – PIPE
⊕ – VALVES



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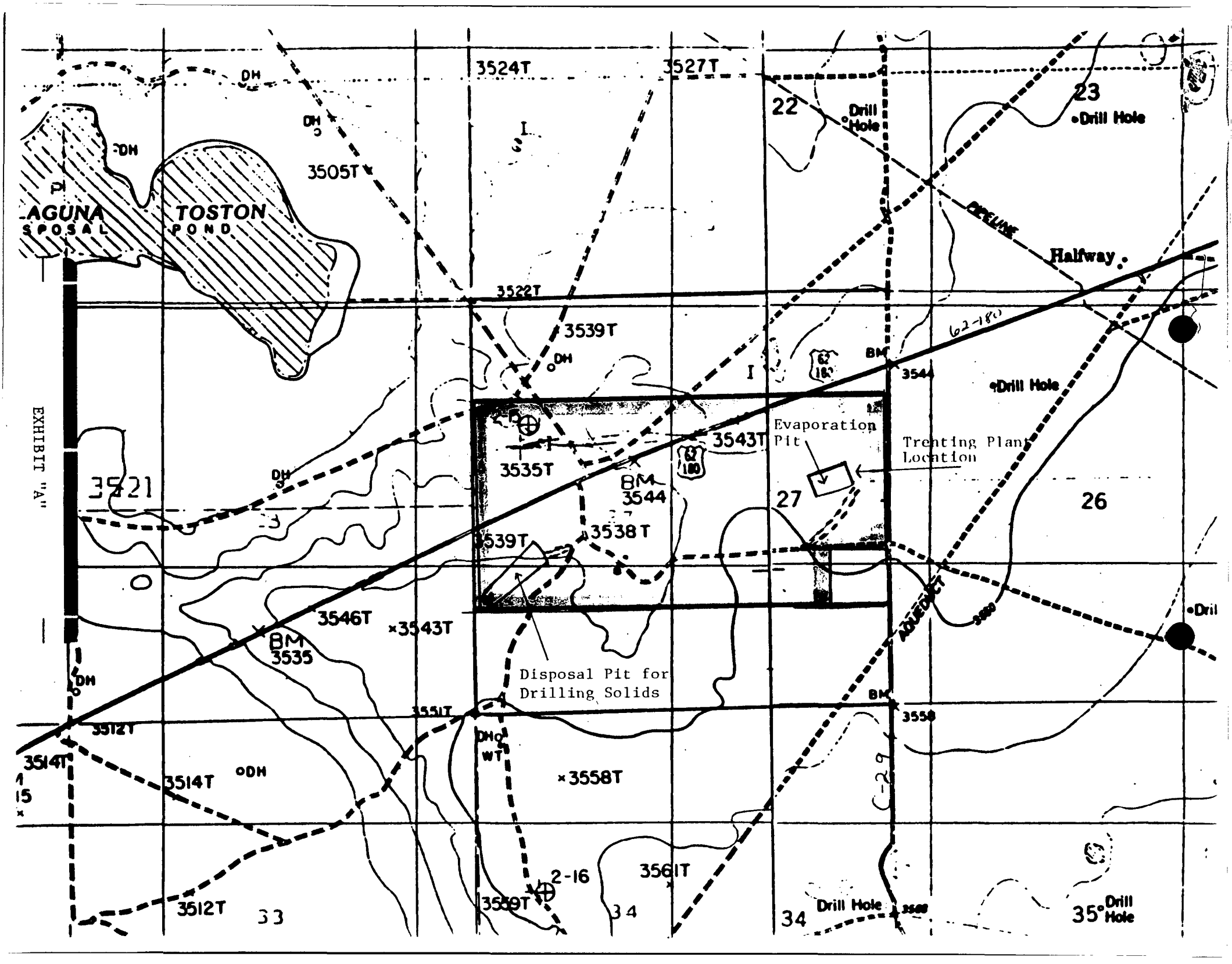
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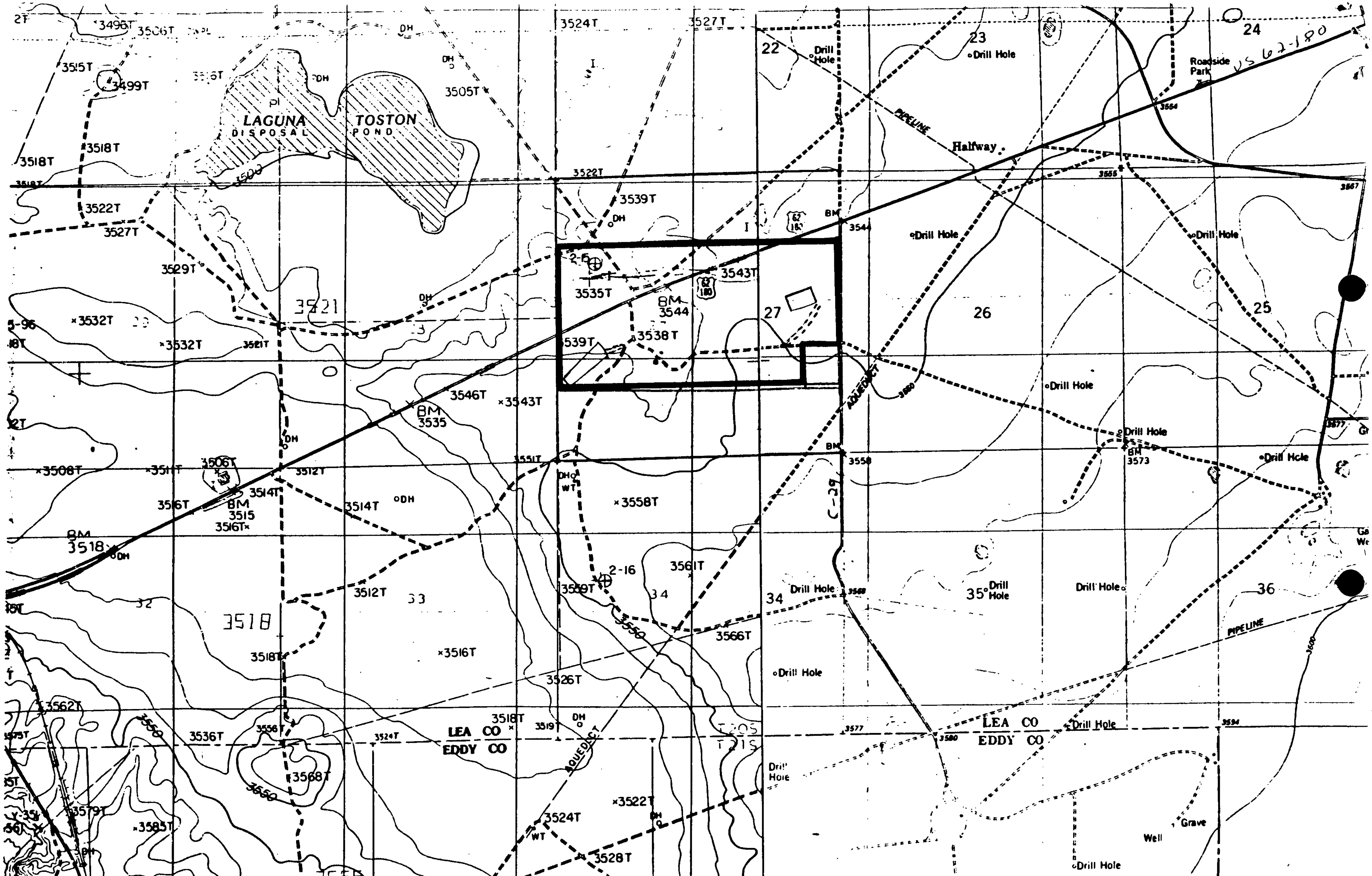

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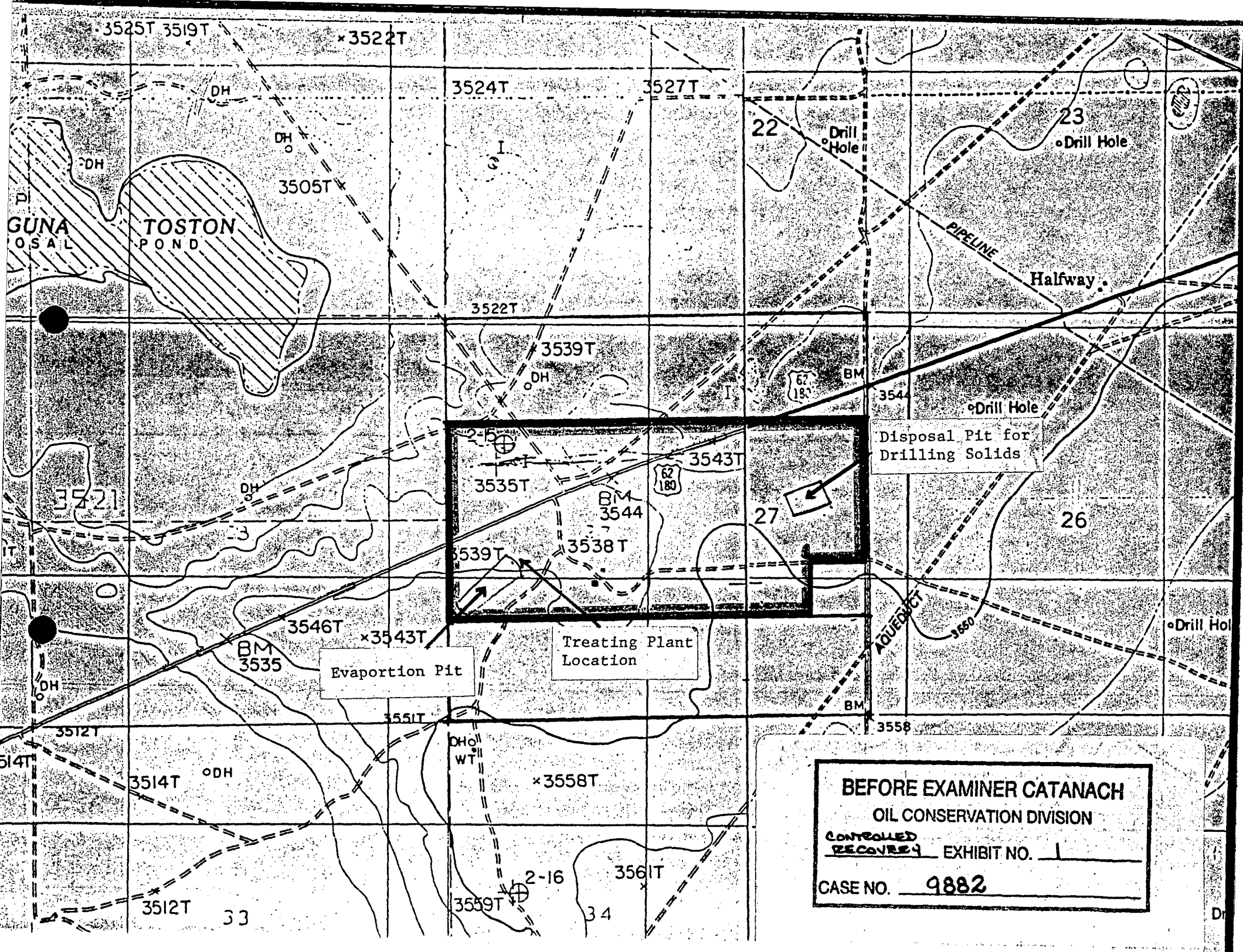
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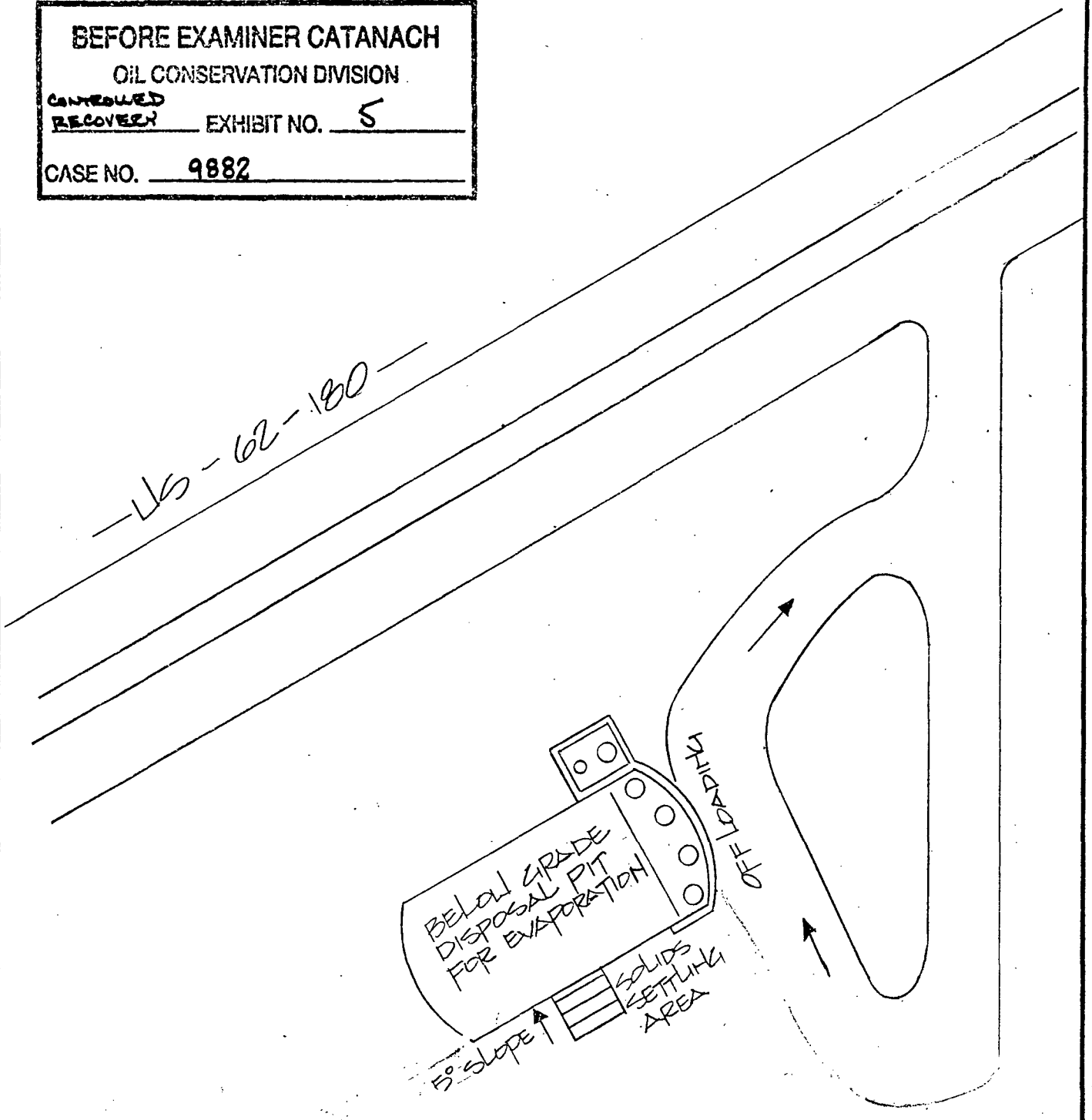
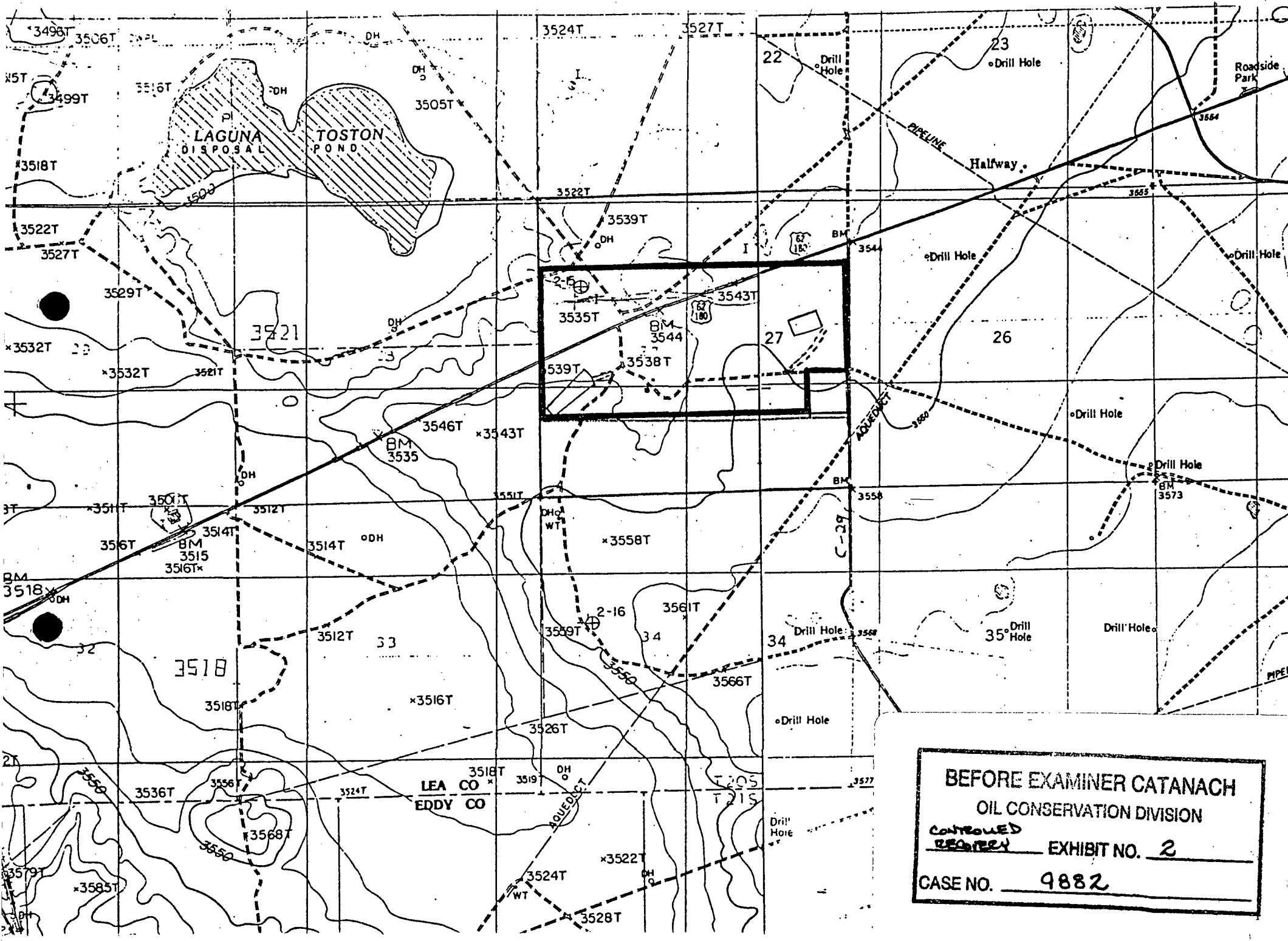
BEFORE EXAMINER CATANACH
OIL CONSERVATION DIVISION
CONTROLLED RECOVERY
EXHIBIT NO. 1
CASE NO. 9882

BEFORE EXAMINER CATANACH
OIL CONSERVATION DIVISION
CONFOUNDED RECOVERY EXHIBIT NO. 5
CASE NO. 9882





BEFORE EXAMINER CATANACH
OIL CONSERVATION DIVISION
CONTROLLED RECORDS EXHIBIT NO. 2
CASE NO. 9882

C-E Natco
Combustion Engineering, Inc.
Post Office Box 1710
Tulsa, Oklahoma 74101

NATCO

WELDED GUNBARREL PRODUCTION TANKS

SHOP WELDED

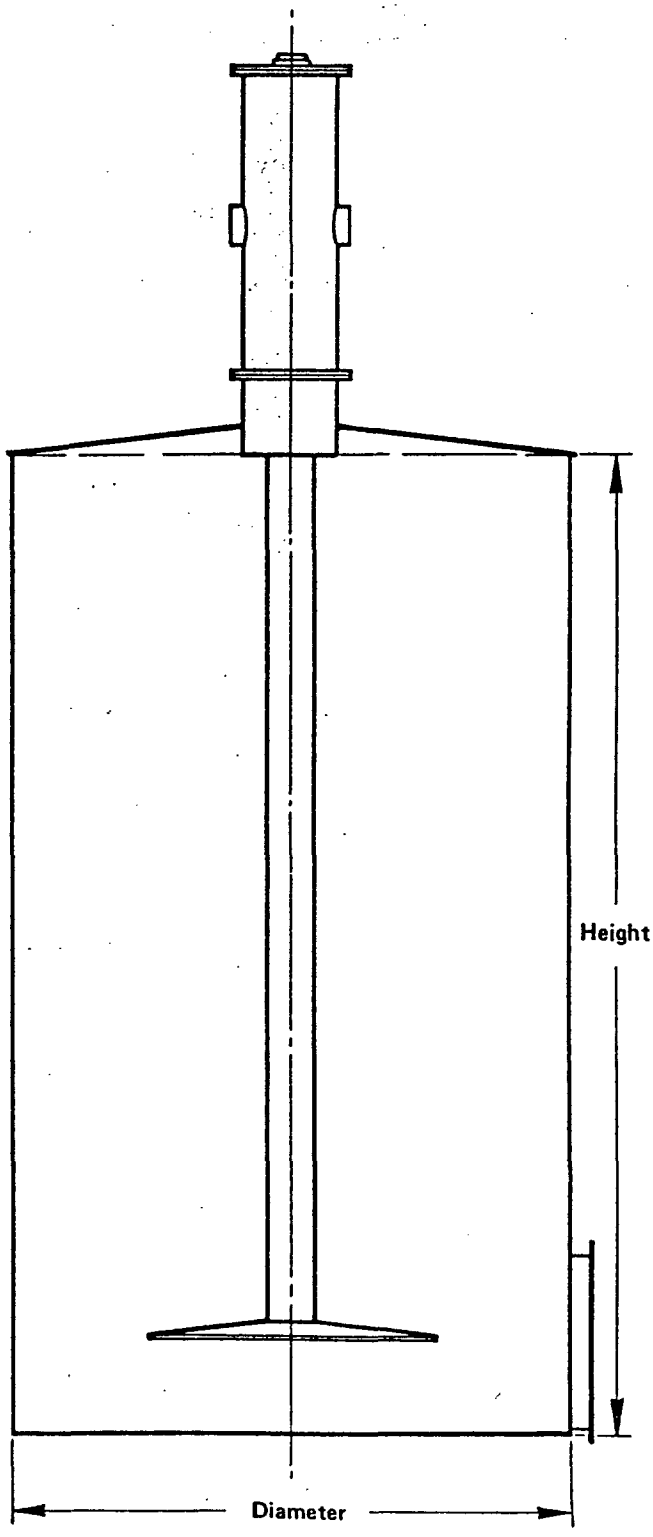
RECEIVER or FLOW TANKS ▶ **14' DIAMETER and LARGER**

FLOW TANK SIZE (Dia. x Height)
15-1/2' x 16'
15-1/2' x 20'
15-1/2' x 24'
20' x 24'

Standard Gunbarrel Tanks include the following equipment:

1 — 8" Round Thief Valve
2 — 4" Inlets
2 — 4" Outlets
1 — 4" Siphon Connection
1 — 4" Dome Connection
1 — 4" Connection in Deck for Outside Equalizer
1 — 3" Side Drain
1 — 24" x 36" Cleanout Box
1 — Flume Stack
1 — Inside Flume
1 — Coned Distributor Plate
Gauge Cock Connections
Ladder Lugs
Walkway Lugs

Gauge Cocks, Gauge Glasses, and Outside Ladders are EXTRA price items.



BEFORE EXAMINER CATANACH
OIL CONSERVATION DIVISION
CONTROLLED RECOVERY EXHIBIT NO. 6
CASE NO. 9882

CRI

CONTROLLED RECOVERY INC.

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

Dear Sirs:

Controlled Recovery, Inc.'s oil industry disposal facility is now open. We welcome your inspection and the opportunity to discuss your future needs of this facility.

This disposal site will be operated in complete compliance with all laws, rules, and regulations of the governing agencies.

Please contact us for additional information, such as contract requirements, entry requirements, and approved transporters.

Thank you for your consideration.

CONTROLLED RECOVERY INCORPORATED

CRI

CONTROLLED RECOVERY INC.

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

HALFWAY DISPOSAL FACILITY

CRI

CONTROLLED RECOVERY INC.

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

Controlled Recovery Incorporated is a New Mexico corporation that has been authorized by the State of New Mexico Oil Conservation Division (Order No. R9166) to construct and operate a surface waste disposal facility complete with unlined surface pits and an oil treating plant in the S/2 N/2 and the N/2 S/2 of Section 27, Township 20 South, Range 32 East, NMPM, Lea County, New Mexico for the purpose of treating and reclaiming sediment oil and for the collection, disposal, evaporation, or storage of produced water, drilling fluids, drill cuttings, completion fluids and other non-hazardous oilfield related waste.

CRI will be active in land farming and bioremediation of contaminated soils.

CRI will furnish environmental consultant services including audits, project planning, permitting, compliance, and reduction of risks of ground water contamination.

CRI will have qualified personnel and equipment for sampling, testing, clean up of contaminated aquifers and soils, transportation of contaminated materials, and monitoring systems.

CRI

CONTROLLED RECOVERY INC.

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

Materials and wastes exempted by EPA from consideration as "Hazardous Wastes":

- 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 the 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.

** Materials and wastes <u>not</u> exempted. May be a "Hazardous Waste" if testing or EPA listing defines 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 crude oil and 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.

** See important note on new <u>1990 disposal restrictions</u> for non-exempt waste on reverse.

Source: Federal Register, Wednesday, July 6, 1988, p.25,446-459.
(rev. NMOCD 5/90)

** By recently promulgated federal regulation, as of September 25, 1990, any facility disposing of 1.1 tons or more of waste per month with benzene as a constituent (e.g. oily liquid or solids, or aromatic wastes) will become a hazardous waste facility if, after testing, benzene levels of liquids and of leachate from solids are above 0.5 milligrams per liter (equivalent to 500 parts per billion).

As of March 29, 1991, facilities disposing of between 0.11 and 1.1 tons of waste per month will be subject to the same rules. Regulation of such facilities will be the responsibility of either the New Mexico Environmental Improvement Division or the US Environmental Protection Agency.

The following OCD regulated facilities, especially, may be subject to hazardous waste rules on and after September 25, 1990:

-- Oil and gas service companies having wastes such as vacuum truck rinsate.
-- Crude oil treating plants and tank bottom reclaimers with liquid and solid wastes remaining after oil treatment and removal.
-- Pipelines having waste in transportation pipeline-related pits.

Source: Federal Register, Thursday, March 29, 1990, p.11,798-877.

CRI

CONTROLLED RECOVERY INC.

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

HALFWAY DISPOSAL
PRICE SCHEDULE

DRILLING AND COMPLETION FLUIDS	$ 2.50/BBL
PRODUCED WATER	$ 0.20/BBL
DRILLING SOLIDS AND CONTAMINATED SOIL	$23.50/YARD

CONTROLLED RECOVERY INC. REQUIRES EXECUTION OF A MASTER CONTRACT BEFORE ACCEPTING ANY MATERIAL. TRANSPORTERS MUST MEET CONTROLLED RECOVERY INC.'S REQUIREMENTS AND BE APPROVED BY CONTROLLED RECOVERY INC.

SEPTEMBER 15, 1990

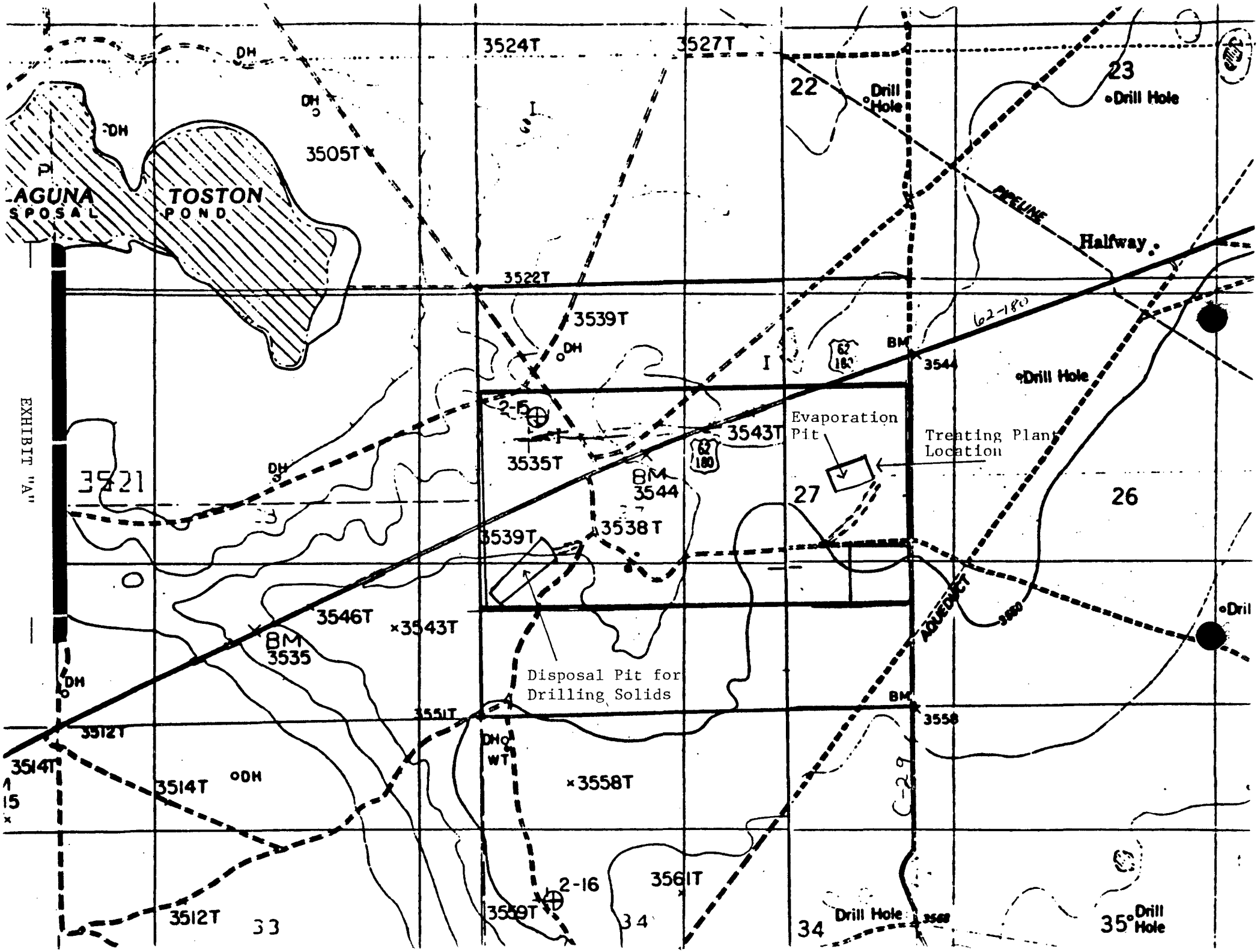


EXHIBIT "A"
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TOSTON
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Drill Hole
Drill Hole
PIPELINE
Halfway
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Evaporation Pit
Treating Plant Location
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Disposal Pit for Drilling Solids
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Drill Hole

OIL CONSERVATION DIVISION

Santa Fe, New Mexico

TELECOPIER TRANSMITTAL SHEET

TO: Ken Marsh

FROM: R. C. Anderson

DATE: 9/25/90

NUMBER OF SHEETS (INCLUDING TRANSMITTAL SHEET): 4

IF YOU HAVE ANY PROBLEMS WITH THIS TRANSMISSION, PLEASE CALL (505) 827-5806.

MESSAGE

FAX NUMBER: (505) 827-5741

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

GARREY CARRUTHERS
GOVERNOR

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

September 13, 1990

CERTIFIED MAIL
RETURN RECEIPT NO. P-918-402-355

Mr. Ken Marsh, President
Controlled Recovery, Inc.
P. O. Box 369
Hobbs, New Mexico 88241

RE: **Landfarm Operation**
Controlled Recovery Disposal Facility
Lea County, New Mexico

Dear Mr. Marsh:

The Oil Conservation Division (OCD) has reviewed your application for operation of an oilfield waste landfarm at your previously approved disposal facility located in Section 27, Township 20 South, Range 32 East, NMPM, Lea County, New Mexico.

Pursuant to OCD Rule 711 the landfarm operation is hereby approved. The landfarm will be constructed and operated pursuant to the terms and conditions contained in your application dated August 2, 1990 and in your information dated September 12, 1990 submitted as a supplement to the application.

Please be advised approval of this landfarm does not relieve you of liability should your operation result in actual pollution of surface or ground water or the environment actionable under other laws and/or regulations.

If you have any questions, please contact Roger Anderson at (505) 827-5884.

Sincerely,

William J. LeMay, Director

WJL/RCA/sl

cc: OCD Hobbs Office

CRI

CONTROLLED RECOVERY INC.

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

September 12, 1990

Roger C. Anderson
State of New Mexico
Oil Conservation Division
P.O. Box 2088
Santa Fe, New Mexico 87504

Re: Land Farm Request

Dear Mr. Anderson:

I am enclosing the additional information to supplement my earlier request for land farming approval:

1. Enclosure: 1 - topographic map, 1 - diagram of disposal facility.

2. A) The drainage of the land farm area is to a depression in the approximate center of the requested land farm area.

   B) The land farm area will be bermed with a 14 inch berm around all areas to be land farmed as needed.

   C) The United States Soil Conservation Service has inspected the area and indicates that a 12 inch berm is sufficient for a 100 year flood.

3. A) The soil to be land farmed will be disked every 30 days or as needed.

   B) No chemicals will be used except activators to enhance bio-remediation. These would be used only as per instructions and specifications from the distributor of the product.

   C) Only non hazardous material will be accepted.

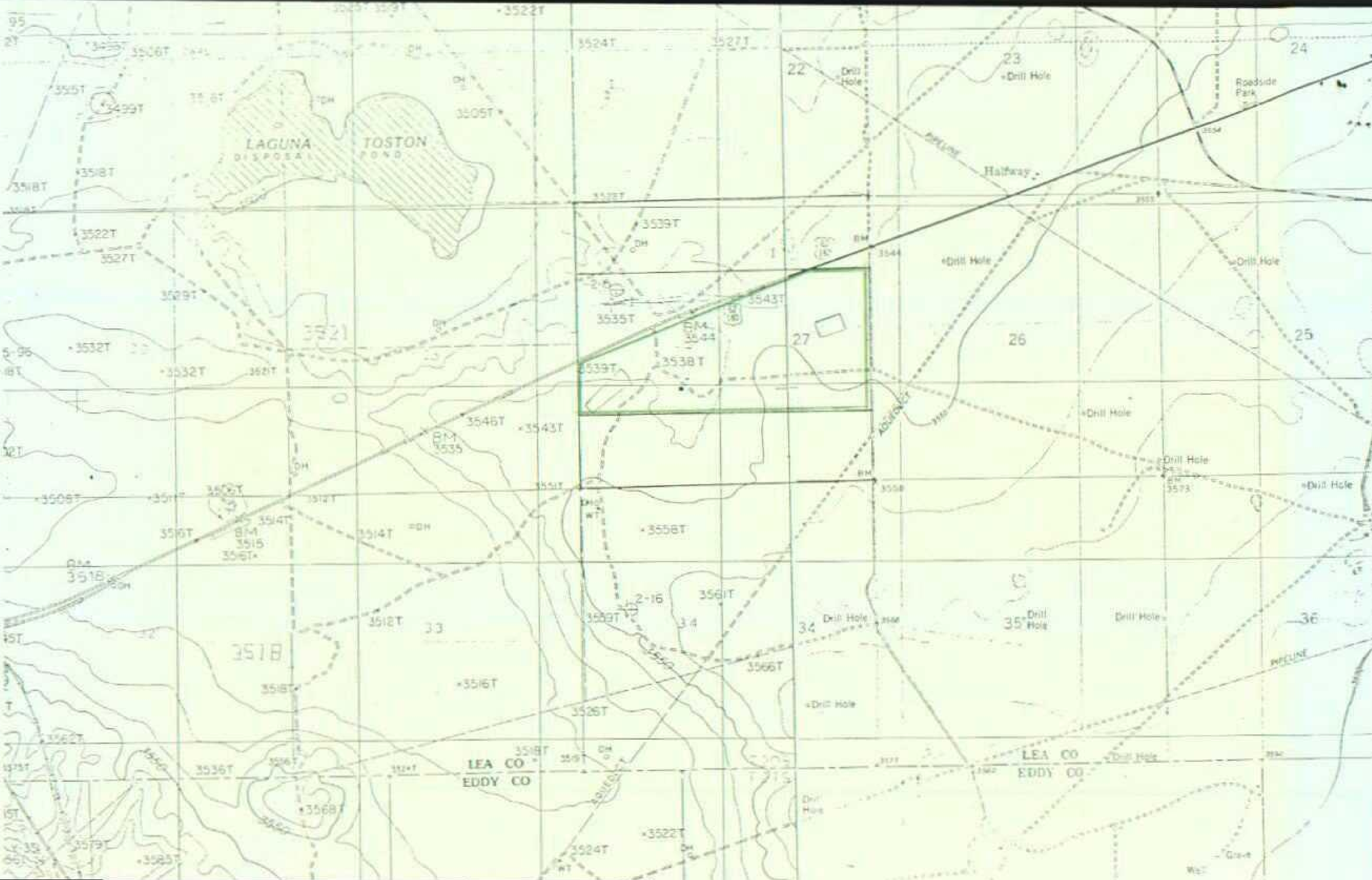
   D) No lift will be over 6 inches, no additional lift will be placed on top of a previous lift until a representative analysis of the previous lift section shows TPH of less than 100 PPM, total BTEX of less than 50 PPM and Benzene of less than 10 PPM.

Please call if I may be of further assistance.

Sincerely,

Ken Marsh

Encl.



LAGUNA TOSTON
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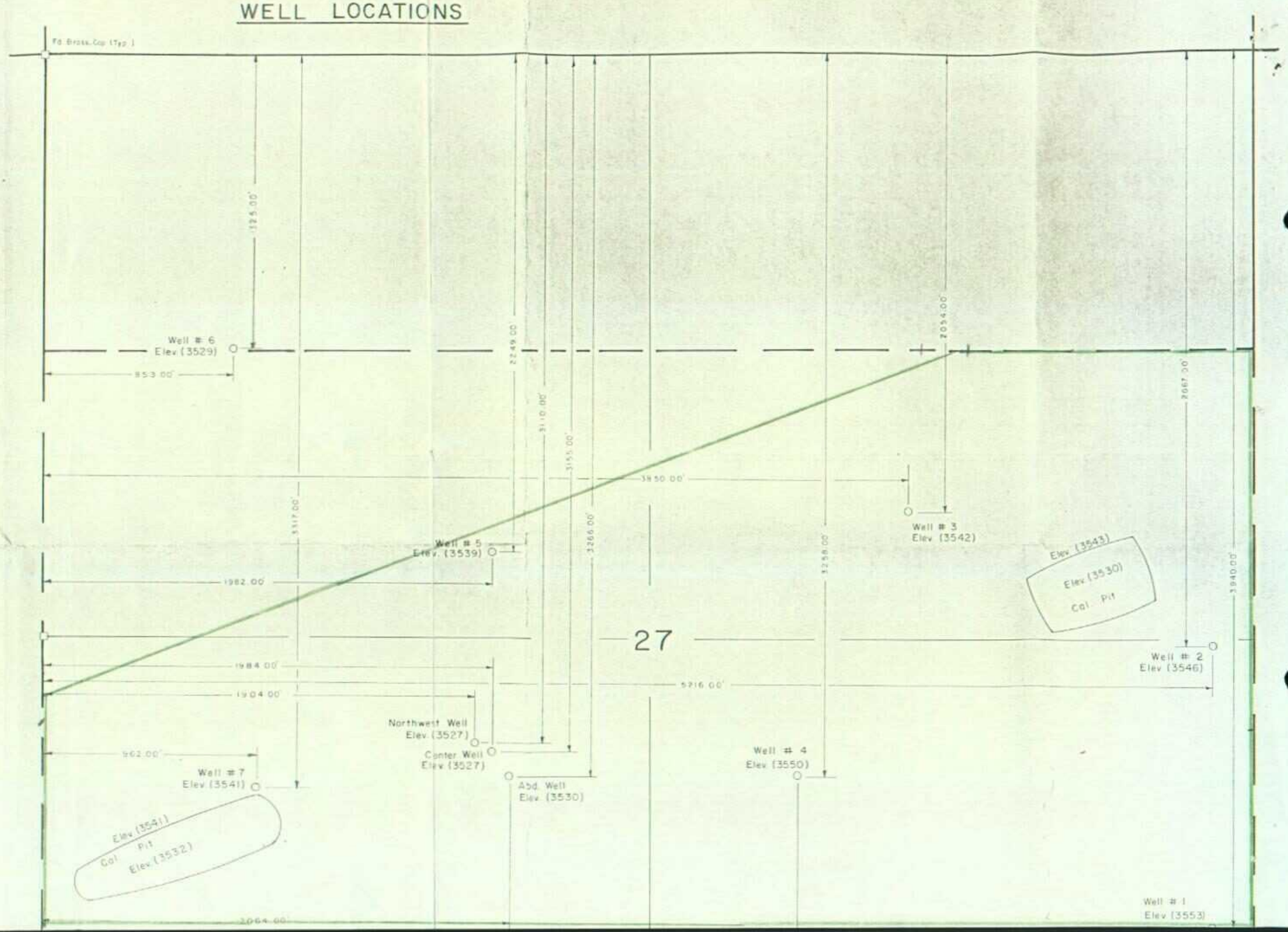
LEA CO
EDDY CO

WELL LOCATIONS



DATE 9-10-90

SENDER'S PHONE NUMBER 393-6906

SENDER'S NAME K.A. Marsh

RECEIVER'S NAME Roger C. Anderson

PHONE NUMBER 827-5741

PAGES TO FOLLOW 1

CRI

CONTROLLED RECOVERY INC.

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

1. Enclosure: 1 - topographic map, 1 - diagram of disposal facility.

2. A) The drainage of the land farm area is to a depression in the approximate center of the requested land farm area.

   B) The land farm area will be bermed with a 14 inch berm around all areas to be land farmed as needed.

   C) The United States Soil Conservation Service has inspected the area and indicates that a 12 inch berm is sufficient for a 100 year flood.

3. A) The soil to be land farmed will be disked every 30 days or as needed.

   B) No chemicals will be used except activators to enhance bio-remediation. These would be used only as per instructions and specifications from the distributor of the product.

   C) Only non hazardous material will be accepted.

   D) No lift will be over 6 inches, no additional lift will be placed on top of a previous lift until a representative analysis of the previous lift section shows TPH of less than 100 PPM, total BTEX of less than 50 PPM and Benzene of less than 10PPM.

STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

GARREY CARRUTHERS
GOVERNOR

September 10, 1990

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

Controlled Recovery, Inc.
P. O. Box 369
Hobbs, New Mexico 88240

Re: $25,000 Bond for Commercial Surface
Waste Disposal Facility
Controlled Recovery, Inc., Principal
Underwriters Indemnity Co., Surety
Sec. 27, T-20-S, R-32-E, Lea County
Bond No. BO 2474

Gentlemen:

The Oil Conservation Division hereby approves the above-captioned bond effective this date.

Sincerely,

WILLIAM J. LEMAY,
Director

dr/

cc: Oil Conservation Division
Hobbs, New Mexico

Underwriters Indemnity Co.
8 Greenway Plaza
Suite 1450
Houston, Texas 77046

STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

GARREY CARRUTHERS
GOVERNOR

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

August 15, 1990

CERTIFIED MAIL
RETURN RECEIPT NO. P-918-402-345

Mr. Ken Marsh, President
Controlled Recovery, Inc.
P. O. Box 369
Hobbs, New Mexico 88241

RE: Land farm request - Controlled Recovery Disposal Facility
Lea County, New Mexico

Dear Mr. Marsh:

The Oil Conservation Division (OCD) has received your request for approval of a oil related solids land farm at your previously approved disposal facility. In order for review of your request to continue the following information must be submitted as part of your application:

1. The location of the land farm plotted on a diagram of the disposal facility and on a topographic map.

2. Details of the physical construction of the land farm to include berming to preclude run-on and run-off of storm water.

3. Proposed operations of the land farm (i.e., disking frequency, chemical additions for biodegradation enhancement, etc.)

Although the above items were discussed at our meeting of July 31, 1990, the information must be a written part of the application.

If you have any questions, please contact me at (505) 827-5884.

Sincerely,

Roger C. Anderson
Environmental Engineer

RCA/sl

cc: OCD Hobbs Office

CRI

CONTROLLED RECOVERY INC.

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

August 2, 1990

William J. Lemay
State of New Mexico
Oil Conservation Division
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

Dear Mr. Lemay:

Controlled Recovery Incorporated requests administrative approval for oil field waste land farming at a site in the S/2 N/2 and the N/2 S/2 of Section 27, Township 20 South, Range 32 East, NMPM, Lea County, New Mexico.

The above site is covered by Order No. R9166.

I have discussed this with Roger Anderson of the OCD Environmental staff, and I am asking for this approval as per our discussion.

Very Truly Yours,

Ken Marsh
President

KM/mr

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

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION DIVISION FOR THE PURPOSE OF CONSIDERING:

CASE NO. 9882
Order No. R-9166

APPLICATION OF CONTROLLED RECOVERY INC. FOR AN OIL TREATING PLANT PERMIT, SURFACE WASTE DISPOSAL AND AN EXCEPTION TO ORDER NO. R-3221, LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on April 4, 1990, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 27th day of April, 1990, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

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

(2) Decretory Paragraph No. (3) of Division Order No. R-3221, as amended, prohibits in that area encompassed by Lea, Eddy, Chaves, and Roosevelt Counties, New Mexico, the disposal, subject to minor exceptions, of water produced in conjunction with the production of oil or gas, or both, on the surface of the ground, or in any pit, pond, lake, depression, draw, streambed, or arroyo, or in any water course, or in any other place or in any manner which would constitute a hazard to any fresh water supplies.

(3) The aforesaid Order No. R-3221 was issued in order to afford reasonable protection against contamination of fresh water supplies designated by the State Engineer through disposal of water produced in conjunction with the production of oil or gas, or both, in unlined surface pits.

(4) The State Engineer has designated all underground water in the State of New Mexico containing 10,000 parts per million or less of dissolved solids as fresh water supplies to be afforded reasonable protection against contamination; except that said designation does not include any water for which there is no present or reasonably foreseeable beneficial use that would be impaired by contamination.

(5) The applicant, Controlled Recovery Inc., seeks authority to construct and operate a surface waste disposal facility and an oil treating plant for the purpose of treating and reclaiming sediment oil and for the collection, disposal, evaporation, or storage of produced water, drilling fluids, drill cuttings, completion fluids and other non-hazardous oilfield related waste in unlined surface pits at a site in the S/2 N/2 and the N/2 S/2 of Section 27, Township 20 South, Range 32 East, NMPM, Lea County, New Mexico.

(6) The applicant proposes to install and operate an effective system, consisting of separating tanks, a water disposal pit, a solids disposal pit, and associated skimming, heat, and/or chemical separating equipment for the removal and reclamation of oil and basic sediments from the produced water to be disposed of, and a settling area to separate other solid waste.

(7) The proposed plant and method of processing will efficiently process, treat, and reclaim the aforementioned waste oil, thereby salvaging oil which would otherwise be unrecoverable.

(8) No interested party appeared at the hearing in opposition to the application.

(9) A naturally occurring salt lake (Laguna Toston) is located in the S/2 of Section 21 and the N/2 of Section 28, Township 20 South, Range 32 East, NMPM, Lea County, New Mexico, and is approximately three-quarters of a mile from the proposed disposal area.

(10) The hydrogeologic evidence presented in this case establishes that:

a) Triassic redbeds, comprised of the Chinle Shale, Santa Rosa sandstone, and the Dewey Lake formation, underlies both Laguna Toston and the proposed water disposal site;

b) Shales within the Triassic redbeds underlying the proposed waste disposal site and Laguna Toston are virtually impermeable and therefore prevent vertical seepage of the waters from the site and Laguna Toston into sand stringers within the redbeds which may contain fresh water;

c) The surface of the Triassic redbeds is depressed in the vicinity of the waste disposal site and Laguna Toston thus creating a "collapse feature";

d) The major flow of surface and subsurface water within the boundaries of the "collapse feature" is toward Laguna Toston;

e) Seepage from the impoundments at the proposed waste disposal site will infiltrate into the subsurface and migrate toward Laguna Toston;

f) After the seepage reaches Laguna Toston, practically all of the seepage will evaporate;

g) There is no present or reasonably foreseeable beneficial use of the waters of Laguna Toston;

h) There are no known sources of potable groundwater in sediments underlying the Triassic redbeds at Laguna Toston;

i) The utilization of the proposed disposal site adjacent to Laguna Toston for the disposal of water produced in conjunction with the production of oil or gas, or both, and other non-hazardous oilfield waste products, including drill cuttings and drilling muds should not constitute a hazard to any fresh water supplies.

(11) The applicant should be authorized to utilize the unlined pits described in Finding Paragraph Nos. (5) and (6) above, for the disposal of water produced in conjunction with the production of oil or gas, or both, and other non-hazardous oilfield waste products, including drill cuttings and drilling muds.

(12) The maximum fill level in both of the above-described pits should be limited to a plane below the crest of the dikes surrounding the pits in order to preclude over-tapping of the dikes.

(13) The proposed oil treating plant and disposal facility should be constructed in accordance with the engineering plat and topographic map presented as evidence in this case and in accordance with such additional conditions and requirements as may be directed by the Division Director, and should be operated and maintained in such a manner as to preclude spills and fires, and protect persons and livestock.

(14) Prior to initiating operations, the facility should be inspected by a representative of the Hobbs district office of the Division in order to determine the adequacy of fences, gates and cattleguards necessary to preclude livestock and unauthorized persons from entering and/or utilizing said facility, and also to determine the adequacy of dikes and berms needed to assure safe plant operation.

(15) The Director of the Division should be authorized to administratively grant approval for the expansion or modification of the proposed treating plant.

(16) Authority for operation of the treating plant and disposal facility should be suspended or rescinded whenever such suspension or rescission should appear necessary to protect human health or property, to protect fresh water supplies from contamination, to prevent waste, or for non-compliance with the terms and conditions of this order or Division Rules and Regulations.

(17) Prior to constructing said facility, the applicant should be required to submit to the Santa Fe office of the Division a surety or cash bond in the amount of $25,000 in a form approved by the Division.

(18) Authority for operation of the treating plant and disposal facility should be transferrable only upon written application and approval by the Division Director.

(19) The granting of this application should not endanger designated fresh water supplies, and will prevent waste by allowing the recovery of otherwise unrecoverable oil.

IT IS THEREFORE ORDERED THAT:

(1) The applicant, Controlled Recovery Inc., is hereby authorized to construct and operate a surface waste disposal facility complete with unlined surface pits and an oil treating plant at a site in the S/2 N/2 and the N/2 S/2 of Section 27, Township 20 South, Range 32 East, NMPM, Lea County, New Mexico, for the purpose of treating and reclaiming sediment oil and for the collection, disposal, evaporation, or storage of produced water, drilling fluids, drill cuttings, completion fluids and other non-hazardous oilfield related waste.

PROVIDED HOWEVER THAT, the proposed oil treating plant and disposal facility shall be constructed in accordance with the engineering plat and topographic map presented as evidence in this case and in accordance with such additional conditions and requirements as may be directed by the Division Director, and shall be operated and maintained in such a manner as to preclude spills and fires, and protect persons and livestock.

PROVIDED FURTHER THAT, prior to initiating operations, the facility shall be inspected by a representative of the Hobbs district office of the Division in order to determine the adequacy of fences, gates and cattleguards necessary to preclude livestock and unauthorized persons from entering and/or utilizing said facility, and also to determine the adequacy of dikes and berms needed to assure safe plant operation.

(2) The maximum fill level in both of the proposed unlined surface pits shall be limited to a plane below the crest of the dikes surrounding the pits in order to preclude over-tapping of the dikes.

(3) The Director of the Division shall be authorized to administratively grant approval for the expansion or modification of the proposed treating plant.

(4) Authority for operation of the treating plant and disposal facility shall be suspended or rescinded whenever such suspension or rescission should appear necessary to protect human health or property, to protect fresh water supplies from contamination, to prevent waste, or for non-compliance with the terms and conditions of this order or Division Rules and Regulations.

(5) Prior to constructing said facility, the applicant shall submit, to the Santa Fe office of the Division, a surety or cash bond in the amount of $25,000 in a form approved by the Division.

(6) Authority for operation of the treating plant and disposal facility shall be transferrable only upon written application and approval by the Division Director.

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

DONE at Santa Fe, New Mexico, on the day and year herein-above designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

WILLIAM J. LEMAY
Director

S E A L

WRIGHT CONSULTING
JAMES I. WRIGHT, HYDROLOGIST
403 S. Sycamore
Roswell, New Mexico 88201
(505) 622-1294

April 6, 1990

Case 9882

Ken Marsh
Box 399
Hobbs, NM 88241

Dear Sir:

At the conclusion of your hearing in Santa Fe on 04/04/90 for an oil treating plant permit and surface waste disposal pit, you were asked by OCD personnel for additional mapping of the water table covering a much larger area than I had mapped. As you requested, I have checked the available water table control in this area and find that there is insufficient data to show the water table contours closing around the playas without drilling additional test holes. Due to the fact that much of the area is unsaturated, it may take a sizable number of holes to obtain the needed data.

In a March, 1983 report done for Wallen Production Co., Ed Reed contoured the water table in this area, T. 19 and T. 20 S., R. 32 and 33 E. (figure 5). He had insufficient data to show water table closures around the playas. However, closures are implied by the portion which has been contoured and a statement on page 4 of this report states that the ground water movement is toward the playa lakes. This report was an exhibit in case number 7836 before the Oil Conservation Commission (order number 7348).

The members of the OCD staff, which were present at the hearing, may not be aware of this report and it is quite possible that figure 5 in this report will suffice.

Yours truly,

James I. Wright

BEFORE EXAMINER CATANACH
CONSERVATION DIVISION
CONTROLLED RECOVERY EXHIBIT NO. 9
CASE NO. 9882

RESUME

James I. Wright, 403 South Sycamore, Roswell, New Mexico 88201

Education: Bachelor of Science in Civil Engineering from New Mexico State University, 1952.

Registered as a Professional Engineer in New Mexico, License No. 3838

Professional Experience:

Portales Basin Supervisor: March 29, 1954 through March 1, 1956. Work consisted primarily of water rights administration. Field work done in this position was measuring well discharges, computing pumping unit efficiencies, calculating irrigated acreage from aerial photography, plane table surveys and the collection of basic hydrological data.

Field Engineer: March 1, 1956 through May 31, 1986. Work consisted of the supervision of several professional and non-professional personnel in the collection of basic hydrological data, interpretation of this data and the preparation of maps, charts and tabulation for water rights administration.

Most of my work has been in Lea, Roosevelt, Curry and Quay Counties, where quantities of ground water storage are determined by preparing a series of maps and interpreting the information needed from these maps. The maps prepared are as follows:

Altitude of the Base of the Shallow Aquifer

This involves determining the surface elevation of well logs (driller logs and electric logs), determining the base of the water bearing formation, plotting the data and contouring the information.

Altitude of the Water Table

This consists of measuring water levels in wells, determining the elevation of the wells, calculating the elevation of the water table, plotting the data and contouring the information.

Thickness of Saturated Sediments

This map is prepared by isopaching the base of the shallow aquifer and the water table map.

Pumping tests were run to determine the hydraulic coefficients of the aquifer in each of these areas and then calculations were run to determine the

demands of existing water rights on ground water in storage.

Other work performed in southeastern New Mexico involved determining chemical quality of ground water in certain areas and preparing reports. Investigation of ground water contamination was conducted by drilling a series of test holes for information regarding geological, hydrological and quality data. This data was evaluated in an effort to determine the source of contamination.

I also advised water users and other interested people in regard to well construction and gave technical advice on where to locate wells to get maximum yields and maximum life expectancies, when requested to do so. In addition to this, I supervised the construction of wells to ascertain that the proposed casing and cementing programs were adequate to insure protection of all fresh water zones.

Another major function of the Field Engineer is the preparation of exhibits for hearings or court cases and testifying as an expert witness on ground water hydrology and related matters.

Wright Consulting: July 1, 1986 - -

Retired from New Mexico State Engineer Office on May 31, 1986. Opened consulting business on July 1, 1986. Consulting business has been limited to hydrological investigations and related work; mostly in Lea County.

PARTIAL LIST OF REPORTS BY J.I. WRIGHT

Wright, 1955, Determining Horsepower from the Line Load: New Mexico State Engineer

Wright, 1957, Oil Field Pollution of W.H. Ellison's Water Supply in the Vicinity of Hobbs, New Mexico: New Mexico State Engineer

Galloway and Wright, 1958, Suggestions Relative to the Drilling and Development of a Municipal Water Well: New Mexico State Engineer

Wright, 1961, Status of Ground-Water Development in the Lea County Underground Water Basin, Lea, Chaves, and Eddy Counties, New Mexico: New Mexico State Engineer

Wright, 1963, Ground-Water Development in the Curry County Ground-Water Basin, Curry and Roosevelt Counties, New Mexico: New Mexico State Engineer

Wright, 1965, Disposal of Salt Water in the South Lane Pennsylvanian Pool: New Mexico State Engineer

Wright, 1965, Contamination of Fresh Water by the Oil Industry on the Fields Ranch in Lea County: New Mexico State Engineer

Wright, 1966, Lea County Underground Water Basin - Explanation of Inventory Sheets: New Mexico State Engineer

Galloway and Wright, 1968, Administration of Water Rights Portales Valley Underground Water Basin, New Mexico: New Mexico State Engineer

Wright, 1974, Estimate of Normal Consumptive Irrigation Water Requirements for Crops in Vicinity of Village of Cloudcroft, Otero County, New Mexico, based on climatic conditions observed at Cloudcroft Weather Stations, 1902 - 1973: New Mexico State Engineer

Wright, 1974, Estimate of Normal Consumptive Irrigation Water Requirements for Crops in Vicinity of Mayhill, Otero County, New Mexico, Based on Average Climatic Conditions Observed at Mayhill Ranger Station from 1917 - 1973: New Mexico State Engineer

Wright, 1974, Estimate of Normal Consumptive Irrigation Water Requirements for Crops in Vicinity of Elk, Otero County, New Mexico, Based on Average Climatic Conditions Observed at Elk Weather Station from 1904 - 1973: New Mexico State Engineer

Wright, 1979, Estimated Life Expectancy, in Years, of Shallow Ground-Water Supply in the Clovis - Portales Area of New Mexico, as of January, 1979: New Mexico State Engineer

Wright, 1979, Contamination of Fresh Ground-Water Supplies in Southeastern New Mexico: New Mexico State Engineer

Wright, 1986, Contamination of Fresh Ground-Water Supplies in Southeastern New Mexico: New Mexico State Enginer

BEFORE THE

OIL CONSERVATION DIVISION

NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

IN THE MATTER OF THE APPLICATION OF CONTROLLED RECOVERY, INC. FOR AN OIL TREATING PLANT PERMIT, FOR SURFACE WASTE DISPOSAL AND AN EXCEPTION TO ORDER NO. R-3221, LEA COUNTY, NEW MEXICO.

CASE NO. 9882

AFFIDAVIT

BEFORE EXAMINER CATANACH
OIL CONSERVATION DIVISION
CONTROLLED RECOVERY EXHIBIT NO. 4
CASE NO. 9882

STATE OF NEW MEXICO)
)ss.
COUNTY OF SANTA FE)

WILLIAM F. CARR, attorney in fact and authorized representative of Controlled Recovery, Inc., the Applicant herein, being first duly sworn, upon oath, states that the notice provisions of Rule 1207 of the New Mexico Oil Conservation Division have been complied with, that Applicant has caused to be conducted a good faith diligent effort to find the correct addresses of all interested persons entitled to receive notice, as shown by Exhibit "A" attached hereto, and that pursuant to Rule 1207, notice has been given at the correct addresses provided by such rule.

William F. Carr
WILLIAM F. CARR

SUBSCRIBED AND SWORN to before me this 3rd day of April, 1990.

Notary Public

My Commission Expires:

August 19, 1991

EXHIBIT A

Bureau of Land Management
Post Office Box 1397
Roswell, New Mexico 88201

J.C. Estes
4332 Choctaw Road
Carlsbad, New Mexico 88220

CAMPBELL & BLACK, P.A.
LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
MARK F. SHERIDAN
WILLIAM P. SLATTERY
PATRICIA A. MATTHEWS

JEFFERSON PLACE
SUITE I - 110 NORTH GUADALUPE
POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87504-2208
TELEPHONE: (505) 988-4421
TELECOPIER: (505) 983-6043

February 14, 1990

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Bureau of Land Management
Post Office Box 1397
Roswell, New Mexico 88202

Re: Application of Controlled Recovery, Inc. for an Oil Treating Plant Permit and for Surface Waste Disposal, Lea County, New Mexico

Gentlemen:

This letter is to notify you that Controlled Recovery, Inc. has filed an application with the New Mexico Oil Conservation Division seeking authority for construction and operation of a surface waste disposal facility and an oil treating plant for the purpose of treating and reclaiming sediment oil and for the collection, disposal, evaporation or storage of produced water, drilling fluids, drill cuttings, completion fluids and other oil field related waste in unlined surface pits, at a site in the S/2 N/2 and the N/2 S/2 of Section 27, Township 20 South, Range 32 East, N.M.P.M., Lea County, New Mexico.

This application has been set for hearing before a Division Examiner on March 7, 1990. You are not required to attend this hearing, but as an owner of a property interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Very truly yours,

WILLIAM F. CARR
ATTORNEY FOR CONTROLLED RECOVERY, INC.
WFC:mlh

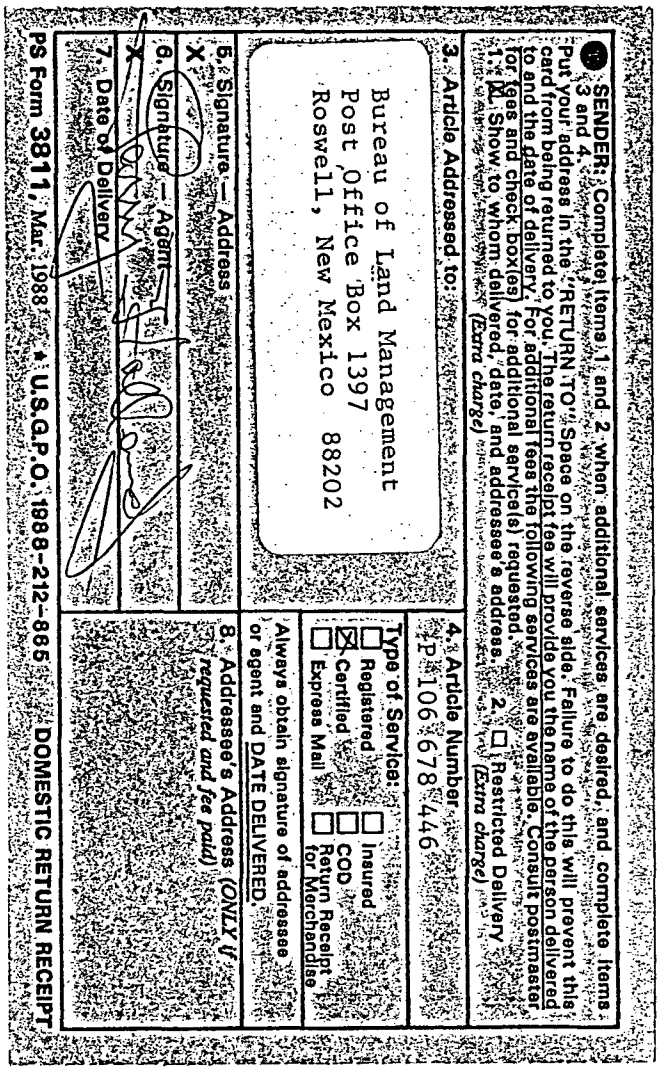
P-106 678 446

RECEIPT FOR CERTIFIED MAIL
NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL

Bureau of Land Management
Post Office Box 1397
Roswell, New Mexico 88202

Postage	$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt showing to whom and Date Delivered	
Return Receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees	$ 2.01
Postmark or Date	FEB 14 1990

PS Form 3800, June 1985



SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.
Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.
1. ☒ Show to whom delivered, date, and addressee's address. 2. ☐ Restricted Delivery (Extra charge)

3. Article Addressed to:
Bureau of Land Management
Post Office Box 1397
Roswell, New Mexico 88202

4. Article Number
P 106 678 446

Type of Service:
☐ Registered ☐ Insured
☒ Certified ☐ COD
☐ Express Mail ☐ Return Receipt for Merchandise

Always obtain signature of addressee or agent and DATE DELIVERED.

5. Signature — Address
X

6. Signature — Agent
X

7. Date of Delivery

8. Addressee's Address (ONLY if requested and fee paid)

PS Form 3811, Mar. 1988 * U.S.G.P.O. 1988-212-865 DOMESTIC RETURN RECEIPT

CAMPBELL & BLACK, P.A.
LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
MARK F. SHERIDAN
WILLIAM P. SLATTERY
PATRICIA A. MATTHEWS

JEFFERSON PLACE
SUITE 1 - 110 NORTH GUADALUPE
POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87504-2208
TELEPHONE: (505) 988-4421
TELECOPIER: (505) 983-6043

February 14, 1990

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

J.C. Estes
4332 Choctaw Road
Carlsbad, New Mexico 88220

Re: Application of Controlled Recovery, Inc. for an Oil Treating Plant Permit and for Surface Waste Disposal, Lea County, New Mexico

Dear Mr. Estes:

This letter is to notify you that Controlled Recovery, Inc. has filed an application with the New Mexico Oil Conservation Division seeking authority for construction and operation of a surface waste disposal facility and an oil treating plant for the purpose of treating and reclaiming sediment oil and for the collection, disposal, evaporation or storage of produced water, drilling fluids, drill cuttings, completion fluids and other oil field related waste in unlined surface pits, at a site in the S/2 N/2 and the N/2 S/2 of Section 27, Township 20 South, Range 32 East, N.M.P.M., Lea County, New Mexico.

This application has been set for hearing before a Division Examiner on March 7, 1990. You are not required to attend this hearing, but as an owner of a property interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Very truly yours,

WILLIAM F. CARR
ATTORNEY FOR CONTROLLED RECOVERY, INC.
WFC:mlh

P-106 678 447

RECEIPT FOR CERTIFIED MAIL
NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL

J.C. Estes
4332 Choctaw Road
Carlsbad, New Mexico 88220

Postage	$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt showing to whom and Date Delivered	
Return Receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees	$ 2.01
Postmark or Date	FEB 14 1990

PS Form 3800, June 1985

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.
Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.
1. ☒ Show to whom delivered, date, and addressee's address. 2. ☐ Restricted Delivery *(Extra charge)*

3. Article Addressed to:
J.C. Estes
4332 Choctaw Road
Carlsbad, New Mexico 88220

4. Article Number
P 106 678 447

Type of Service:
☐ Registered ☐ Insured
☒ Certified ☐ COD
☐ Express Mail ☐ Return Receipt for Merchandise

Always obtain signature of addressee or agent and DATE DELIVERED.

5. Signature — Addressee
X

6. Signature — Agent
X

7. Date of Delivery

8. Addressee's Address *(ONLY if requested and fee paid)*

PS Form 3811, Mar. 1988 * U.S.G.P.O. 1988-212-865 DOMESTIC RETURN RECEIPT

NEW MEXICO POTASH
CORPORATION

March 15, 1990

Energy, Minerals and Natural Resources Department
Oil Conservation Division
Santa Fe, NM 87501

Attn: David R. Catanach, Examiner
or
Michael E. Stogner, Alternate Examiner

Re: Docket: March 21, 1990
Case 9882: Application of Controlled Recovery, Inc. for an oil treating plant permit.

New Mexico Potash Corporation, which owns and operates a potash mine and refining facility adjacent to the requested permit area in Case 9882, requests the examiner or alternate examiner to consider the following items 1 thru 5 and the attached plat and make them part of the record in Case 9882.

Item 1: New Mexico Potash Corporation was granted R-O-W No. NM12177 (see attached plat shown in yellow) for the disposal of clay-brine tailings from their potash refinery. The disposal of these tailings has been continuous since 1970 and will continue in the future.

Item 2: New Mexico Potash Corporation has returned clear brine from the Laguna Toston area in the past and will in the future to its refinery for re-processing.

Item 3: Clear brine returned to the plant for re-use must be free of oilfield related wastes.

Item 4: A representive of New Mexico Potash Corporation has been in contact with a representive of Controlled Recovery, Inc. and it is New Mexico Potash Corporation's understanding that all oil treating

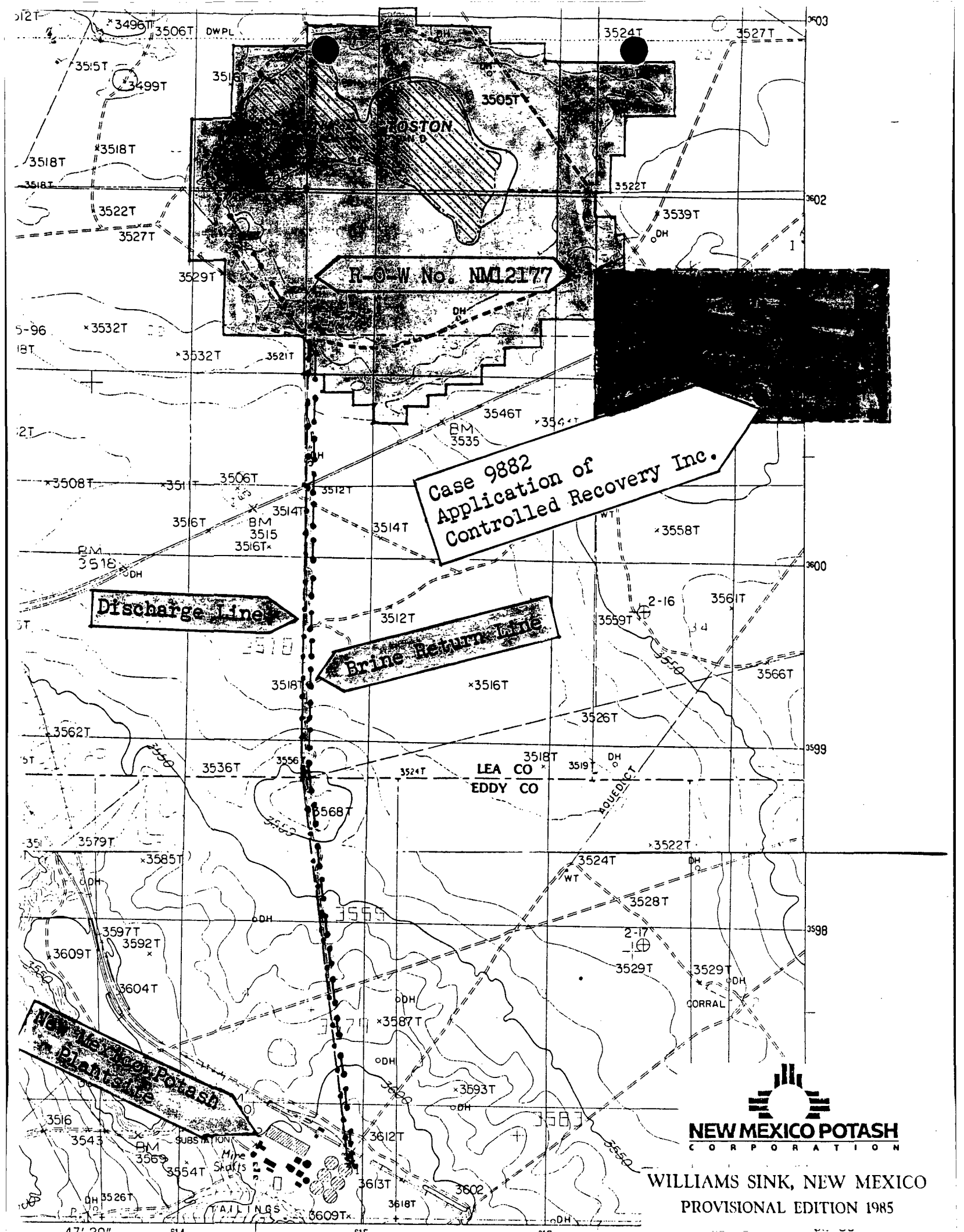
plant facilities will be located on the south side of highway 62-180 and the collection, disposal, evaporation or storage of produced water, drilling fluids, drill cuttings, completion fluids and other oilfield related waste will be in unlined surface pits without direct discharge by either pipeline, ditch, or natural surface drainage into the Laguna Toston area.

Item 5: New Mexico Potash Corporation has no objection to the approval of this application if Item 4 is generally correct and the approved permit has a stipulation containing "no direct discharge by pipeline, ditch, or natural surface drainage into the Laguna Toston area."

NEW MEXICO POTASH CORPORATION

W. S. Case, Jr.
General Manager

WSC/bt



NEW MEXICO POTASH
CORPORATION

WILLIAMS SINK, NEW MEXICO
PROVISIONAL EDITION 1985

CAMPBELL & BLACK, P.A.
LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
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POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87504-2208
TELEPHONE: (505) 988-4421
TELECOPIER: (505) 983-6043

March 15, 1990

HAND-DELIVERED

Mr. David G. Boyer, Chief
Environmental Bureau
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
State Land Office Building
Santa Fe, New Mexico 87503

Re: Application of Controlled Recovery, Inc. for an Oil Treating Plant Permit, Surface Waste Disposal, and an Exception to Division Order R-3221, as Amended, Lea County, New Mexico

Dear David:

Enclosed is a copy of the application we filed with the Division on February 28, 1990 with all attachments thereto. At the March 21, 1990 hearing in this matter Controlled Recovery, Inc. intends to present the material attached to the application and the report from James I. Wright that I delivered to you on Tuesday of this week.

If you need anything further from me prior to the hearing, please advise.

Also enclosed is a copy of the Governor's Proclamation calling the Special Legislative Session which we discussed on Tuesday.

Best regards.

Very truly yours,

WILLIAM F. CARR
WFC:mlh
Enclosures

Cases Nos. 11-90 and 12-90 are tentatively set for April 18, 1990 and May 2, 1990. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - APRIL 4, 1990
8:15 A.M. - OIL CONSERVATION DIVISION CONFERENCE ROOM,
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO

The following cases will be heard before David R. Catanach, Examiner, or Michael E. Stogner, Alternate Examiner:

ALLOWABLE: (1) Consideration of the allowable production of gas for May, 1990, from fourteen prorated gas pools in Lea, Eddy, and Chaves Counties, New Mexico.

(2) Consideration of the allowable production of gas for May, 1990, from four prorated gas pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.

CASE 9899: Application of BTA Oil Producers for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox gas well location 330 feet from the North and East lines (Unit A) of Section 20, Township 22 South, Range 23 East, to test the Undesignated Indian Basin-Upper Pennsylvanian Gas Pool, all of said Section 20 to be dedicated to said well forming a standard 640-acre gas spacing and proration unit for the pool. Said well location is approximately 6.25 miles south-southwest of the Marathon Oil Company Indian Basin Gas Plant.

CASE 9900: Application of Santa Fe Energy Operating Partners, L.P. for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox gas well location 660 feet from the North and East lines (Unit A) of Section 10, Township 20 South, Range 24 East, to test the Undesignated Cemetery-Morrow Gas Pool, the E/2 of said Section 10 to be dedicated to said well forming a standard 320-acre gas spacing and proration unit for said pool. The proposed well site is located approximately 8 miles north of Marathon Oil Company's Indian Basin Gas Plant.

CASE 9888: (Continued from March 21, 1990, Examiner Hearing.)

Application of Conoco Inc. for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the North Dagger Draw-Upper Pennsylvanian Pool underlying the SE/4 of Section 36, Township 19 South, Range 24 East, forming a standard 160-acre oil spacing and proration unit for said pool, to be dedicated to its existing Dee State Well No. 1 located at a standard oil well location 1980 feet from the South and East lines (Unit J) of said Section 36 (said well is presently completed in the Cemetery-Morrow Gas Pool). Also to be considered will be the cost of re-entering, recompleting, equipping and operating said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in re-entering and recompleting said well. Said unit is located approximately 13 miles west by north of Seven Rivers, New Mexico.

CASE 9893: (Continued from March 21, 1990, Examiner Hearing.)

Application of Pacific Enterprises Oil Company (USA) for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Atoka and Morrow formations underlying the W/2 of Section 28, Township 18 South, Range 27 East, forming a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within said vertical extent, which presently includes but is not necessarily limited to either the Undesignated Red Lake-Pennsylvanian Gas Pool or the Undesignated Red Lake Atoka-Morrow Gas Pool. Said unit is to be dedicated to its Trigg "28" Federal Well No. 1 to be drilled at a standard gas well location 2030 feet from the North line and 1980 feet from the West line (Unit F) of said Section 28. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said unit is approximately 4 miles west by north of Old Illinois Oil Camp.

CASE 9901: Application of Pacific Enterprises Oil Company (USA) for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the top of the Wolfcamp formation to the base of the Morrow formation underlying the W/2 of Section 21, Township 23 South, Range 26 East, forming a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within said vertical extent, which presently includes but is not necessarily limited to the Undesignated Frontier Hills-Strawn Gas Pool, Undesignated North Black River-Atoka Gas Pool, and Undesignated South Carlsbad-Morrow Gas Pool, said unit to be dedicated to a well to be drilled at a standard gas well location in the NW/4 of said Section 21. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 4 miles northeast by north of the Carlsbad Municipal Airport.

CASE 9881: (Continued from March 21, 1990, Examiner Hearing.)

Application of Richmond Petroleum, Inc. for unorthodox coal gas well location, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox coal gas well location for its Federal 31-4-32 Well No. 2 to be drilled 617 feet from the South line and 1939 feet from the West line (Unit N) of Section 32, Township 31 North, Range 4 West, Basin-Fruitland Coal Gas Pool, the W/2 of said Section 32 to be dedicated to said well to form a standard 320-acre gas spacing and proration unit for said pool. Said unit is located approximately 10 miles south of Mile Corner No. 233 located on the New Mexico/Colorado Stateline.

CASE 9894: (Continued from March 21, 1990, Examiner Hearing.)

Application of Richmond Petroleum, Inc. for compulsory pooling, unorthodox coal gas well location, and a non-standard gas spacing and proration unit, San Juan and Rio Arriba Counties, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Basin-Fruitland Coal Gas Pool underlying Lots 1 through 4 and the S/2 N/2 of Irregular Section 11, Township 32 North, Range 6 West, forming a non-standard 232.80-acre gas spacing and proration unit for said pool, said unit to be dedicated to a well to be drilled at a non-standard coal gas well location 1130 feet from the North line and 760 feet from the West line (Unit E) of said Section 11. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said unit is bounded to the north by the State of Colorado for one-half mile of either side of Astronomical Monument No. 8 located on the Colorado/New Mexico stateline.

CASE 9895: (Continued from March 21, 1990, Examiner Hearing.)

Application of Richmond Petroleum, Inc. for compulsory pooling and an unorthodox coal gas well location, San Juan and Rio Arriba Counties, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Basin-Fruitland Coal Gas Pool underlying the S/2 of Irregular Section 11, Township 32 North, Range 6 West, forming a standard 320-acre gas spacing and proration unit for said pool, said unit to be dedicated to a well to be drilled at a non-standard coal gas well location 1800 feet from the South line and 230 feet from the West line (Unit L) of said Section 11. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said unit is located 1/2 mile south of Astronomical Monument No. 8 located on the Colorado/New Mexico stateline.

CASE 9902: Application of Hanson Operating Company for salt water disposal, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Diablo-San Andres Pool in the perforated interval from approximately 2034 feet to 2082 feet in its Hanlad "A" State Battery No. 1 Well No. 1 located 1650 feet from the South line and 330 feet from the East line (Unit I) of Section 28, Township 10 South, Range 27 East. Said well is located approximately 3/4 of a mile south-southwest of Mile Market No. 175 on U.S. Highway 380.

CASE 9882: (Continued from March 21, 1990, Examiner Hearing.)

Application of Controlled Recovery, Inc. for an oil treating plant permit, for surface waste disposal and an exception to Order No. R-3221, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority for construction and operation of the surface waste disposal facility and an oil treating plant for the purpose of treating and reclaiming sediment oil and for the collection, disposal, evaporation or storage of produced water, drilling fluids, drill cuttings, completion fluids and other oil field related waste in unlined surface pits, at a site in the S/2 N/2 and the N/2 S/2 of Section 27, Township 20 South, Range 32 East. This site is located on either side of U.S. Highway 62/180 at Mile Marker No. 66.

CASE 9903: Application of Yates Petroleum Corporation for directional drilling and an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill its proposed Gazelle "AHG" Federal Com. Well No. 1 at a surface location 1312 feet from the North line and 1844 feet from the West line (Unit C) of Section 15, Township 20 South, Range 29 East, wherein the applicant proposes to deviate said well to within 50 feet of the following targeted locations;

1. On the Strawn formation - 1980 feet from the South and East lines (Unit J) of said Section 15; wherein either the S/2 (320-acre unit) will be dedicated to the wellbore if the completed interval is determined to be within the East Burton Flat-Strawn Gas Pool or the NW/4 SE/4 (40-acre unit) would be dedicated if it is determined to be within the South Parkway-Strawn Pool; and,

2. In the Morrow formation - 1472 feet from the South line and 1540 feet from the East line (Unit J) of said Section 15 (which is an unorthodox gas well location), said well to be dedicated to the S/2 of said Section 15 forming a standard 320-acre gas spacing and proration unit for the Undesignated East Burton-Flat Morrow Gas Pool. Said well location is approximately 4 miles northwest of the junction of US Highway 62/180 and New Mexico State Highway 31.

CASE 9904: Application of Nassau Resources, Inc. for unorthodox coal gas well location, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox coal gas well location 470 feet from the South line and 1190 feet from the East line (Unit P) of Irregular Section 12, Township 32 North, Range 4 West, to test the Basin-Fruitland Coal Gas Pool, all of said Section 12 to be dedicated to said well forming a 266.55-acre gas spacing and proration unit for said pool. Said drilling tract is located within the Carson National Forest and is bounded to the north by the State of Colorado at Mile Corner No. 229.

CASE 9905: Application of Nassau Resources, Inc. for unorthodox coal gas well location, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox coal gas well location for its Carracas Unit "25-B" Well No. 3 to be drilled 920 feet from the North line and 1850 feet from the West line (Unit C) of Section 25, Township 32 North, Range 4 West, to test the Basin-Fruitland Coal Gas Pool, the N/2 of said Section 25 to be dedicated to said well forming a standard 320-acre gas spacing and proration unit for said pool. Said drilling tract is located on the Carson National Forest approximately 3 miles south of Mile Corner No. 229 located on the Colorado/New Mexico stateline.

'90 MAR 12 AM 9 46

United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Roswell District Office
P.O. Box 1397
Roswell, New Mexico 88202-1397

TAKE PRIDE IN AMERICA

IN REPLY
REFER TO:
1703 (065)

MAR 8 1990

New Mexico Oil Conservation Division
Attention: Mr. Mike Stogner
P. O. Box 2088
Santa Fe, New Mexico 87501

Case No. 9882 m.s.

Dear Mr. Stogner:

We received a letter from Campbell & Black, P. A. regarding the proposal of Controlled Recovery, Inc. to establish a waste disposal facility and oil treating plant in Lea County. Controlled Recovery's plan raises concerns over the possible effect of their proposal on adjacent public lands administered by the Bureau of Land Management.

Our concerns are related to the migration of material, by whatever means, from Controlled Recovery's plant site onto adjacent public lands. Without detailed information about the proposal, we can only predict possible impacts. Among our concerns are the following:

1. Pollutants migrating from unlined pits could damage the quality of groundwater in adjacent public lands.

2. Any change in groundwater may affect the character of the nearby Laguna Toston and could affect federally listed threatened and endangered wildlife species, including the Snowy Plover.

3. On- or off-site affects of the proposal on other surface waters or wetlands and wildlife using those areas, including migratory waterfowl.

We realize that Campbell & Black's letter was simply a notice and not intended to provide detailed information about the project. Nevertheless, detailed information about these concerns, and any others raised, should be reviewed by all affected parties before any decision is made authorizing the construction of this project.

In order to address the concerns of subsurface migration and subsequent pollution of the local groundwater system and of Laguna Toston, we feel a detailed environmental analysis is warranted. Among the purposes of an environmental analysis would be determining the capability of the site and adjacent lands to withstand the effects of the proposal, and determining the off-site effects should problems occur with the disposal process. Such an analysis should include: the review of proposed disposal volumes and relative concentrations of hazardous substances that may be placed in the pits; the duration of the project; gathering soil data to determine the thickness of the soil and the attenuation capabilities of the soil; the permeability of subsurface aquifers; and the aquifer media.

To determine the effectiveness of the proposed management of the facility, including the amount and direction of the movement of subsurface contaminants and the effectiveness of the natural attenuation processes, a suitable monitoring plan must be prepared, reviewed and implemented.

We feel that detailed information must be provided for review before an authorization is granted in order to comply with laws such as the comprehensive Emergency Response Compensation and Liability Act, the Migratory Bird Treaty Act, the Endangered Species Act, the Resource Conservation and Recovery Act, and the Clean Water Act.

It is important to point out that under current federal laws, we would be required to pursue action against Controlled Recovery, Inc., should their operation adversely affect public lands under our administration.

A representative from this office was not present at the March 7 hearing. We would like these comments to be made a part of the official record in this matter. Please keep us informed of any further meetings and opportunities to review and comment on information regarding this project.

Sincerely,

Francis R. Cherry, Jr.
District Manager

CAMPBELL & BLACK, P.A.
LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
MARK F. SHERIDAN
WILLIAM P. SLATTERY
PATRICIA A. MATTHEWS

JEFFERSON PLACE
SUITE 1 - 110 NORTH GUADALUPE
POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87504-2208
TELEPHONE: (505) 988-4421
TELECOPIER: (505) 983-6043

February 28, 1990

HAND-DELIVERED

William J. LeMay, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
State Land Office Building
Santa Fe, New Mexico 87503

Re: Application of Controlled Recovery, Inc. for an Oil Treating Plant Permit, Surface Waste Disposal, and an Exception to Division Order R-3221, as Amended, Lea County, New Mexico

Dear Mr. LeMay:

Enclosed in triplicate is the above-referenced amended Application of Controlled Recovery, Inc. Controlled Recovery, Inc., respectfully requests that this matter be placed on the docket for the Examiner hearings scheduled on March 21, 1990.

Very truly yours,

WILLIAM F. CARR
WFC:mlh
Enclosures
cc w/enclosures: Mr. Jerry Sexton, Supervisor
and Oil and Gas Inspector
Post Office Box 1980
Hobbs, New Mexico 88240

David G. Boyer, Chief
Environmental Bureau
Oil Conservation Division
Santa Fe, New Mexico 87501

Mr. Ken Marsh
Controlled Recovery, Inc.

CAMPBELL & BLACK, P.A.
LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR
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March 30, 1990

HAND-DELIVERED

Mr. David G. Boyer, Chief
Environmental Bureau
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
State Land Office Building
Santa Fe, New Mexico 87503

RECEIVED
MAR 30 1990
OIL CONSERVATION DIVISION

Re: Case 9882:
Application of Controlled Recovery, Inc. for an Oil Treating Plant Permit, Surface Waste Disposal, and an Exception to Division Order R-3221, Lea County, New Mexico

Dear Mr. Boyer:

Following our meeting on March 19, 1990, I contacted Ken Marsh, President of Controlled Recovery, Inc., concerning your questions about the above-referenced matter. Attached hereto is additional data which responds to certain of your questions. This information will be presented at the April 4, 1990 hearing on this application.

In addition to the enclosed, we will present additional information on the ownership of the lands in this area and the actual dimensions of the pits to be used. We will also present witnesses who can respond to any other questions you may have.

Very truly yours,

WILLIAM F. CARR
WFC:mlh
Enclosure

OIL CONSERVATION DIVISION CASE NO. 9882
APPLICATION OF CONTROLLED RECOVERY, INC.
FOR AN OIL TREATING PLANT PERMIT, FOR
SURFACE WASTE DISPOSAL, AND AN
EXCEPTION TO ORDER NO. R-3221, AS AMENDED,
LEA COUNTY, NEW MEXICO

HYDROLOGY:

1. Samples were taken from the No. 3 and No. 7 test holes and was analyzed by the City of Hobbs. Copies of these analyses are included with the material previously submitted to the Division. Due to the high bacterial content of the water which makes it unfit for human consumption, additional analyses were not performed. At your request, Controlled Recovery, Inc. is obtaining a full analyses of the water from these test holes.

2. The chlorides are correctly shown in the data previously submitted for the No. 2-A and No. 6 Wells. However, both wells produce very small quantities of water. To provide additional protection for the No. 2-A Well, Controlled Recovery, Inc. will switch the location of the pit proposed for disposal of liquids with the pit proposed for disposal of solids.

3. It is our opinion that underground migration of water disposed at either of the pits on this location would be toward the Laguna Toston. However, reversing the pits will assure that the underground migration of disposal water will be directly to the Laguna Toston.

4. There is very little opportunity to obtain additional water analyses on groundwater in this area for the two wells in Section 27 are dry as is the well in the NE/4 of Section 1. Reversing the disposal pits should make additional samples from the wells in Section 36 which, may be difficult to obtain, of little relevance.

GENERAL MATTERS:

1. A plat identifying all land owners in the area and identifying state, federal and fee lands will be presented at the April 4, 1990 hearing.

2. J.C. Estes owns grazing rights in this area and T. Bingham was a prior owner of one of the wells in our hydrologic study.

3. The actual footage dimensions of the pits will be set forth on revised exhibits presented at the time of hearing.

4. Closure Plan: All pits will be evaporated prior to closure, covered up, buried and mounted with sufficient soil so that water will not pond in this area.

5. Operation Plans: At the April 4th hearing, the times the facilities will be open and the procedures that will be utilized to monitor the pits and the disposal of fluids will be fully detailed. Switching the pits on the proposed site will provide greater control over use of and access to the liquid disposal pit.

6. Contingency Plans: Because of the disposal pit configuration (below grade), a spill is very unlikely to occur. The disposal (evaporation) pits will not be filled to capacity and should a 100 year rainfall happen, no over flow would occur. If a natural disaster should occur, earth moving equipment would be employed to contain the spill within the approved disposal (evaporation) area.

   Berms will be constructed around the off loading area. This area will be constructed so the grade will be toward the evaporation pits. If a break should occur, vacuum trucks and centrifugal pumps would be employed to recover any fluids that would collect in depressions or away from approved disposal areas.

7. Product Treatment: Identify the chemicals to be used and provide appropriate MTS sheets on material safety. Incoming products will be discharged into gun barrel (wash) tanks. Any liquid petroleum produce will be discharged into a stock tank. If it should be necessary to further refine the liquid petroleum product prior to sale, it would be treated with a recommended chemical and run thru a heater treater in order to get the product ready for sale to purchaser.

   The chemical used would be compatible with the EID and the EPA (see MTS sheets).

UNICHEM INTERNATIONAL

TECHNI-BREAK 105

PRODUCT BULLETIN

DESCRIPTION:

TECHNI-BREAK 105 is a specially formulated solvent based solution of surface active agents designed to promote the separation of water in oil emulsions. TECHNI-BREAK 105 is especially effective in breaking acid emulsions. TECHNI-BREAK 105 will also control hydration of water sensitive clays.

USES:

TECHNI-BREAK 105 was originally formulated to demulsify tank bottoms, slop oil, and acid emulsions. However, TECHNI-BREAK 105 can also be used to dehydrate crude oil production.

APPLICATION:

TECHNI-BREAK 105 may be batch treated into stock tanks and treating vessels with agitation or rolling. TECHNI-BREAK 105 can also be injected continuously into the treating system at a point of turbulence to insure thorough mixing with the produced fluids. An emulsion breaker bottle test should be performed to determine the most effective demulsifier.

TYPICAL PROPERTIES:

Specific Gravity @ 60°F	.90
Pounds Per Gallon @ 60°F	7.52
Pour Point	-40°F
Flash Point (TCC)	74°F
SOLUBILITIES:	
Fresh Water	Dispersible
2% Brine	Dispersible
15% Brine	Dispersible
Crude Oil	Soluble
Appearance	Amber Liquid

HANDLING:

Warning! Flammable. Keep away from heat, sparks, and open flame. Keep container closed when not in use. Do not breathe vapors, use with adequate ventilation. Avoid contact with eyes, skin, and clothing. Refer to material safety data sheet for additional information and first aid.

PACKAGING:

TECHNI-BREAK 105 is sold in 55 gallon drums and bulk.

12/83

P. O. Box 1499 - Hobbs, N.M. 88240 - Phone 505/393-7751

UNICHEM INTERNATIONAL

MATERIAL SAFETY DATA SHEET

"Essentially Similar" to Form OSHA-20

Date Prepared 1/31/85

Supersedes Previous Sheet Dated New

I PRODUCT IDENTIFICATION

UNICHEM INTERNATIONAL 707 N. Leech / P. O. Box 1499 / Hobbs, New Mexico 88240	EMERGENCY TELEPHONE NO. (505) 393-7751

PRODUCT NAME TECHNI-BREAK 105 TRADE NAME: DEMULSIFIER

CHEMICAL DESCRIPTION:

Proprietary blend of demethyl benzyl ammonium chloride in aromatic solvent.

II HAZARDOUS INGREDIENTS

MATERIAL	%	TLV (UNITS)
Aromatic Solvent		8 hr. TWA 100 ppm
Dimethyl benzyl ammonium chloride	25%	recommended

III PHYSICAL DATA

BOILING POINT, 760 mm Hg	N/D	FREEZING POINT:	0°F
SPECIFIC GRAVITY (H_2O=1)	.90	VAPOR PRESSURE @	N/D
VAPOR DENSITY (AIR=1)	N/D	SOLUBILITY IN WATER	Insoluble
PERCENT VOLATILES BY WEIGHT	N/D	EVAPORATION RATE	N/D

APPEARANCE AND ODOR Dark Amber liquid, aromatic odor.

IV FIRE AND EXPLOSION HAZARD DATA

FLASH POINT (TEST METHOD) 74°F (TCC)

FLAMMABLE LIMITS IN AIR, % BY VOLUME	LOWER	N/A	UPPER	N/A

EXTINGUISHING MEDIA: Foam, dry chemical, CO_2, water spray or fog. Use a water spray to cool fire-exposed containers.

SPECIAL FIRE FIGHTING PROCEDURES: Use self-contained breathing equipment for enclosed areas in a fire situation.

UNUSUAL FIRE AND EXPLOSION HAZARDS: Vapors can flow along surfaces to distant ignition sources and flash back.

*N/D - Not Determined

V HEALTH HAZARD DATA

THRESHOLD LIMIT VALUE	TLV 100ppm (estimated--not established by ACGIH or OSHA)
EFFECTS OF OVEREXPOSURE	Inhalation of high vapor, concentrations may have results ranging from mild depression to convulsions and loss of consciousness. Concentrations over 100ppm may cause dizziness, nausea, and headache. Prolonged or repeated skin contact is irritating and w cause defatting and dermatitus. Eye contact may cause burning an irritation. Aspiration can be a hazard if material is swallowed.
EMERGENCY AND FIRST AID PROCEDURES	SKIN: Remove contaminated clothing; wash with soap and water. EYES: Flush eyes with lots of running water. INHALATION: Remove fresh air. Restore breathing if necessary. Call a Physician. INGESTION: Do not induce vomiting. Give white mineral oil or edi oil. Call a physician.

VI REACTIVITY DATA

STABILITY		CONDITIONS TO AVOID	
UNSTABLE	STABLE		
	XXXXXX		NONE

INCOMPATIBILITY (MATERIALS TO AVOID)	Avoid oxidizing agents.
HAZARDOUS DECOMPOSITION PRODUCTS	Toxic fumes and gases including oxides and carbon and nitrogen.

HAZARDOUS POLYMERIZATION		CONDITIONS TO AVOID	
MAY OCCUR	WILL NOT OCCUR		
	XXXXXXXXX		NONE

VII SPILL OR LEAK PROCEDURES

STEPS TO BE TAKEN IF MATERIAL IS RELEASED OR SPILLED	Remove all sources of ingintion. Provide adequate ventilation. Conta and recover free liquid. Use vermiculite, sand, etc. to abosrb resid or small spill. Scrape up and place in covered metal container. Prevent liquid from entering sewer or water course.
WASTE DISPOSAL METHOD	Dispose of by incineration or by depositing in an approved landfill under controlled conditions. Follow all Federal, State, and local regulations.

VIII SPECIAL PROTECTION INFORMATION

RESPIRATORY PROTECTION (SPECIFY TYPE)	Use respirators with organic solvent type canisters for short periods of nonroutine work at 100-2000ppm. Use self-contained breathing apparatus for higher or unknown vapor concentrations.			
VENTILATION	LOCAL EXHAUST	As needed to meet TLV requirements	SPECIAL	100 lfm face velocity for exhaust hoods.
	MECHANICAL (GENERAL)	As needed to meet TLV requirements	OTHER	
PROTECTIVE GLOVES		Buna-N rubber gloves and apron to prevent contact.	EYE PROTECTION	Safety glasses or goggles and/or face shield.
OTHER PROTECTIVE EQUIPMENT	Eye wash stations should be readily accessible.			

IX SPECIAL PRECAUTIONS

PRECAUTIONS TO BE TAKEN IN HANDLING AND STORING	Store containers in clean, cool, well-ventilated, low fire-risk area away from oxidizing agents and ignition sources. Ground and electrically interconnect metal containers when dispensing. Use safety cans for small amount
OTHER PRECAUTIONS	NONE

CAMPBELL & BLACK, P.A.
LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
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TELEPHONE: (505) 988-4421
TELECOPIER: (505) 983-6043

March 30, 1990

HAND-DELIVERED

Mr. David G. Boyer, Chief
Environmental Bureau
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
State Land Office Building
Santa Fe, New Mexico 87503

Re: Case 9882:
Application of Controlled Recovery, Inc. for an Oil Treating Plant Permit, Surface Waste Disposal, and an Exception to Division Order R-3221, Lea County, New Mexico

Dear Mr. Boyer:

Following our meeting on March 19, 1990, I contacted Ken Marsh, President of Controlled Recovery, Inc., concerning your questions about the above-referenced matter. Attached hereto is additional data which responds to certain of your questions. This information will be presented at the April 4, 1990 hearing on this application.

In addition to the enclosed, we will present additional information on the ownership of the lands in this area and the actual dimensions of the pits to be used. We will also present witnesses who can respond to any other questions you may have.

Very truly yours,

WILLIAM F. CARR
WFC:mlh
Enclosure

OIL CONSERVATION DIVISION CASE NO. 9882
APPLICATION OF CONTROLLED RECOVERY, INC.
FOR AN OIL TREATING PLANT PERMIT, FOR
SURFACE WASTE DISPOSAL, AND AN
EXCEPTION TO ORDER NO. R-3221, AS AMENDED,
LEA COUNTY, NEW MEXICO

HYDROLOGY:

1. Samples were taken from the No. 3 and No. 7 test holes and was analyzed by the City of Hobbs. Copies of these analyses are included with the material previously submitted to the Division. Due to the high bacterial content of the water which makes it unfit for human consumption, additional analyses were not performed. At your request, Controlled Recovery, Inc. is obtaining a full analyses of the water from these test holes.

2. The chlorides are correctly shown in the data previously submitted for the No. 2-A and No. 6 Wells. However, both wells produce very small quantities of water. To provide additional protection for the No. 2-A Well, Controlled Recovery, Inc. will switch the location of the pit proposed for disposal of liquids with the pit proposed for disposal of solids.

3. It is our opinion that underground migration of water disposed at either of the pits on this location would be toward the Laguna Toston. However, reversing the pits will assure that the underground migration of disposal water will be directly to the Laguna Toston.

4. There is very little opportunity to obtain additional water analyses on groundwater in this area for the two wells in Section 27 are dry as is the well in the NE/4 of Section 1. Reversing the disposal pits should make additional samples from the wells in Section 36 which, may be difficult to obtain, of little relevance.

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   The chemical used would be compatible with the EID and the EPA (see MTS sheets).

BEFORE THE

OIL CONSERVATION DIVISION

NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

IN THE MATTER OF THE APPLICATION OF CONTROLLED RECOVERY, INC., FOR AN OIL TREATING PLANT PERMIT, SURFACE WASTE DISPOSAL, AND AN EXCEPTION TO DIVISION ORDER R-3221, AS AMENDED, LEA COUNTY, NEW MEXICO.

RECEIVED

FEB 28 1990

OIL CONSERVATION DIV.
SANTA FE

CASE NO._____

APPLICATION
FOR AN OIL TREATING PLANT PERMIT, SURFACE WASTE DISPOSAL, AND AN EXCEPTION TO DIVISION ORDER R-3221, AS AMENDED

CONTROLLED RECOVERY, INC. hereby makes application to the Oil Conservation Division for an oil treating plant permit, surface waste disposal, and an exception to Division Order R-3221, as amended, Lea County, New Mexico and in support thereof states:

1. Applicant is the owner of certain acreage in Lea County, New Mexico which is suitable for the surface disposal of oil field wastes. The President and local representative of Controlled Recovery, Inc. is Ken Marsh, Post Office Box 399, (5600 Carlsbad Highway), Hobbs, New Mexico 88240, (505) 393-1079.

2. This application is made pursuant to the provisions of Oil Conservation Division Rules 312 and 711.

3. The proposed location of this treating plant and surface waste disposal facility is in the S/2 N/2 and N/2 S/2 of Section 27, Township 20 South, Range 32 East, N.M.P.M., Lea County, New Mexico. Attached hereto as Exhibit "A" are plats identifying the location of the proposed facility identifying all highways or roads going across to the plant site and giving access to this facility, locations of all pits, skimmer ponds, all above and below grade tanks, and all water courses, water wells and dwellings within one mile of the site.

4. The type and capacity of the proposed facility is set forth in Exhibit "B" which is attached hereto. Numbers in Exhibit "B" correspond to the Section numbers contained in the Division's "Guidelines for Applications for Waste Storage/Disposal Pit Permits."

5. Diagrams of the facility are attached hereto as Exhibit "C" which show the location of all fences and cattleguards and contains detailed engineering construction and installation diagrams of any and all pits for solids and liquids disposal, dikes, piping, sprayers, and tanks on the facilities prepared in accordance with Division "Guidelines for Permit Application, Design and Construction of Waste Storage/Disposal Pits."

6. Although adjacent to acreage which has been exempted from the provisions of Division Order No. R-3221, as amended, which prohibits the disposal of water produced in conjunction with the production of oil and gas, this proposed facility is within the R-3221 area and, therefore, applicant seeks an exception to the provisions of this Order.

7. All operations at this facility including the reporting and clean-up of any spills, releases, routine inspection and maintenance of the facility, and closer of pits will be in accordance with Division Rules and Regulations.

WHEREFORE, Controlled Recovery, Inc. requests that this application be set for hearing before a duly appointed Examiner of the Oil Conservation Division on March 21, 1990, that notice be given as required by law and the rules of the Division, and that this application be approved.

Respectfully submitted,

CAMPBELL & BLACK, P.A.

By: William F. Carr

WILLIAM F. CARR
Post Office Box 2208
Santa Fe, New Mexico 87504
Telephone: (505) 988-4421

ATTORNEYS FOR CONTROLLED RECOVERY, INC.

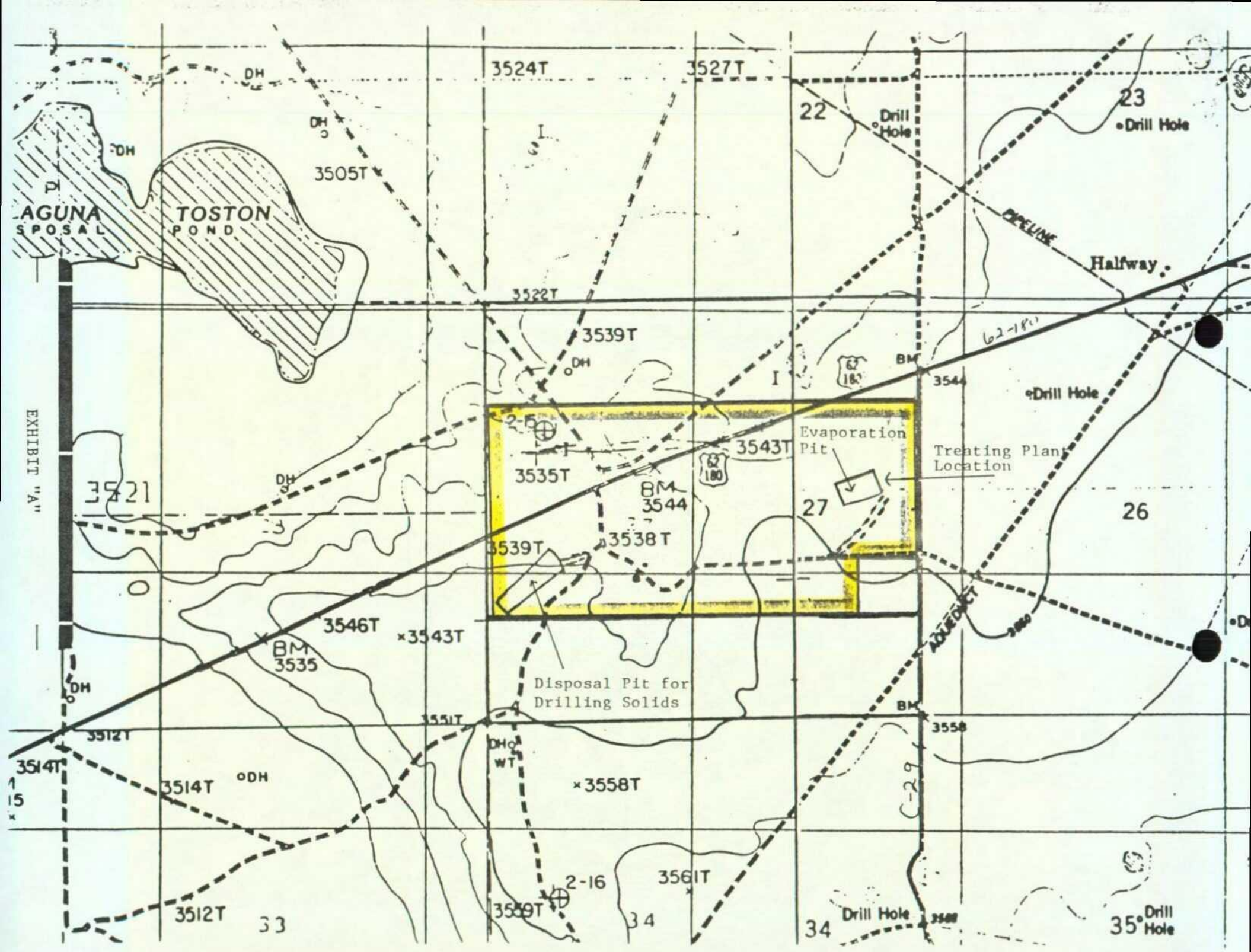
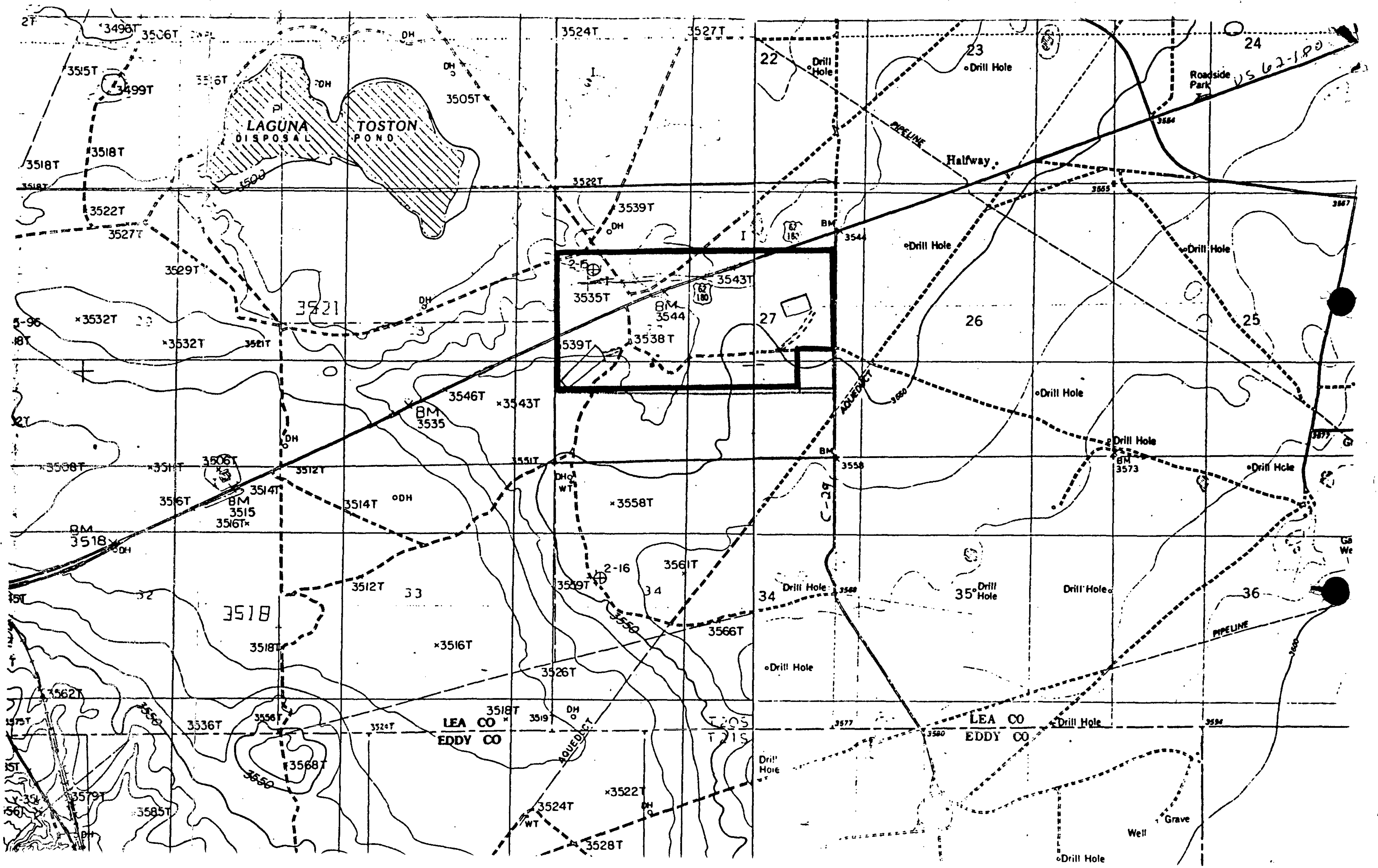


EXHIBIT "A"
3524T
3527T
22
23
Drill Hole
Drill Hole
DH
3505T
LAGUNA
SPOSAL
TOSTON
POND
PIPELINE
Halfway
3522T
3539T
62-180
BM
3544
Drill Hole
2-5
3543T
Evaporation
Pit
Treating Plant
Location
3535T
BM
3544
3521
27
26
3538T
3539T
3546T
×3543T
BM
3535
Disposal Pit for
Drilling Solids
AQUEDUCT
3551T
BM
3558
3512T
3514T
3514T
DH
WT
×3558T
C-29
2-16
3561T
3559T
3512T
33
34
34
Drill Hole
35°Drill
Hole


LAGUNA TOSTON
DISPOSAL POND
Halfway
Roadside Park
US 62-180
PIPELINE
AQUEDUCT
Drill Hole
LEA CO
EDDY CO
T20S
T21S
22
23
24
26
25
27
33
34
35
36
32
2-5
2-16
C-29
Well
Grave
WT
DH
BM
3535T
3543T
3544
3538T
3539T
3546T
3558T
3561T
3566T
3526T
3516T
3512T
3514T
3518T
3532T
3522T
3527T
3529T
3505T
3524T
3528T
3568T
3536T
3562T
3579T
3585T
3573
3558
3550

I (C) Facility location: All of S/2 N/2, N/2 S/2 of Section 27, Township 20 South, Range 32 East, N.M.P.M., Lea County, New Mexico except for a 20-acre tract situated in the NE/4 SE/4 fully described in page 3 of Exhibit B to this application.

(D) This facility will receive produced water, water from water flows, reverse pit liquids and solids, reserve pit liquids and solids, drilling liquids and solids, sediment oil, saturated soils, and other oilfield products or wastes. Process fluid thru settling, skimming tanks and dispose hydrocarbons free fluids in an unlined below grade surface pit for evaporation. Drill cuttings will be disposed in unlined below grade surface pits. The drilling solids will be recovered from drying ramps and disposed of in the solids pit. Sediment oil will be treated chemically and through heater treater.

II A.1 Sec. 1D, the capacity of the facility is dependent upon the amount of incoming product.

A.2 (a) Three 400 barrel settling tanks for gravity separation of hydrocarbons from water. Hydrocarbon free water to be discharged into below grade unlined evaporation pit. No leak detection system to be installed. Retaining dike will be constructed around settling tanks and oil storage tanks.

(b) Drying ramps will be separate from liquid facility. Sloped drying ramps with solids retention system will be used to recover solids from drilling fluids. Solids will be removed and disposed of in below grade surface pit.

B.1 All pits are below grade, no ruptures anticipated. Berm will be constructed around settling tanks and oil storage tanks. Notification on any leaks will be reported to O.C.D. if they occur. No leak detection planned other than observation.

C. Closure Plan:

As required by EID & EPA

E. Skimmer Tanks

Tanks will receive all fluids & seperation of hydrocarbons will be accomplished by gravity seperation. No hydrocarbons will be discharged into evaporation pit. Oil recovered from skimmer tank will be transfered to oil storage tanks and processed through heater treater and stored in sales tanks. Plan is that neither storage nor sales tanks will be over 1/2 full before removed by sales or treatment.

F. Facility will be fenced per O.C.D. requirements. Signs will be lettered and contain all information required by O.C.D. and kept in good condition.

G. Below grade pits, settling tanks and oil storage tanks will be inspected at least twice weekly and observed daily.

H. H2S detection will be located in close proximity to settling tanks.

EXHIBIT "B"

DESCRIPTION

A tract of land situated in the Northeast Quarter of the Southeast Quarter (NE¼ SE¼) of Section 27 , Township 20 South, Range 32 East, N.M.P.M., Lea Countv, New Mexico, being more particularly described as follows:

Beginning at a point which lies S89°54'13"W 60.00 feet from the Southeast Corner of the Northeast Quarter of the Southeast Quarter of said Section 27, said point being on the West right-of-way of a County Road; thence N00°01'W 933.38 feet along said right-of-way; thence S89°54'13"W 933.38 feet; thence S00°01'E 933.38 feet; thence N89°54'13"E 933.38 feet to the point of beginning, containing 20.00 acres, more or less.

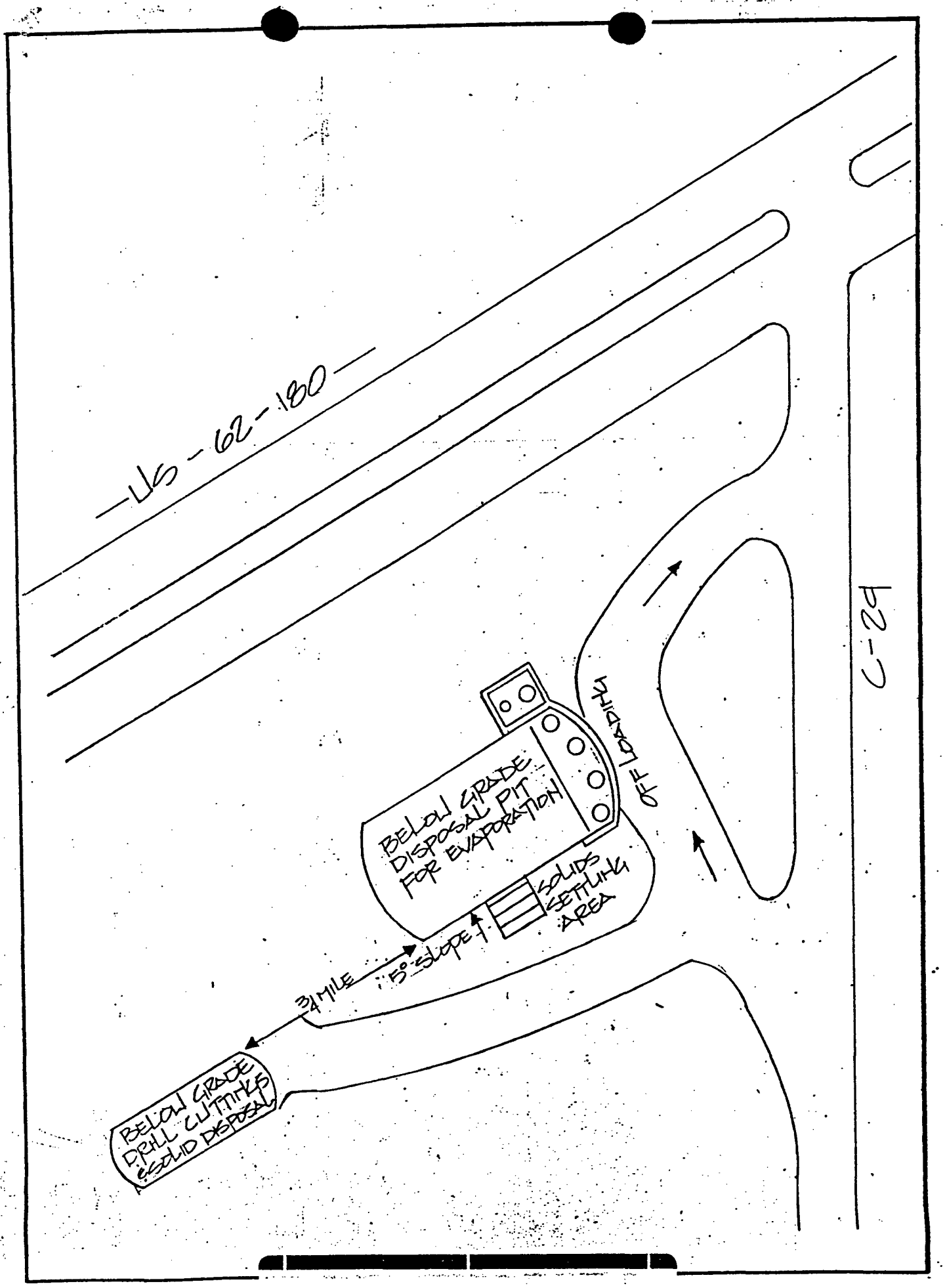
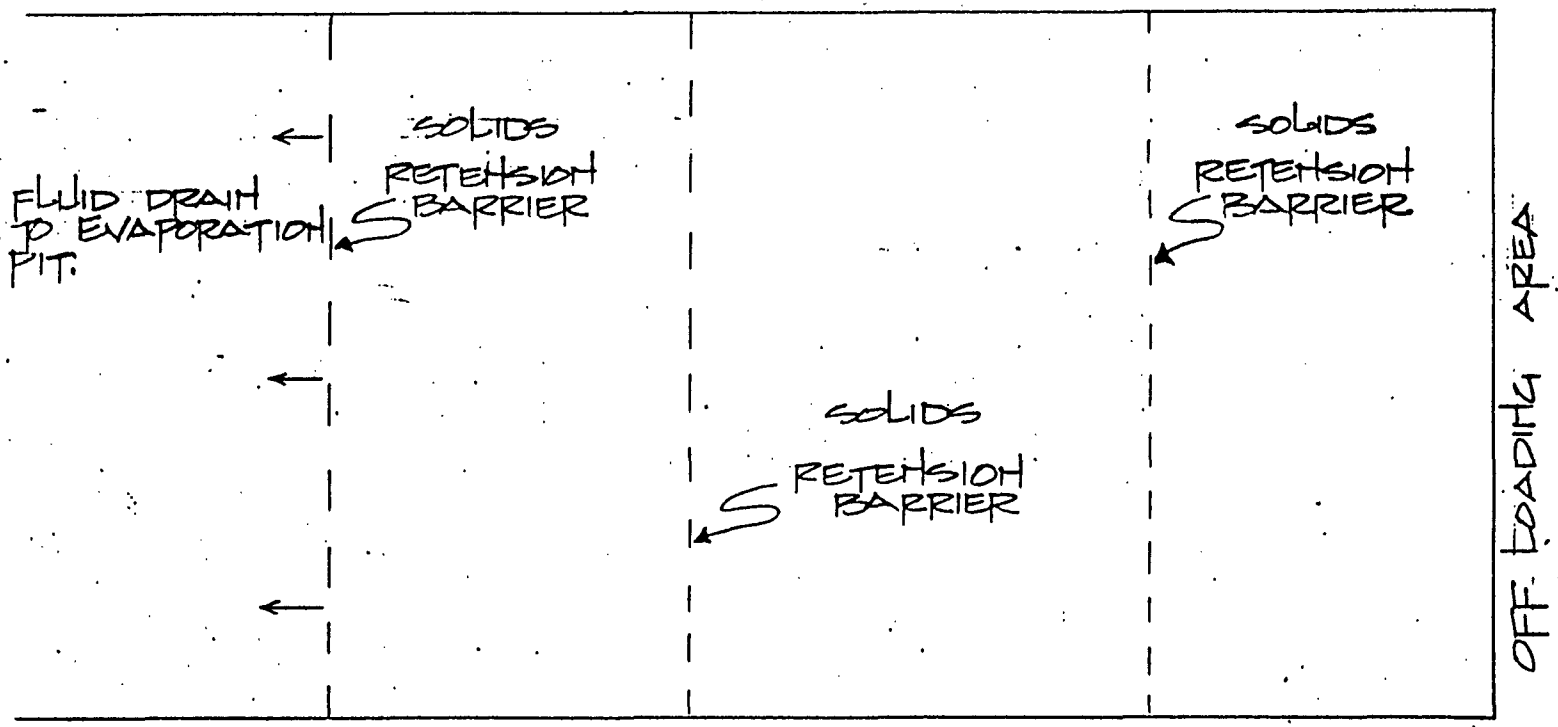
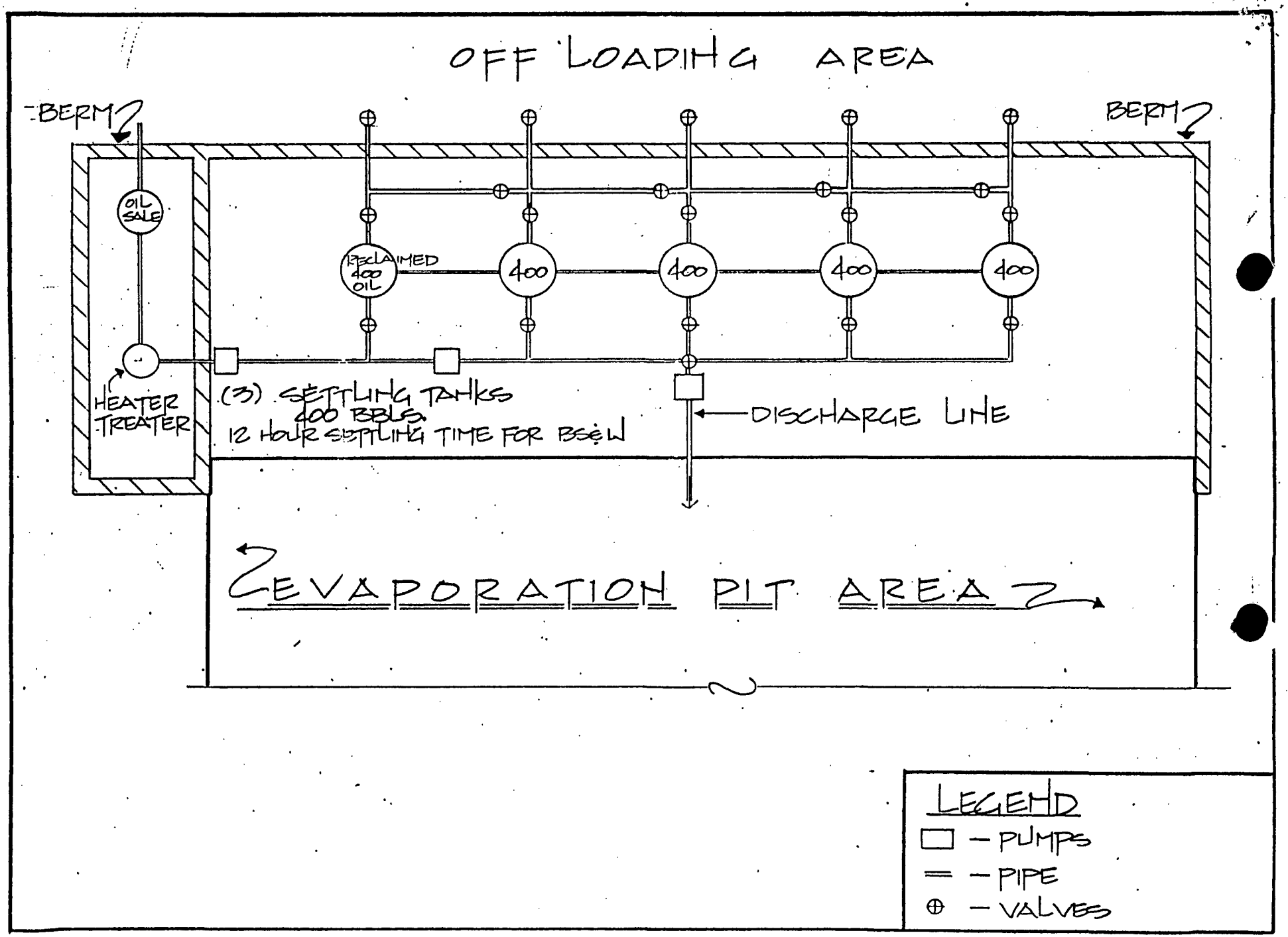

US-62-180
C-24
BELOW GRADE DISPOSAL PIT FOR EVAPORATION
SOLIDS SETTLING AREA
OFF LOADING
3/4 MILE
15° SLOPE
BELOW GRADE DRILL CUTTINGS & SOLID DISPOSAL

EXHIBIT "C"

SETTLING RAMP FOR DRILLING SOLIDS
INDUSTRY STANDARD DESIGN




OFF LOADING AREA
BERM
BERM
OIL SALE
RECLAIMED 400 OIL
400
400
400
400
HEATER TREATER
(3) SETTLING TANKS 400 BBLS
12 HOUR SETTLING TIME FOR BS&W
DISCHARGE LINE
EVAPORATION PIT AREA
LEGEND
□ – PUMPS
= – PIPE
⊕ – VALVES

CAMPBELL & BLACK, P.A.
LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
MARK F. SHERIDAN
WILLIAM P. SLATTERY
PATRICIA A. MATTHEWS

JEFFERSON PLACE
SUITE 1 - 110 NORTH GUADALUPE
POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87504-2208
TELEPHONE: (505) 988-4421
TELECOPIER: (505) 983-6043

February 23, 1990

HAND-DELIVERED

William J. LeMay, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
State Land Office Building
Santa Fe, New Mexico 87503

Re: Application of Controlled Recovery, Inc. for an Oil Treating Plant Permit, and Surface Waste Disposal, Lea County, New Mexico

Dear Mr. LeMay:

Enclosed in triplicate is the above-referenced Application of Controlled Recovery, Inc. Controlled Recovery, Inc., respectfully requests that this matter be placed on the docket for the Examiner hearings scheduled on March 7, 1990.

Very truly yours,

WILLIAM F. CARR
WFC:mlh
Enclosures
cc w/enclosures: Mr. Jerry Sexton, Supervisor
and Oil and Gas Inspector
Post Office Box 1980
Hobbs, New Mexico 88240

David G. Boyer, Chief
Environmental Bureau
Oil Conservation Division
Santa Fe, New Mexico 87501

Mr. Ken Marsh
Controlled Recovery, Inc.

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

GARREY CARRUTHERS
GOVERNOR

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

MEMORANDUM: To Whom It May Concern

FROM: Jerry Sexton, District I Supervisor

DATE: February 23, 1990

Lea County has only one facility to handle oilfield waste such as tank bottoms, drilling mud, etc. This does present a problem in disposal of such matter in an environmentally safe manner at a reasonable cost due to hauling distance.

JS:jm

BEFORE EXAMINER CATANACH
OIL CONSERVATION DIVISION
CONTROLLED RECOVERY EXHIBIT NO. 3
CASE NO. 9882

BEFORE THE

OIL CONSERVATION DIVISION

NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

RECEIVED

FEB 23 1990

OIL CONSERVATION DIV.
SANTA FE

IN THE MATTER OF THE APPLICATION OF
CONTROLLED RECOVERY, INC., FOR
AN OIL TREATING PLANT PERMIT,
AND SURFACE WASTE DISPOSAL,
LEA COUNTY, NEW MEXICO.

CASE NO._____

APPLICATION
FOR AN OIL TREATING PLANT PERMIT AND
SURFACE WASTE DISPOSAL

CONTROLLED RECOVERY, INC. hereby makes application to the Oil Conservation Division for an oil treating plant permit and surface waste disposal, Lea County, New Mexico and in support thereof states:

1. Applicant is the owner of certain acreage in Lea County, New Mexico which is suitable for the surface disposal of oil field wastes. The President and local representative of Controlled Recovery, Inc. is Ken Marsh, Post Office Box 399, (5600 Carlsbad Highway), Hobbs, New Mexico 88240, (505) 393-1079.

2. This application is made pursuant to the provisions of Oil Conservation Division Rules 312 and 711.

3. The proposed location of this treating plant and surface waste disposal facility is in the S/2 N/2 and N/2 S/2 of Section 27, Township 20 South, Range 32 East, N.M.P.M., Lea County, New Mexico. Attached hereto as Exhibit "A" are plats identifying the location of the proposed facility identifying all highways or roads going across to the

plant site and giving access to this facility, locations of all pits, skimmer ponds, all above and below grade tanks, and all water courses, water wells and dwellings within one mile of the site.

4. The type and capacity of the proposed facility is set forth in Exhibit "B" which is attached hereto. Numbers in Exhibit "B" correspond to the Section numbers contained in the Division's "Guidelines for Applications for Waste Storage/Disposal Pit Permits."

5. Diagrams of the facility are attached hereto as Exhibit "C" which show the location of all fences and cattleguards and contains detailed engineering construction and installation diagrams of any and all pits for solids and liquids disposal, dikes, piping, sprayers, and tanks on the facilities prepared in accordance with Division "Guidelines for Permit Application, Design and Construction of Waste Storage/Disposal Pits."

6. All operations at this facility including the reporting and clean-up of any spills, releases, routine inspection and maintenance of the facility, and closer of pits will be in accordance with Division Rules and Regulations.

WHEREFORE, Controlled Recovery, Inc. requests that this application be set for hearing before a duly appointed Examiner of the Oil Conservation Division on March 7, 1990, that notice be given as required by law and the rules of the Division, and that this application be approved.

Respectfully submitted,

CAMPBELL & BLACK, P.A.

By: _____

WILLIAM F. CARR
Post Office Box 2208
Santa Fe, New Mexico 87504
Telephone: (505) 988-4421

ATTORNEYS FOR CONTROLLED RECOVERY, INC.

"I hereby certify that I am familiar with the information contained in and submitted with this application and that such information is true, accurate, and complete to the best of my knowledge and belief."

Ken Marsh
(Signature)

2-22-90
(Date)

Ken Marsh
(Printed Name of Person Signing)

President
(Title)

ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
HOBBS, NEW MEXICO

WATER ANALYSIS REPORT FORM

WELL OWNERSHIP: Controlled Recovery Inc. WELL #: 1A

LAND STATUS: STATE _____ FEDERAL _____ FEE _____

WELL LOCATION: Unit Letter _____ Section 27 Township 20 Range 32

QUARTER/QUARTER - FOOTAGE LOCATION: _____

WELL TYPE: Moniter well DEPTH ? feet

WELL USE: _____

SAMPLE NUMBER: 1 TAKEN BY: Eddie Seay & Ken Marsh

DATE: 2/27/90

Specific Conductance:	50,000+	m/h
Total dissolved solids:	??	PPM
Chlorides:	136,675	PPM
Sulfates:		PPM

Ortho-phosphates: Very Low _____ Low _____ Med _____ Hi _____

Sulfides: None _____ Low _____ Med _____ Hi _____

OTHER: _____

DATE ANALYZED: 2/28/90 BY: Eddie W. Seay
OIL CONSERVATION DIVISION
Eddie W. Seay

REMARKS: Sample taken at 35 feet.
Top of water at 20 feet.
1 ml sample 2550 x 38.5 titration = 136,675 ppm Cl
SC - meter pegged out at 50,000 plus.

ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
HOBBS, NEW MEXICO

WATER ANALYSIS REPORT FORM

WELL OWNERSHIP: Controlled Recovery Inc. WELL #: 2A

LAND STATUS: STATE _____ FEDERAL _____ FEE _____

WELL LOCATION: Unit Letter _____ Section 27 Township 20 Range 32

QUARTER/QUARTER - FOOTAGE LOCATION: _____

WELL TYPE: Moniter well DEPTH ? feet

WELL USE: _____

SAMPLE NUMBER: 1 TAKEN BY: Eddie Seay & Ken Marsh

DATE: 2/27/90

Specific Conductance:	1700	m/h
Total dissolved solids:	1190	PPM
Chlorides:	568	PPM
Sulfates:		PPM

Ortho-phosphates: Very Low _____ Low _____ Med _____ Hi _____

Sulfides: None _____ Low _____ Med _____ Hi _____

OTHER:

DATE ANALYZED: 2/28/90 BY: Eddie W. Seay

OIL CONSERVATION DIVISION
Eddie W. Seay

REMARKS: Sample taken at 44 feet.
Top of water at 38 feet.
5 ml sample 710 x .8 = 568 ppm Cl
SC - metered 1700
TDS - calculated

ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
HOBBS, NEW MEXICO

WATER ANALYSIS REPORT FORM

WELL OWNERSHIP: Controlled Recovery Inc. WELL #: 3A

LAND STATUS: STATE _____ FEDERAL _____ FEE _____

WELL LOCATION: Unit Letter _____ Section 27 Township 20 Range 32

QUARTER/QUARTER - FOOTAGE LOCATION: _____

WELL TYPE: Moniter well DEPTH _____ feet

WELL USE: _____

SAMPLE NUMBER: 1 TAKEN BY: Eddie Seay & Ken Marsh

DATE: 2/27/90

Specific Conductance: 50,000+ mh

Total dissolved solids: ?? PPM

Chlorides: 95,850 PPM

Sulfates: _____ PPM

Ortho-phosphates: Very Low _____ Low _____ Med _____ Hi _____

Sulfides: None _____ Low _____ Med _____ Hi _____

OTHER:

DATE ANALYZED: 2/28/90 BY: Eddie W Seay

OIL CONSERVATION DIVISION
Eddie W. Seay

REMARKS: Sample taken at 40 feet.

Top of water at 20 feet.

1 ml sample 3550 x 27 titration = 95,850 ppm Cl

SC - meter pegged out at 50,000 plus.

ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
HOBBS, NEW MEXICO

WATER ANALYSIS REPORT FORM

WELL OWNERSHIP: Controlled Recovery Inc. WELL #: 5

LAND STATUS: STATE _____ FEDERAL _____ FEE _____

WELL LOCATION: Unit Letter _____ Section 27 Township 20 Range 32

QUARTER/QUARTER - FOOTAGE LOCATION: _____

WELL TYPE: Moniter well DEPTH ? feet

WELL USE: _____

SAMPLE NUMBER: 1 TAKEN BY: Eddie Seay & Ken Marsh

DATE: 2/27/90

Specific Conductance:	50,000+	mh
Total dissolved solids:	??	PPM
Chlorides:	37,275	PPM
Sulfates:		PPM

Ortho-phosphates: Very Low _____ Low _____ Med _____ Hi _____

Sulfides: None _____ Low _____ Med _____ Hi _____

OTHER:

_____ _____

DATE ANALYZED: 2/28/90 BY: Eddie W Seay
OIL CONSERVATION DIVISION
Eddie W. Seay

REMARKS: Sample taken at 40 feet.
Top of water at 28 feet.
1 ml sample 3550 x 10.5 = 37,275 ppm Cl
SC - meter pegged out at 50,000+.

ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
HOBBS, NEW MEXICO

WATER ANALYSIS REPORT FORM

WELL OWNERSHIP: Controlled Recovery Inc. WELL #: 6

LAND STATUS: STATE _____ FEDERAL _____ FEE _____

WELL LOCATION: Unit Letter _____ Section 27 Township 20 Range 32

QUARTER/QUARTER - FOOTAGE LOCATION: _____

WELL TYPE: Moniter Well DEPTH ? feet

WELL USE: _____

SAMPLE NUMBER: 1 TAKEN BY: Eddie Seay & Ken Marsh

DATE: 2/27/90

Specific Conductance:	2750	m/h
Total dissolved solids:	1925	PPM
Chlorides:	866.1	PPM
Sulfates:		PPM

Ortho-phosphates: Very Low _____ Low _____ Med _____ Hi _____

Sulfides: None _____ Low _____ Med _____ Hi _____

OTHER:

DATE ANALYZED: 2/28/90 BY: Eddie W Seay

OIL CONSERVATION DIVISION
Eddie W. Seay

REMARKS: Sample taken at 40 feet.

Top of water at 23 feet.

25 ml sample 142 x 6.1 titration = 866.1 ppm Cl

SC - metered 2750

TDS - calculated

UNICHEM INTERNATIONAL

TECHNI-BREAK 105

PRODUCT BULLETIN

DESCRIPTION:

TECHNI-BREAK 105 is a specially formulated solvent based solution of surface active agents designed to promote the separation of water in oil emulsions. TECHNI-BREAK 105 is especially effective in breaking acid emulsions. TECHNI-BREAK 105 will also control hydration of water sensitive clays.

USES:

TECHNI-BREAK 105 was originally formulated to demulsify tank bottoms, slop oil, and acid emulsions. However, TECHNI-BREAK 105 can also be used to dehydrate crude oil production.

APPLICATION:

TECHNI-BREAK 105 may be batch treated into stock tanks and treating vessels with agitation or rolling. TECHNI-BREAK 105 can also be injected continuously into the treating system at a point of turbulence to insure thorough mixing with the produced fluids. An emulsion breaker bottle test should be performed to determine the most effective demulsifier.

TYPICAL PROPERTIES:

Specific Gravity @ 60°F	.90
Pounds Per Gallon @ 60°F	7.52
Pour Point	-40°F
Flash Point (TCC)	74°F
SOLUBILITIES:	
Fresh Water	Dispersible
2% Brine	Dispersible
15% Brine	Dispersible
Crude Oil	Soluble
Appearance	Amber Liquid

HANDLING:

Warning! Flammable. Keep away from heat, sparks, and open flame. Keep container closed when not in use. Do not breathe vapors, use with adequate ventilation. Avoid contact with eyes, skin, and clothing. Refer to material safety data sheet for additional information and first aid.

PACKAGING:

TECHNI-BREAK 105 is sold in 55 gallon drums and bulk.

12/83

P. O. Box 1499 - Hobbs, N.M. 88240 - Phone 505/393-7751

UNICHEM INTERNATIONAL

MATERIAL SAFETY DATA SHEET

"Essentially Similar" to Form OSHA-20

Date Prepared 1/31/85

Supersedes Previous Sheet Dated New

I PRODUCT IDENTIFICATION

UNICHEM INTERNATIONAL 707 N. Leech / P. O. Box 1499 / Hobbs, New Mexico 88240	EMERGENCY TELEPHONE NO. (505) 393-7751

PRODUCT NAME TECHNI-BREAK 105 TRADE NAME: DEMULSIFIER

CHEMICAL DESCRIPTION:

Proprietary blend of demethyl benzyl ammonium chloride in aromatic solvent.

II HAZARDOUS INGREDIENTS

MATERIAL	%	TLV (UNITS)
Aromatic Solvent		8 hr. TWA 100 ppm
Dimethyl benzyl ammonium chloride	25%	recommended

III PHYSICAL DATA

BOILING POINT, 760 mm Hg	N/D	FREEZING POINT:	$0^{\circ}F$
SPECIFIC GRAVITY (H_2O=1)	.90	VAPOR PRESSURE @	N/D
VAPOR DENSITY (AIR=1)	N/D	SOLUBILITY IN WATER	Insoluble
PERCENT VOLATILES BY WEIGHT	N/D	EVAPORATION RATE	N/D

APPEARANCE AND ODOR: Dark Amber liquid, aromatic odor.

IV FIRE AND EXPLOSION HAZARD DATA

FLASH POINT (TEST METHOD) $74^{\circ}F$ (TCC)

FLAMMABLE LIMITS IN AIR, % BY VOLUME	LOWER	N/A	UPPER	N/A

EXTINGUISHING MEDIA: Foam, dry chemical, CO_2, water spray or fog. Use a water spray to cool fire-exposed containers.

SPECIAL FIRE FIGHTING PROCEDURES: Use self-contained breathing equipment for enclosed areas in a fire situation.

UNUSUAL FIRE AND EXPLOSION HAZARDS: Vapors can flow along surfaces to distant ignition sources and flash back.

Liability is expressly disclaimed for any loss or injury arising out of the use of this information or the use of any materials designated.

*N/D - Not Determined

V HEALTH HAZARD DATA

THRESHOLD LIMIT VALUE	TLV 100ppm (estimated--not established by ACGIH or OSHA)
EFFECTS OF OVEREXPOSURE	Inhalation of high vapor, concentrations may have results ranging from mild depression to convulsions and loss of consciousness. Concentrations over 100ppm may cause dizziness, nausea, and headache. Prolonged or repeated skin contact is irritating and w cause defatting and dermatitus. Eye contact may cause burning an irritation. Aspiration can be a hazard if material is swallowed.
EMERGENCY AND FIRST AID PROCEDURES	SKIN: Remove contaminated clothing; wash with soap and water. EYES: Flush eyes with lots of running water. INHALATION: Remove fresh air. Restore breathing if necessary. Call a Physician. INGESTION: Do not induce vomiting. Give white mineral oil or edi oil. Call a physician.

VI REACTIVITY DATA

STABILITY		CONDITIONS TO AVOID	
UNSTABLE	STABLE		
	XXXXXX		NONE

INCOMPATIBILITY (MATERIALS TO AVOID)	Avoid oxidizing agents.
HAZARDOUS DECOMPOSITION PRODUCTS	Toxic fumes and gases including oxides and carbon and nitrogen.

HAZARDOUS POLYMERIZATION		CONDITIONS TO AVOID	
MAY OCCUR	WILL NOT OCCUR		
	XXXXXXXXX		NONE

VII SPILL OR LEAK PROCEDURES

STEPS TO BE TAKEN IF MATERIAL IS RELEASED OR SPILLED	Remove all sources of ingintion. Provide adequate ventilation. Conta and recover free liquid. Use vermiculite, sand, etc. to abosrb resid or small spill. Scrape up and place in covered metal container. Prevent liquid from entering sewer or water course.
WASTE DISPOSAL METHOD	Dispose of by incineration or by depositing in an approved landfill under controlled conditions. Follow all Federal, State, and local regulations.

VIII SPECIAL PROTECTION INFORMATION

RESPIRATORY PROTECTION (SPECIFY TYPE)		Use respirators with organic solvent type canisters for short periods of nonroutine work at 100-2000ppm. Use self-contained breathing apparatus for higher or unknown vapor concentrations.		
VENTILATION	LOCAL EXHAUST	As needed to meet TLV requirements	SPECIAL	100 lfm face velocity for exhaust hoods.
	MECHANICAL (GENERAL)	As needed to meet TLV requirements	OTHER	
PROTECTIVE GLOVES		Buna-N rubber gloves and apron to prevent contact.	EYE PROTECTION	Safety glasses or goggles and/or face shield.
OTHER PROTECTIVE EQUIPMENT		Eye wash stations should be readily accessible.		

IX SPECIAL PRECAUTIONS

PRECAUTIONS TO BE TAKEN IN HANDLING AND STORING	Store containers in clean, cool, well-ventilated, low fire-risk area away from oxidizing agents and ignition sources. Ground and electrically interconnect metal containers when dispensing. Use safety cans for small amount
OTHER PRECAUTIONS	NONE

TECHNI-BREAK 100

UNICHEM INTERNATIONAL

PRODUCT BULLETIN

DESCRIPTION: TECHNI-BREAK 100 is a specially formulated solvent-based solution of surface active agents designed to promote the separation of water in oil emulsions. The incorporated wetting agents will effectively displace oil from iron sulfide, sand and other solids contained in the crude oil emulsion, and therefore aid the demulsification process.

USES: TECHNI-BREAK 100 has been formulated primarily to demulsify "tank bottoms" and "slop oil." However, TECHNI-BREAK 100 can also be used to dehydrate crude oil production.

APPLICATION: TECHNI-BREAK 100 may be batch treated into stock tanks and treating vessels with agitation or rolling. TECHNI-BREAK 100 can also be injected continuously into the treating system at a point of turbulence to insure thorough mixing with the produced fluids. An emulsion breaker bottle test should be performed to determine the most effective demulsifier.

TYPICAL PROPERTIES:

Specific Gravity @ 60°F	.92
Pounds Per Gallon @ 60°F	7.64
Pour Point	-40°F
Flash Point (TCC)	66°F
SOLUBILITIES:	
Fresh Water	Dispersible
2% Brine	Dispersible
15% Brine	Dispersible
Crude Oil	Soluble
Appearance	Amber Liquid

HANDLING: Warning! Flammable. Keep away from heat, sparks and open flame. Keep container closed when not in use. Do not breathe vapors, use with adequate ventilation. Avoid contact with eyes, skin and clothing. Refer to material safety data sheet for additional information and first aid.

PACKAGING: TECHNI-BREAK 100 is sold in 55 gallon drums and bulk.

BEFORE EXAMINER CATANACH
OIL CONSERVATION DIVISION
CONTROLLED RECOVERY EXHIBIT NO. 7
CASE NO. 9882

4/85

P. O. Box 1499 - Hobbs, N.M. 88240 - Phone 505/393-7751

UNICHEM INTERNATIONAL

MATERIAL SAFETY DATA SHEET

"Essentially Similar" to Form OSHA-20

Date Prepared May 20, 1988

Supersedes Previous Sheet Dated July 1, 1986

I PRODUCT IDENTIFICATION

UNICHEM INTERNATIONAL 707 N. Leech / P. O. Box 1499 / Hobbs, New Mexico 88240	EMERGENCY TELEPHONE NO. (505) 393-7751

PRODUCT NAME TECHNI-BREAK 100 **TRADE NAME:** DEMULSIFIER

CHEMICAL DESCRIPTION:

Proprietary blend of surfactants, organic amines and acid in aromatic solvent.

II HAZARDOUS INGREDIENTS

MATERIAL		TLV (UNITS)
TRADE SECRET		TWA 100 ppm recommended

III PHYSICAL DATA

BOILING POINT, 760 mm Hg	N/D	FREEZING POINT:	-40° F
SPECIFIC GRAVITY (H_2O=1)	.92	VAPOR PRESSURE @	N/D
VAPOR DENSITY (AIR=1)	N/D	SOLUBILITY IN WATER	Dispersible
PERCENT VOLATILES BY WEIGHT	N/D	EVAPORATION RATE	N/D

APPEARANCE AND ODOR Dark Amber liquid, aromatic odor

IV FIRE AND EXPLOSION HAZARD DATA

FLASH POINT (TEST METHOD) 66° F (TCC)

FLAMMABLE LIMITS IN AIR, % BY VOLUME	LOWER	N/A	UPPER	N/A

EXTINGUISHING MEDIA Foam, dry chemical, CO_2, water spray or fog. Use a water spray to cool fire-exposed containers.

SPECIAL FIRE FIGHTING PROCEDURES Use self-contained breathing equipment for enclosed areas in a fire situation.

UNUSUAL FIRE AND EXPLOSION HAZARDS Vapors can flow along surfaces to distant ignition sources and flash back.

*N/D - Not Determined

V HEALTH HAZARD DATA

THRESHOLD LIMIT VALUE	TLV 100ppm (estimated--not established by ACGIH or OSHA)
EFFECTS OF OVEREXPOSURE	Inhalation of high vapor concentrations may have results ranging from mild depression to convulsions and loss of consciousness concentrations over 100 ppm may cause dizziness, nausea, and headache. Prolonged or repeated skin contact is irritating and will cause defatting and dermatitus. Eye contact may cause burni and irritation. Aspiration can be a hazard if material is swallo
EMERGENCY AND FIRST AID PROCEDURES	Skin: Remove contaminated clothing; wash with soap and water. Eyes: Flush eyes with lots of running water. INHALATION: Remove to fresh air. restore breathing if necessary.(a physician

VI REACTIVITY DATA

STABILITY		CONDITIONS TO AVOID	
UNSTABLE	STABLE		
	XXXXXXXX		NONE

INCOMPATIBILITY (MATERIALS TO AVOID)	Avoid oxidizing agents
HAZARDOUS DECOMPOSITION PRODUCTS	Toxic fumes and gases including oxides and carbon and nitrogen.

HAZARDOUS POLYMERIZATION		CONDITIONS TO AVOID	
MAY OCCUR	WILL NOT OCCUR		
	XXXXXXXXXX		NONE

VII SPILL OR LEAK PROCEDURES

STEPS TO BE TAKEN IF MATERIAL IS RELEASED OR SPILLED	Remove all sources of ignition. Provide adequate ventilation. Conta and recover free liquid. Use vermiculite, sand, etc. to absorb resi or small spill. Scrape up and place in covered metal container. Prevent liquid from entering sewer or water course.
WASTE DISPOSAL METHOD	Dispose of by incineration or by depositing in an approved landfill under controlled conditions. Follow all Federal, State, and local regulations.

VIII SPECIAL PROTECTION INFORMATION

RESPIRATORY PROTECTION (SPECIFY TYPE)	Use respirators with organic solvent type canisters for short periods of nonroutine work at 100-200ppm. Use self-contained breathing apparatus for higher or unknown vapor concentrations.			
VENTILATION	LOCAL EXHAUST	As needed to meet TLV requirements	SPECIAL	100 lfm face velocity for exhaust hoods.
	MECHANICAL (GENERAL)	As needed to meet TLV requirements	OTHER	
PROTECTIVE GLOVES		Buna-N rubber gloves and apron to prevent contact.	EYE PROTECTION	safety glasses or goggles and/or face shield.
OTHER PROTECTIVE EQUIPMENT		Eye wash stations should be readily accessible.		

IX SPECIAL PRECAUTIONS

PRECAUTIONS TO BE TAKEN IN HANDLING AND STORING	Store containers in clean, cool, well-ventilated, low fire-risk area away from oxidizing agents and ignition sources. Ground and electrically inter connect metal containers when dispensing. Use safety cans for small amount
OTHER PRECAUTIONS	

UNICHEM INTERNATIONAL

TECH BREAK 105

PRODUCT BULLETIN

DESCRIPTION: TECHNI-BREAK 105 is a specially formulated solvent based solution of surface active agents designed to promote the separation of water in oil emulsions. TECHNI-BREAK 105 is especially effective in breaking acid emulsions. TECHNI-BREAK 105 will also control hydration of water sensitive clays.

USES: TECHNI-BREAK 105 was originally formulated to demulsify tank bottoms, slop oil, and acid emulsions. However, TECHNI-BREAK 105 can also be used to dehydrate crude oil production.

APPLICATION: TECHNI-BREAK 105 may be batch treated into stock tanks and treating vessels with agitation or rolling. TECHNI-BREAK 105 can also be injected continuously into the treating system at a point of turbulence to insure thorough mixing with the produced fluids. An emulsion breaker bottle test should be performed to determine the most effective demulsifier.

TYPICAL PROPERTIES:

Specific Gravity @ 60°F	.90
Pounds Per Gallon @ 60°F	7.52
Pour Point	-40°F
Flash Point (TCC)	74°F
SOLUBILITIES:	
Fresh Water	Dispersible
2% Brine	Dispersible
15% Brine	Dispersible
Crude Oil	Soluble
Appearance	Amber Liquid

HANDLING: Warning! Flammable. Keep away from heat, sparks, and open flame. Keep container closed when not in use. Do not breathe vapors, use with adequate ventilation. Avoid contact with eyes, skin, and clothing. Refer to material safety data sheet for additional information and first aid.

PACKAGING: TECHNI-BREAK 105 is sold in 55 gallon drums and bulk.

12/83

P. O. Box 1499 - Hobbs, N.M. 88240 - Phone 505/393-7751

UNICHEM INTERNATIONAL

MATERIAL SAFETY DATA SHEET

"Essentially Similar" to Form OSHA-20

Date Prepared 1/31/85

Supersedes Previous Sheet Dated New

I PRODUCT IDENTIFICATION

UNICHEM INTERNATIONAL 707 N. Leech / P. O. Box 1499 / Hobbs, New Mexico 88240	EMERGENCY TELEPHONE NO. (505) 393-7751

PRODUCT NAME TECHNI-BREAK 105 TRADE NAME: DEMULSIFIER

CHEMICAL DESCRIPTION:

Proprietary blend of demethyl benzyl ammonium chloride in aromatic solvent.

II HAZARDOUS INGREDIENTS

MATERIAL	%	TLV (UNITS)
Aromatic Solvent		8 hr. TWA 100 ppm
Dimethyl benzyl ammonium chloride	25%	recommended

III PHYSICAL DATA

BOILING POINT, 760 mm Hg	N/D	FREEZING POINT:	$0^{o}F$
SPECIFIC GRAVITY (H_2O=1)	.90	VAPOR PRESSURE @	N/D
VAPOR DENSITY (AIR=1)	N/D	SOLUBILITY IN WATER	Insoluble
PERCENT VOLATILES BY WEIGHT	N/D	EVAPORATION RATE	N/D

APPEARANCE AND ODOR Dark Amber liquid, aromatic odor.

IV FIRE AND EXPLOSION HAZARD DATA

FLASH POINT (TEST METHOD) $74^{o}F$ (TCC)

FLAMMABLE LIMITS IN AIR, % BY VOLUME	LOWER	N/A	UPPER	N/A

EXTINGUISHING MEDIA Foam, dry chemical, CO_2, water spray or fog. Use a water spray to cool fire exposed containers.

SPECIAL FIRE FIGHTING PROCEDURES Use self-contained breathing equipment for enclosed areas in a fire situation.

UNUSUAL FIRE AND EXPLOSION HAZARDS Vapors can flow along surfaces to distant ignition sources and flash back.

*N/D - Not Determined

V HEALTH HAZARD DATA

THRESHOLD LIMIT VALUE	TLV 100ppm (estimated--not established by ACGIH or OSHA)
EFFECTS OF OVEREXPOSURE	Inhalation of high vapor, concentrations may have results ranging from mild depression to convulsions and loss of consciousness. Concentrations over 100ppm may cause dizziness, nausea, and headache. Prolonged or repeated skin contact is irritating and w cause defatting and dermatitus. Eye contact may cause burning an irritation. Aspiration can be a hazard if material is swallowed.
EMERGENCY AND FIRST AID PROCEDURES	SKIN: Remove contaminated clothing; wash with soap and water. EYES: Flush eyes with lots of running water. INHALATION: Remove fresh air. Restore breathing if necessary. Call a Physician. INGESTION: Do not induce vomiting. Give white mineral oil or edi oil. Call a physician.

VI REACTIVITY DATA

STABILITY		CONDITIONS TO AVOID	
UNSTABLE	STABLE		
	XXXXXX		NONE

INCOMPATIBILITY (MATERIALS TO AVOID)	Avoid oxidizing agents.
HAZARDOUS DECOMPOSITION PRODUCTS	Toxic fumes and gases including oxides and carbon and nitrogen.

HAZARDOUS POLYMERIZATION		CONDITIONS TO AVOID	
MAY OCCUR	WILL NOT OCCUR		
	XXXXXXXXX		NONE

VII SPILL OR LEAK PROCEDURES

STEPS TO BE TAKEN IF MATERIAL IS RELEASED OR SPILLED	Remove all sources of ingintion. Provide adequate ventilation. Conta and recover free liquid. Use vermiculite, sand, etc. to abosrb resid or small spill. Scrape up and place in covered metal container. Prevent liquid from entering sewer or water course.
WASTE DISPOSAL METHOD	Dispose of by incineration or by depositing in an approved landfill under controlled conditions. Follow all Federal, State, and local regulations.

VIII SPECIAL PROTECTION INFORMATION

RESPIRATORY PROTECTION (SPECIFY TYPE)	Use respirators with organic solvent type canisters for short periods of nonroutine work at 100-2000ppm. Use self-contained breathing apparatus for higher or unknown vapor concentrations.

VENTILATION	LOCAL EXHAUST	As needed to meet TLV requirements	SPECIAL	100 lfm face velocity for exhaust hoods.
	MECHANICAL (GENERAL)	As needed to meet TLV requirements	OTHER	
PROTECTIVE GLOVES		Buna-N rubber gloves and apron to prevent contact.	EYE PROTECTION	Safety glasses or goggles and/or face shield.

OTHER PROTECTIVE EQUIPMENT	Eye wash stations should be readily accessible.

IX SPECIAL PRECAUTIONS

PRECAUTIONS TO BE TAKEN IN HANDLING AND STORING	Store containers in clean, cool, well-ventilated, low fire-risk area away from oxidizing agents and ignition sources. Ground and electrically interconnect metal containers when dispensing. Use safety cans for small amount
OTHER PRECAUTIONS	NONE

UNICHEM INTERNATIONAL

TECHNI-BREAK 957

PRODUCT BULLETIN

DESCRIPTION: TECHNI-BREAK 957 is a specially formulated solvent-based solution of surface active agents designed to promote the separation of water in oil emulsions.

USES: TECHNI-BREAK 957 has been found to be a highly effective broad spectrum crude oil emulsion breaker.

APPLICATION: TECHNI-BREAK 957 should be injected continuously into the system at a point of turbulence to insure thorough mixing with the produced fluids. Batch treatment may be used in stock tanks with agitation or rolling. A standard emulsion breaker bottle test should be performed in the field to determine the most effective demulsifier. Plant testing of the selected demulsifier should be conducted to determine the most cost effective use concentration.

TYPICAL PROPERTIES:

Specific Gravity @ 60°F	.93
Pounds Per Gallon @ 60°F	7.75
Pour Point	-40°F
Flash Point (TCC)	79°F
SOLUBILITIES:	
Fresh Water	Dispersible
2% Brine	Dispersible
15% Brine	Dispersible
Crude Oil	Soluble
Appearance	Amber Liquid

HANDLING: Warning! Flammable. Keep away from heat, sparks and open flame. Keep container closed when not in use. Do not breathe vapors, use with adequate ventilation. Avoid contact with eyes, skin and clothing. Refer to material safety data sheet for additional information and first aid.

PACKAGING: TECHNI-BREAK 957 is sold in 55 gallon drums and bulk.

3/85

P. O. Box 1499 - Hobbs, N.M. 88240 - Phone 505/393-7751

MATERIAL SAFETY DATA SHEET

"Essentially Similar" to Form OSHA-20

UNICHEM INTERNATIONAL

Date Prepared January 14, 1987

Supersedes Previous Sheet Dated 9-19-83

I PRODUCT IDENTIFICATION

UNICHEM INTERNATIONAL 707 N. Leech / P. O. Box 1499 / Hobbs, New Mexico 88240	EMERGENCY TELEPHONE NO. (505) 393-7751

PRODUCT NAME TECHNI-BREAK 957 TRADE NAME: DEMULSIFIER

CHEMICAL DESCRIPTION: Proprietary blend of organic surfactants in aromatic solvent.

II HAZARDOUS INGREDIENTS

MATERIAL		TLV (UNITS)
Contains Aromatic Solvent		8 hr. TWA 100 ppm recommended

III PHYSICAL DATA

BOILING POINT, 760 mm Hg	N/D	FREEZING POINT:	-40°F
SPECIFIC GRAVITY (H_2O=1)	.93	VAPOR PRESSURE @	N/D
VAPOR DENSITY (AIR=1)	N/D	SOLUBILITY IN WATER	Dispersible
PERCENT VOLATILES BY WEIGHT	N/D	EVAPORATION RATE	N/D

APPEARANCE AND ODOR Clear Amber Liquid, Aromatic Odor

IV FIRE AND EXPLOSION HAZARD DATA

FLASH POINT (TEST METHOD) 74°F (TCC)

FLAMMABLE LIMITS IN AIR, % BY VOLUME	LOWER	N/D	UPPER	N/D

EXTINGUISHING MEDIA: Foam, dry chemical, CO_2, water spray or fog. Use a water spray to cool fire-exposed containers.

SPECIAL FIRE FIGHTING PROCEDURES: Use self-contained breathing equipment for enclosed areas in a fire situation.

UNUSUAL FIRE AND EXPLOSION HAZARDS: Vapors can flow along surfaces to distant ignition sources and flash back.

 *N/D - Not Determined

V HEALTH HAZARD DATA

THRESHOLD LIMIT VALUE	TLV 100ppm (estimated--not established by ACGIH or OSHA)
EFFECTS OF OVEREXPOSURE	Inhalation of high vapor, concentrations may have results ranging from mild depression to convulsions and loss of consciousness. Concentrations over 100ppm may cause dizziness, nausea, and headache. Prolonged or repeated skin contact is irritating and w cause defatting and dermatitus. Eye contact may cause burning an irritation. Aspiration can be a hazard if material is swallowed.
EMERGENCY AND FIRST AID PROCEDURES	SKIN: Remove contaminated clothing; wash with soap and water. EYES: Flush eyes with lots of running water. INHALATION: Remove fresh air. Restore breathing if necessary. Call a Physician. INGESTION: Do not induce vomiting. Give white mineral oil or edible oil. Call a physician.

VI REACTIVITY DATA

STABILITY		CONDITIONS TO AVOID	
UNSTABLE	STABLE		
	XXXXXX		NONE

INCOMPATIBILITY (MATERIALS TO AVOID)	Avoid oxidizing agents.
HAZARDOUS DECOMPOSITION PRODUCTS	Toxic fumes and gases including oxides and carbon and nitrogen.

HAZARDOUS POLYMERIZATION		CONDITIONS TO AVOID	
MAY OCCUR	WILL NOT OCCUR		
	XXXXXXXXX		NONE

VII SPILL OR LEAK PROCEDURES

STEPS TO BE TAKEN IF MATERIAL IS RELEASED OR SPILLED	Remove all sources of ingintion. Provide adequate ventilation. Conta and recover free liquid. Use vermiculite, sand, etc. to abosrb resid or small spill. Scrape up and place in covered metal container. Prevent liquid from entering sewer or water course.
WASTE DISPOSAL METHOD	Dispose of by incineration or by depositing in an approved landfill under controlled conditions. Follow all Federal, State, and local regulations.

VIII SPECIAL PROTECTION INFORMATION

RESPIRATORY PROTECTION (SPECIFY TYPE)	Use respirators with organic solvent type canisters for short periods of nonroutine work at 100-2000ppm. Use self-contained breathing apparatus for higher or unknown vapor concentrations.

VENTILATION	LOCAL EXHAUST	As needed to meet TLV requirements	SPECIAL	100 lfm face velocity for exhaust hoods.
	MECHANICAL (GENERAL)	As needed to meet TLV requirements	OTHER	
PROTECTIVE GLOVES		Buna-N rubber gloves and apron to prevent contact.	EYE PROTECTION	Safety glasses or goggles and/or face shield.

OTHER PROTECTIVE EQUIPMENT	Eye wash stations should be readily accessible.

IX SPECIAL PRECAUTIONS

PRECAUTIONS TO BE TAKEN IN HANDLING AND STORING	Store containers in clean, cool, well-ventilated, low fire-risk area away from oxidizing agents and ignition sources. Ground and electrically interconnect metal containers when dispensing. Use safety cans for small amount.
OTHER PRECAUTIONS	