NM1 - 60

GENERAL CORRESPONDENCE

YEAR(S):

1992 - 1996

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

'96 DE 31 AM 8 52

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

December 27, 1996

Ken Marsh
Controlled Recovery, Inc.
P.O. Box 369
Hobbs, NM 88241

Re: **Non-Exempt Waste** -Request for information concerning acceptable and/or suitable documentation to be submitted with C-138's.

Dear Ken,

Per your request please find enclosed a letter dated June 18, 1996 sent to CRI concerning this issue in part. To add to the letter enclosed above, the issue of the generator taking a representative sample of the waste stream and using a chain-of-custody should be emphasized.

For example, if the generator's analytical sheets reflect the sample matrix to be solid and the waste actually contains significate different phases, then the analyticals would not be representative of the entire waste stream. I have included a TCLP flow chart on method 1311 which describes how the lab proceeds with multi-phasic waste.

Please let me know if this information fulfills your current needs. If you require any further assistance concerning this matter please do not hesitate to call (505-393-6161) or write.

Sincerely yours,

Wayne Price

Wayne Price-Environmental Engineer

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

attachments-1 letter dated 6/18/96.
1 TCLP flow chart.

NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

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

June 18, 1996

Billie Charo
Controlled Recovery, Inc.
P.O. Box 369
Hobbs, NM 88241

Re: C-138's Navajo Refining; Artesia and Lovington facilities.

Dear Billie,

The above referenced C-138's are **being denied at this time** due to the following reason.

The "CERTIFICATE OF WASTE STATUS NON-EXEMPT WASTE MATERIAL" **is not site specific.** It contains both locations Artesia and Lovington and is dated 5/3/96. This submittal has been denied twice already for similar reasons once on May 09, and again on June 04, 1996.

The New Mexico Oil Conservation Division (NMOCD) District I has explained this issue on a number of different occasions. All C-138's and the associated documentation are to be site specific, time dependant i.e. case-by-case (ref NMOCD rule 711 C.4.b.), **and there are no blanket approvals.**

Each C-138 form for each waste stream must be accompanied by suitable documentation as follows:

1. A completed C-138 for each shipment of waste. Shipments of waste that are not part of the same event shall have another C-138 submitted. Shipments of the same type of waste but from different locations will require a C-138 for that location (site specific). Also all of the associated paper work shall also be site specific.

A shipment of waste for example could be a number of truck loads delivered to your facility under one C-138 as long as the actual volumes remain close to the estimated volumes listed on the C-138. An acceptable rule of thumb in this case would probably be a 10% plus or minus. Anything beyond these amounts would require special permission such as amending the C-138 or submitting another C-138.

Please note when drums are going to be delivered then exact quantities will be required to be listed.

C-138's submitted to the NMOCD in anticipation of future quantities of waste that have not actually been generated which are planned to be delivered over a long time frame without individual C-138's will be considered **"blanket approvals" and will not be allowed and might be considered a permit violation if NMOCD is unaware of these practices.**

2. A completed "CERTIFICATE OF WASTE STATUS NON-EXEMPT WASTE MATERIAL" signed by the generator for that particular waste event and to be site specific.

3. A copy of the current analytical. Analyticals are considered current if they are dated less than one year from the date of the C-138. Any analyticals submitted that exceeds this time requirement will be denied.

Any exceptions to this current policy will require special permission from our NMOCD Environmental Bureau located in Santa Fe.

If a generator wishes to apply for this special extended time or "Knowledge of Process" then in order to expedite the approvals the NMOCD District I recommends that CRI obtain from your customer (generator) a signed approval from the NMOCD Environmental Bureau (Santa Fe) indicating the particular waste stream, location, expiration date, etc, and submit a copy of this approval with each C-138 submitted.

It is always helpful for the generator to supply as much information as possible such as but not limited to; sampling field notes, chain-of-custody, preservatives used, matrix types, objectives, etc. Also the lab reports should be signed off from a representative from the Lab. Guidance on this issue can be found in EPA SW-846 manuals.

It is once again my recommendation that the CRI employees receive training in RCRA Solid Waste Issues. Please note I will be more than happy to provide another meeting and seminar for your staff concerning NMOCD issues.

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

Sincerely yours,

Wayne Price

Wayne Price-Environmental Engineer

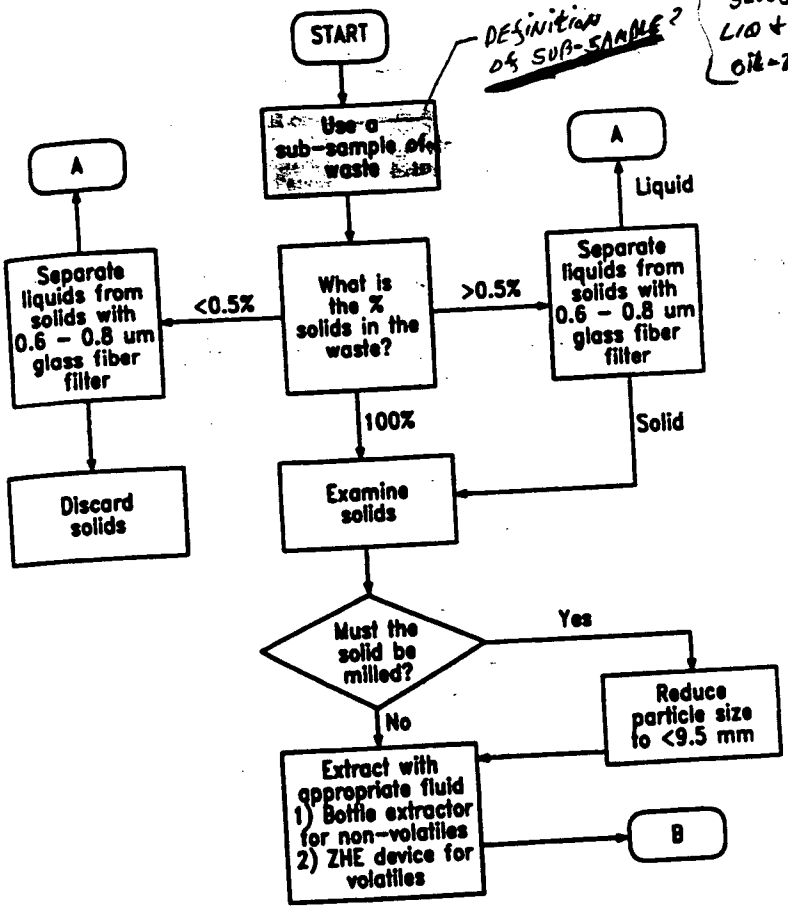
cc: Jerry Sexton-NMOCD District I Supervisor
Chris Eustice-Geologist NMOCD Environmental Bureau

attachments-2

METHOD 1311

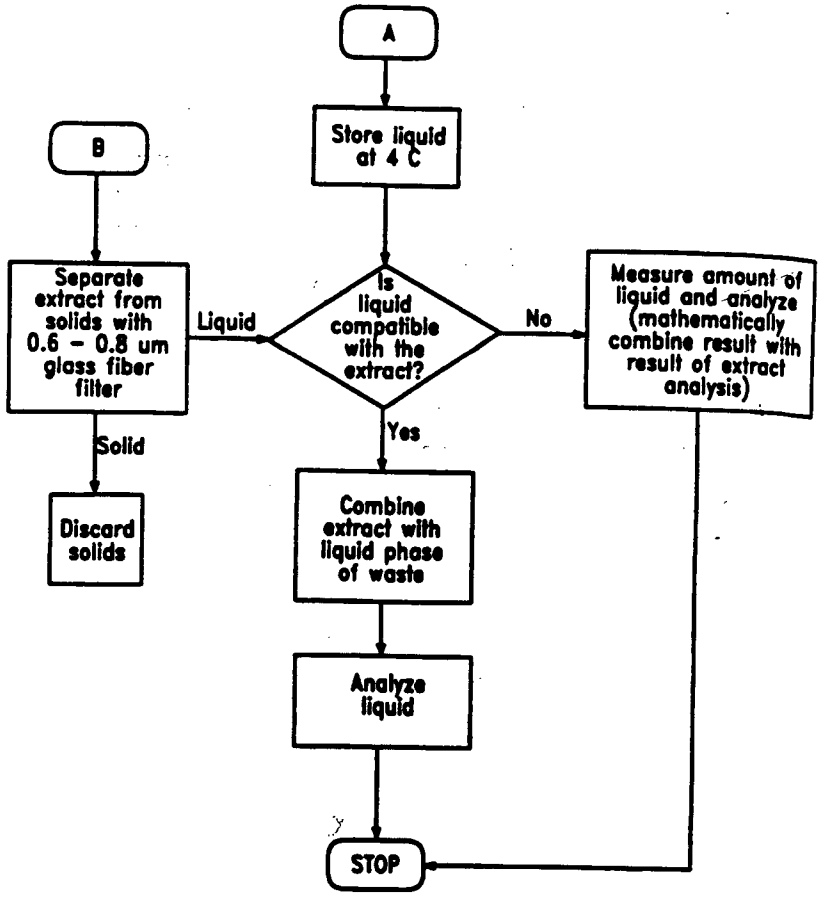
TOXICITY CHARACTERISTIC LEACHATE PROCEDURE

LIQ
LIQ + SOLIDS
LIQ = MULTIPHASE
SLUDGE
LIQ + SLUDGE
OIL-WATER-SLUDGE



METHOD 1311 (CONTINUED)

TOXICITY CHARACTERISTIC LEACHATE PROCEDURE



[55 FR 26987, June 29, 1990]

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

96 DE 12 AM 8 52

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

December 6, 1996

Mr. Ken Marsh-President
Controlled Recovery, Inc.
P.O. Box 369
Hobbs, NM 88241

Re: C-138 submittal for BJ Services-Artesia Facility
dated 12/05/96.

Dear Ken,

Please find enclosed the C-138 referenced above. This request has been denied for the following reasons.

1. The C-138 indicates the waste stream is liquid in nature reflecting 120 BBLs of material to be disposed of at CRI. The analytical was ran on a solid portion of the waste called "wash bay soil."

   After discussing this issue with Mr. David Burkett of BJ he confirmed the waste stream will consist of both liquid and solid material. So therefore the analyticals do not properly represent the waste stream.

2. The other issue is that Methylene Chloride was noted to be in a TCLP soil sample. Methylene Chloride is a RCRA "F" & "U" listed hazardous waste.

   So therefore please have the generator demonstrate how Methylene Chloride is generated as part of the waste stream and explain why it would not be considered a RCRA listed hazardous waste.

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

Sincerely yours,

Wayne Price

Wayne Price-Environmental Engineer

cc: Jerry Sexton-NMOCD District I Supervisor
Roger Anderson-NM NMOCD Environmental Bureau Chief, Santa Fe
Mark Ashley-Geologist NMOCD Environmental Bureau
Tim Gumm-NMOCD District II Supervisor
David H. Burkett-BJ Services, USA
8701 New Trails Drive,
The Woodlands, Tx 77381

attachments- C-138 return

NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

September 5, 1996

CERTIFIED MAIL
RETURN RECEIPT NO. P-288-258-831

Mr. Art Hilliker
Controlled Recovery, Inc.
P.O. Box 369
Hobbs, New Mexico 88241-0369

Re: Request for waste treatment: Chromo, Colorado

Dear Mr. Hilliker:

The Oil Conservation Division (OCD) has received your request for authorization to treat tank bottoms on site in Chromo, Colorado and transport the resultant wastes to the CRI facility in Halfway, New Mexico. The OCD is an agency of the State of New Mexico and only has authorization authority for operations that are performed within its borders. Your request to treat tank bottoms within the borders of Colorado must be directed to the appropriate regulatory authorities in Colorado. The transportation in and disposal of oilfield wastes in New Mexico, regardless of the location of generation, must be approved by the OCD. This approval can be obtained by submitting a "Request For Approval To Accept Solid Waste" (OCD Form C-138) with the appropriate documentation.

If you have any questions, please do not hesitate to call me at (505) 827-7152

Sincerely,

Roger C. Anderson
Environmental Bureau Chief

xc: Wayne Price - OCD Hobbs
Colorado Oil and Gas Conservation Commission

CRI

TO BE PUBLISHED ON OR BEFORE OCTOBER 31, 1996

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 NM Environment Department.

DP-436, BASIC AMERICAN FOODS, Mr. Tim Vaughn, Plant Manager, P.O. Box 39, Las Cruces, New Mexico 88004, proposes to renew its discharge plan to discharge up to 600,000 gallons per day of process water from the canning of green chile and salsa. The facility is located in the City of Las Cruces in Sections 13.3 &24.1, T23S, R1E, Dona Ana County. A maximum of 600,000 gallons per day of food processing water will be spray irrigated on 71.5 acres of cropland located adjacent to the facility during the chile processing season (July through October). Non-seasonal flows average 20,000 gallons per day. Ground water below the site is at a depth of approximately 20 feet and has a total dissolved solids concentration of approximately 1,000 milligrams per liter.

DP-494, CITY OF LAS VEGAS SLUDGE DISPOSAL SITE, Mr. Les Montoya, City Manager, P.O. Box 179, Las Vegas, New Mexico 87701, proposes to modify its discharge permit for a one time discharge of 350,000 gallons of semi-solid alum sludge from the city's water treatment facility. The discharge area is located in Section 32,T17N, R17E, San Miguel County. The current discharge permit allows the discharge of 15,900 gallons per day of sludge from the city's wastewater treatment plant. The modification consists of adding the alum sludge from the water treatment plant to the discharge. Ground water below the site is at a depth of approximately 250 feet and has a total dissolved solids concentration of approximately 1,000 milligrams per liter.

DP-591, SOLVENT EXTRACTION/ELECTROWINING (SX/EW) PLANT, Mr. William S. Brack, Manager, Chino Mines Company, Hurley, New Mexico 88043, proposes to renew and modify its discharge plan to discharge 23,000,000 gallons per day of acidic leach solution from a solvent extraction/electrowinning plant. The facility is located approximately 5 miles east of Central in Section 25 and 26, T17S, R12W, Grant County. Pregnant leach solution (PLS) from nearby leach dumps is transferred to the SX/EW Plant. The PLS is stored in a 1.4 million gallon feed pond lined with 80 mil high density polyethylene (HDPE). From the feed pond, the PLS is transferred to mixing tanks where organic reagents are added to extract the copper. The copper is plated to metal sheets using electric current. The leach solution leaving the SX/EW plant, termed raffinate, is stored in a 2.3 million gallon holding pond that is also lined with 80 mil HDPE. Sulfuric acid is added to adjust the ph and the raffinate is recirculated to the leach dumps to begin

the cycle again. The modification consists of transferring Reservoirs 6 and 7 and the associated process water management systems DP-591 from the Lampbright Leach System to discharge plan, DP-376. Ground water below the site is at a depth of approximately 45 feet and has a total dissolved solids concentration of approximately 2,500 milligrams per liter.

DP-818, CONTROLLED RECOVERY, INC., Mr. Art Hilliker, General Manager, P.O. Box 369, Hobbs, New Mexico 88241, proposes to renew its discharge plan for the discharge of an average of 275 cubic yards per day of hydrocarbon contaminated soil at a soil remediation landfarm. The facility is located 37 miles southwest of Hobbs in Section 27, T20S, R32E, Lea County. Soil contaminated with hydrocarbons will be evenly distributed within the landfarm and disced into the ground. Moisture will be added to enhance biological remediation. Ground water below the site is at a depth of approximately 14 feet and has a total dissolved solids concentration of approximately 3,320 milligrams per liter.

CORRECTION: DP-978, CHARLIE'S SEPTIC PIPE & DRAIN CLEANING: The public notice issued September 24, 1996, was incorrect. The correct notice reads as follows:

DP-978, CHARLIE'S SEPTIC PIPE & DRAIN CLEANING, Mr. Charles S. Ulibarri, Owner, 440 Calle del Sol, Belen, New Mexico 87002, proposes to discharge an average rate of 2,000 gallons per day of domestic septage at a land application facility. The facility is located approximately 8 miles Southwest of Los Lunas in Section 18, T6N, R1E, Valencia County. Up to 4,000 gallons per day of domestic septage will be land applied to 10 acres of rangeland. The land application areas will be bermed and septage will be plowed under within 24 hours. Nitrogen loading will be restricted to 200 pounds per acre per year or less. Ground water below the site is at a depth of approximately 400 feet and has a total dissolved solids concentration of approximately 633 milligrams per liter.

DP-1124, COTTONBLOOM ADULT LIVING CENTER, Mr. George Hensley, President,4520 Montgomery NE, Albuquerque, New Mexico 87109, proposes to discharge 8000 gallons per day of domestic wastewater to a package treatment plant. The facility is located 5 miles north of Las Cruces in Sections 21 and 22, T22S, R1E, Dona Ana County. Domestic wastewater will be discharged to a Southwest Fluids Products package plant for treatment and chlorination. Treated effluent will be stored in an evaporation pond and used for irrigation of the property. Ground water below the site is at a depth of approximately 8 feet and has a total dissolved solids concentration of approximately 1000 milligrams per liter.

Any interested person may obtain further information from the Ground Water Pollution Prevention Section of the NM Environment Department, telephone (505) 827-2900, and may submit written comments to the Ground Water Section, NM Environment Department, P.O. Box 26110, Santa Fe, NM 87502. Prior to ruling on any proposed discharge plan or its modification, the NM 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 NM Environment Department determines that there is significant public interest.

CRI

CONTROLLED RECOVERY INC.

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

AUGUST 6, 1996

OIL CONSERVATION DIVISION
2040 SOUTH PACHECO
SANTE FE, NM 87505
ATTN: ROGER ANDERSON

RE: TANK BOTTOMS IN CHROMO, COLORADO

DEAR MR. ANDERSON,

PER OUR PHONE CONVERSATION ON AUGUST 5, 1996, I AM RESPECTFULLY REQUESTING A LETTER FROM THE OIL CONSERVATION DIVISION AUTHORIZING TREATMENT OF TANK BOTTOMS ON SITE IN CHROMO, COLORADO AND TRANSPORTATION OF THE FINISHED PRODUCT TO OUR HALFWAY FACILITY.

THANK YOU FOR YOUR HELP IN THIS MATTER.

SINCERELY,

ART HILLIKER

AH/bc

Roger Anderson

From: Wayne Price
Sent: Wednesday, June 19, 1996 4:49 PM
To: Chris Eustice
Cc: Jerry Sexton; Bill Olson; Roger Anderson
Subject: CRI-Pride Refining; Drums of Waste-(with free liquids in them.)
Importance: High

Date June 17, 1996

RE: Meeting and site visit with Gail Powers(CRI) and Tony Davee(Pride Ref.)

Gail Powers and Tony Davee visited the Hobbs NMOCD office to check on the progress and/or if any determination has been made concerning the drums of waste being held at CRI. During recent visits by NMOCD Santa Fe Environmental Bureau personnel and Hobbs District I it was noticed that drums had free oil floating on top of approximately 22 drums of the 65 that were siting at the CRI landfill site destined to be disposed of into the landfill. 17 drums had already been disposed of into the landfill.

CRI had been instructed by NMOCD to hold these drums and was requested to obtain additional information to determine if the submitted profile matched the waste actually delivered. Also there was a question concerning free liquids being disposed of into the landfill.

Powers and Davee has sent additional manifest type info the the Santa Fe office. They will CC Hobbs NMOCD also.

Site visit by Powers, Davee and Price :

Several of the drums were inspected and there was free oil floating on top of these drums. The amount of oil appeared to be from 1 inch to 6 inches. This oil appeared to be a medium to heavy reside oil. The oil is pourable. Beneath the oil layer is mostly wet sludge contaminated dirt and debris.

Mr. Davee identified these drums and the contents as the ones he shipped. He pointed out that when he sampled these drums the oily sludge was solidified and not free and pourable. He contributes this to the settling time and solar energy heating up the closed drums thus causing a natural cooking of the contaminated soils thus releasing the liquid oils which would normally float to the top of the drum.

Mr. Davee pointed out that this is a normal occurrence for this type of material and any additional material of this same waste stream will probably do the same. He did not think it would pass a paint filter test.

Conclusions by Wayne Price:

It appears the majority of the waste that is described by the C-138 is mostly correct and matches what was actually delivered in type and volume. The exception to this is the small amount of free oil that is floating on top of these drums. Both CRI and Pride should have pointed this out in the description on the C-138 which would have more actuarially described the waste stream.

The Texas form code does not accurately reflect this waste stream, but neither does other form codes.

The Lab that ran the Analytical was called (Mr. Adam Gudgeon and Jerry Presley) and indicated the waste identified as sludge had a percent of solids test run with solids at 81.8 % and the remaining 18.2 % being liquid or moisture. The TCLP test per the Lab was neg. on free liquids meaning that all of the sludge dirt and oil was ran as a solid.

While this approach does not actually determine if the viscous oil would or would not be mobile it does determine that the whole waste including the free oils is non-hazardous. It also determines that any infiltrate leachate would be non-hazardous per RCRA as a result of contact with this particular waste only.

Recommendations:

Pride and CRI in the future should describe this waste stream as having small quantities of free oily liquid in it and identify this material as a sludge and not as all solid debris. Thus the NMOCD will be aware of this and can place conditions of approval as to where this material will or can be disposed of at CRI.

CRI should require Pride to Identify and segregate the actual solid waste streams such as soil, pigs, booms, rags etc from the sludge waste streams. These clearly are two different type of waste streams. The analytical clearly reflects this.

CRI should separate this liquid material and recycle it through the oil treating plant or propose to solidify this material and verify it will pass a "Liquid Release Test" suitable to the NMOCD.

CRI should implement a written program that addresses cross-checking incoming material versus what is shown on the C-138.

I do not recommend any compliance action if CRI and Pride agree to correcting this situation for future shipments.

NEW MEXICO ENERGY MINERALS AND NATUR RESOURCES DEPARTMEN

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

June 18, 1996

Billie Charo
Controlled Recovery Inc.
P.O. Box 369
Hobbs, NM 88241

RE: C-138 Weatherford Enterra-Andrews

Dear Billie,

The above referenced C-138 is being denied at this time. There were no analyticals provided.

Please provide and resubmit.

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

Sincerely yours,

Wayne Price

Wayne Price-Environmental Engineer

cc: Jerry Sexton-NMOCD District I Supervisor
Chris Eustice-Geologist NMOCD Environmental Bureau

attachments-1

NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMEN

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

April 26, 1996

Billie Charo
Controlled Recovery, Inc.
P.O. Box 369
Hobbs, NM 88241

Re: C-138 Navajo Refining Artesia dated 4/25/96
(attached)

Please note the above referenced C-138 cannot be approved at this time for the following reasons.

1. All non-exempt waste must have a current complete RCRA Hazardous Characteristics TCLP analysis. Please note there is no RCI. Please provide so we may approve.

2. This material is classified as "very soupy sludge". Please indicated where and how this material will be disposed of at the CRI facility.

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

Sincerely yours,

Wayne Price-Environmental Engineer

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

attachments-1

NEW MEXICO ENERGY MINERALS AND NATURAL RESOURCES DEPARTMENT

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

June 18, 1996

Billie Charo
Controlled Recovery, Inc.
P.O. Box 369
Hobbs, NM 88241

Re: C-138's Navajo Refining; Artesia and Lovington facilities.

Dear Billie,

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A shipment of waste for example could be a number of truck loads delivered to your facility under one C-138 as long as the actual volumes remain close to the estimated volumes listed on the C-138. An acceptable rule of thumb in this case would probably be a 10% plus or minus. Anything beyond these amounts would require special permission such as amending the C-138 or submitting another C-138.

Please note when drums are going to be delivered then exact quantities will be required to be listed.

C-138's submitted to the NMOCD in anticipation of future quantities of waste that have not actually been generated which are planned to be delivered over a long time frame without individual C-138's will be considered **"blanket approvals" and will not be allowed and might be considered a permit violation if NMOCD is unaware of these practices.**

2. A completed "CERTIFICATE OF WASTE STATUS NON-EXEMPT WASTE MATERIAL" signed by the generator for that particular waste event and to be site specific.

3. A copy of the current analytical. Analyticals are considered current if they are dated less than one year from the date of the C-138. Any analyticals submitted that exceeds this time requirement will be denied.

   Any exceptions to this current policy will require special permission from our NMOCD Environmental Bureau located in Santa Fe.

   If a generator wishes to apply for this special extended time or "Knowledge of Process" then in order to expedite the approvals the NMOCD District I recommends that CRI obtain from your customer (generator) a signed approval from the NMOCD Environmental Bureau (Santa Fe) indicating the particular waste stream, location, expiration date, etc, and submit a copy of this approval with each C-138 submitted.

   It is always helpful for the generator to supply as much information as possible such as but not limited to; sampling field notes, chain-of-custody, preservatives used, matrix types, objectives, etc. Also the lab reports should be signed off from a representative from the Lab. Guidance on this issue can be found in EPA SW-846 manuals.

It is once again my recommendation that the CRI employees receive training in RCRA Solid Waste Issues. Please note I will be more than happy to provide another meeting and seminar for your staff concerning NMOCD issues.

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

Sincerely yours,

Wayne Price

Wayne Price-Environmental Engineer

cc: Jerry Sexton-NMOCD District I Supervisor
Chris Eustice-Geologist NMOCD Environmental Bureau

attachments-2

C R I
CONTROLLED RECOVERY INC.

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

A Subsidiary of

TransAmerican Waste Industries, Inc.
An Environmental Solutions Company

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INTRODUCTION

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 is operated in complete compliance with all laws, rules, and regulations of the governing agencies.

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 addition to the permit from the Oil Conservation Division, CRI has been permitted by the State of New Mexico Environment Department (DP-818) to accept Underground Storage Tank (UST) contaminated soils and liquids.

The facility is located 35 miles west of Hobbs on Highway 62-180. The 260 acre area serves three purposes: 1) to treat and reclaim sediment oil 2) to collect, dispose, evaporate, or store produced water, drilling fluids, drill cuttings, completion fluids and other nonhazardous oil field related waste, and 3) to dispose of UST contaminated soils and liquids.

CRI has qualified personnel who have over 30 years of experience in a variety of areas. Environmental consulting is one of the specialties and includes audits, project planning, permitting, and risk reduction of ground water contamination. Services such as sampling and testing of soils and sludges, clean up of contaminated aquifers and soils, and monitoring systems can also be performed. Furthermore, CRI has equipment to perform these operations and is also knowledgeable about the transportation of contaminated materials.

With prior approval from the New Mexico Oil Conservation Division, CRI can accept materials from other states.

We thank you for considering our disposal facility and for all efforts to protect the environment.

Please contact our office for contractual arrangements, acceptance procedures, or any additional information such as approved transporters.

PERMIT FOR OIL TREATING PLANT AND SURFACE WASTE DISPOSAL

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 with 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.

PERMIT FOR UNDERGROUND STORAGE TANK (UST) SOILS AND LIQUIDS

BRUCE KING
GOVERNOR

State of New Mexico

ENVIRONMENT DEPARTMENT

JUDITH M. ESPINOSA
SECRETARY

RON CURRY
DEPUTY SECRETARY

February 3, 1992

Mr. Ken Marsh,
President
CONTROLLED RECOVERY, INC.
P. O. Box 369
Hobbs, NM 88241

RE: Approved Discharge Plan, DP-818

This is to confirm that CONTROLLED RECOVERY, INC. has met the Water Quality Control Commission standards and has been granted an approved discharge plan from the Groundwater Protection and Remediation Bureau, Groundwater Section of the New Mexico Environment Department for the site located 37 miles west of Hobbs, NM on US 62 for the purpose of receipt and remediation of hydrocarbon contaminated soils. This approved plan is in effect until November 26, 1996.

For additional information, please contact me at the address below, or by telephone, 827-2703.

Sincerely,

Phillis Stevens
Water Resource Specialist
Ground Water Section

PS:mtf

(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 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 hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

Original on file
Santa Fe, New Mexico

WILLIAM J. LEMAY
Director

LANDFARM APPROVAL

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

MATERIALS AND WASTE EXEMPT BY EPA FROM CONSIDERATION AS "HAZARDOUS WASTE":

(CRI may accept these materials without testing.)

- Produced water;
- Drilling fluids;
- Drill cuttings;
- Rig wash;
- 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;
- Work over 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 stream);
- 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 on the next page;
- Constituents removed from produced water before it is injected or otherwise disposed of;
- Liquid hydrocarbons removed from the production stream but not from oil refining;
- Gases from the production stream, such as hydrogen sulfide and carbon dioxide, and volatilized hydrocarbons;
- Materials ejected from a producing well during the process known as blowdown;
- Waste crude oil from primary field operations and production;
- Light organics volatilized from exempt wastes in reserve pits or impoundments or production equipment;
- Liquid and solid wastes generated by crude oil and crude tank bottom reclaimers.

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

MATERIALS AND WASTE NOT EXEMPT BY THE EPA.

(CRI may accept these and other materials after they are determined to be nonhazardous.)

- 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 waste, 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;
- 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;
- Pesticide wastes;
- Radioactive tracer wastes;
- Sanitary wastes;
- Drums, insulation, and miscellaneous solids;
- Waste compressor oil, filters, and blowdown.

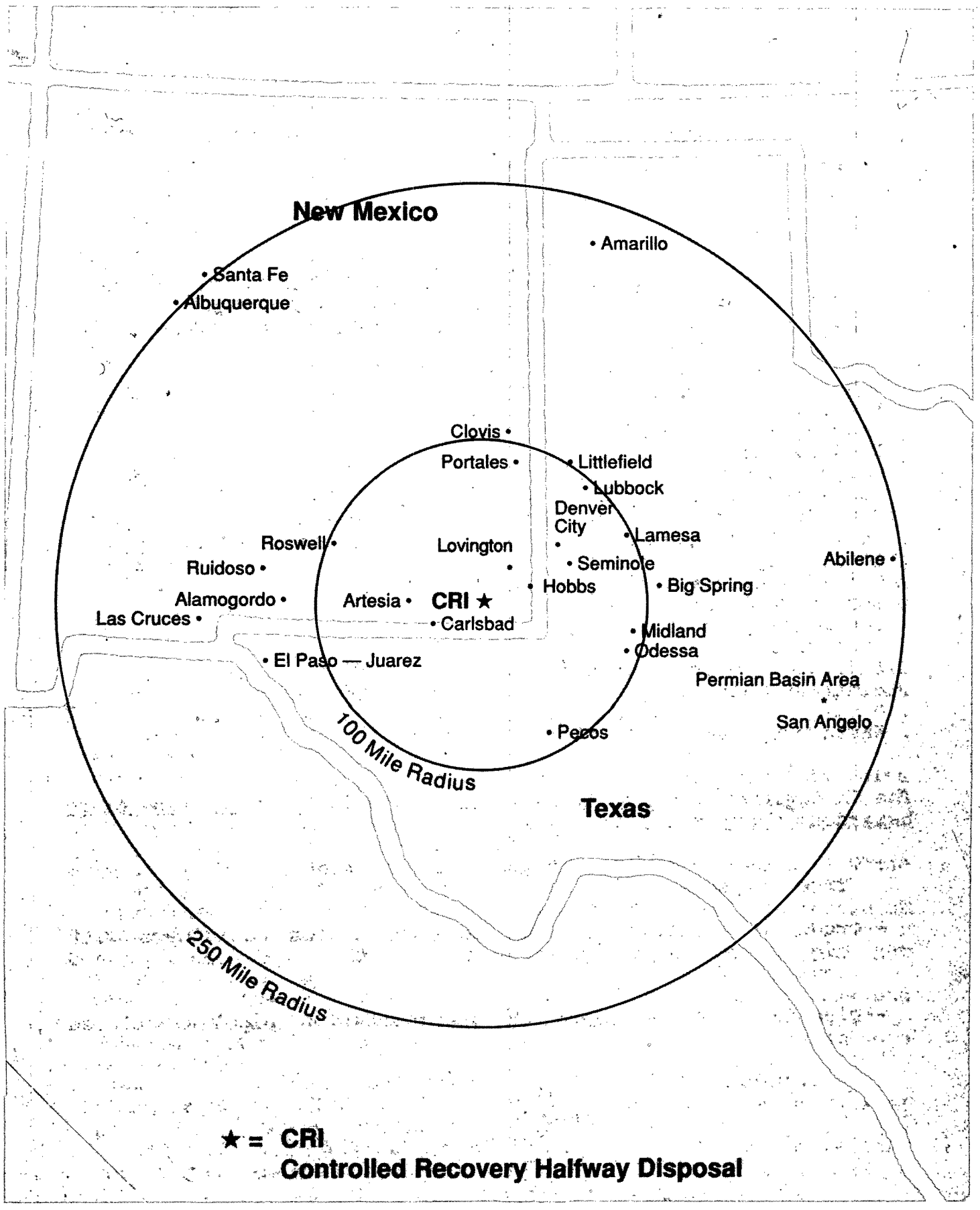
The following OCD regulated facilities especially may be subject to hazardous waste rules on and after September 25, 1990:

--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. 11,798-11,877.


New Mexico
• Amarillo
• Santa Fe
• Albuquerque
Clovis •
Portales •
• Littlefield
• Lubbock
Denver City •
• Lamesa
Roswell •
Lovington •
• Seminole
Abilene •
Ruidoso •
• Hobbs
• Big Spring
Alamogordo •
Artesia •
CRI ★
Las Cruces •
• Carlsbad
• Midland
• Odessa
• El Paso — Juarez
Permian Basin Area
San Angelo
• Pecos
100 Mile Radius
Texas
250 Mile Radius
★ = CRI
Controlled Recovery Halfway Disposal

DEFINITIONS:

Production Water or Produced Water - Water produced from a completed, producing well in conjunction with the production of oil or gas. Does not include any fluids from work over or drilling operations nor fluids recovered while testing. Water must come from storage tanks on producing leases.

Drilling Fluids or Drilling Mud - Any fluid used in drilling or completing of a well. This category includes all fluids, mud, and cuttings which come from steel pits, reserve pits, storage tanks, reverse pits, mud tanks, frac tanks, and any flow back or fluids recovered while testing well.

Completion Fluids - Any and all fluids and mud used in the completion of or stimulation or work over of a well. This category includes all fluids, mud, and cuttings which come from steel pits, reserve pits, storage tanks, reverse pits, mud tanks, frac tanks, and any flow back or fluids recovered while testing well.

Tank Bottoms a/k/a BS&W - Oil emulsified with water or other substances and concentrated at the bottom of stock tanks used for gathering and temporary storage of crude oil preparatory to its sale.

Drill Cuttings or Solids - Any material from the well bore that cannot be handled by a vacuum truck or transport truck.

Please note:

New Mexico Oil & Gas Division Rule 804-B states that all off-lease transportation of liquids which may contain crude oil, lease condensate, sediment oil, or miscellaneous hydrocarbons shall be accompanied by a run ticket, work order, or equivalent document, i.e., Form C-117-A. The documentation shall identify the name and address of the transporter, the name of the operator and of the lease or facility from which the liquid was removed, the nature of the liquid removed including the observed percentage of liquid hydrocarbons, the volume or estimated volume of liquids, and the destination.

MEASUREMENT CONVERSIONS:

1 barrel = 42 gallons
1 drum = 55 gallons
1 yard = 1 loose ton

PRICES:

Available upon request.

Chris Eustice

From: Wayne Price
Sent: Thursday, May 30, 1996 4:22 PM
To: Chris Eustice; Mark Ashley
Cc: Jerry Sexton; Bill Olson; Roger Anderson
Subject: CRI-Navajo Non-Exempt Waste (Possible violation)
Importance: High

Dear Mark and Chris,

Darrell Moore called this afternoon and notified our office that Navajo has sent to CRI different wastes (Non-Exempt) at different and various times that was not approved by the C-138 process.

However, they have all the manifest and can certify that this waste is non-hazardous. *

Apparently once they (Navajo) received the first C-138 approval from CRI for a particular waste stream they (Navajo) were under the assumption that they did not need approval during the time frame that the analytical was still good.

This might explain the large amount of material that Bill Olson and I Observed in the dedicated landfill cell, but which did not match the C-138's that I had on file.

CRI and Navajo are concerned and want to make sure they are following and abiding by the regulations.

Please contact me on this issue as soon as possible.

Waste Streams

RCA

Mark will request all manifests from

NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

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

April 26, 1996

Billie Charo
Controlled Recovery, Inc.
P.O. Box 369
Hobbs, NM 88241

Re: C-138 Navajo Refining Artesia dated 4/25/96
(attached)

Please note the above referenced C-138 cannot be approved at this time for the following reasons.

1. All non-exempt waste must have a current complete RCRA Hazardous Characteristics TCLP analysis. Please note there is no RCI. Please provide so we may approve.

2. This material is classified as "very soupy sludge". Please indicated where and how this material will be disposed of at the CRI facility.

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

Sincerely yours,

Wayne Price-Environmental Engineer

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

attachments-1

cc: CHRIS EUSTICE
JERRY SEXTON

OIL CONSERVATION DIVISION
RECEIVED
'96 MAR 7 AM 8 52

CRI

CONTROLLED RECOVERY INC.

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

MARCH 4, 1996

OIL CONSERVATION DIVISION
1000 W. BROADWAY
HOBBS, NEW MEXICO 88241
ATTN: WAYNE PRICE

DEAR MR. PRICE:

PLEASE BE ADVISED THAT THE DESTRUCTION MATERIAL THAT WAS DELIVERED TO CRI HALFWAY FACILITY FROM EXXON CHEMICAL HAS BEEN PICKED UP FROM CRI AND HAULED TO CITY OF MIDLAND MUNICIPAL LANDFILL FOR DISPOSAL.

THANK YOU FOR THE ADVICE AND HELP YOU GAVE TO ME ON THIS MATTER AND I APOLOGIZE FOR ANY INCONVENIENCE THIS MAY HAVE CAUSED.

SINCERELY,

Art Hilliker

ART HILIKER
GENERAL MANAGER CRI

AH/bc

RECEIVED
MAR 05 1996
HOBBS
OFFICE

COPY TO C 138 file

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION
2040 S. PACHECO
SANTA FE, NEW MEXICO 87505
(505) 827-7131

March 4, 1996

CERTIFIED MAIL
RETURN RECEIPT NO. Z-765-962-618

Mr. Art Hilliker, General Manager
Controlled Recovery, Inc.
PO Box 369
Hobbs, New Mexico 88241

Re: Drum Disposal
CRI Waste Management Facility
Lea County, New Mexico

Dear Mr. Hilliker:

It has come to the attention of the Oil Conservation Division (OCD) that Controlled Recovery, Inc. (CRI) has received for disposal drums that are either empty or function as the container for solid waste approved to be disposed of at the CRI waste management facility. The OCD has developed the following policy for disposal of drums.

> All drums containing waste for delivery to CRI's waste management facility must receive prior OCD approval if the drums are to be disposed of in conjunction with the associated waste(s). All drums will be triple rinsed prior to disposal at the facility and a "Generators Statement" that all associated drums have been triple rinsed and are therefore considered EPA clean. The "Generators Statement will be included with the C-138 package. All drums will be crushed prior to disposal.

Any C-138 requesting authorization to dispose of empty drum(s) must be accompanied with the same "Generators Statement". In addition, the drums must be oil field waste, this is not authorization or procedure to dispose of any non-oil field drums .

If you have any questions, please do not hesitate to call me at (505) 827-7152 or Chris Eustice at (505) 827-7153.

Sincerely,

Roger C. Anderson, Chief
Environmental Bureau

xc: OCD Artesia Office
OCD Hobbs Office
OCD Aztec Office

Chris Eustice

From: Wayne Price
To: Chris Eustice
Cc: Jerry Sexton; Roger Anderson
Subject: CRI-Exxon Trash from Odessa facility
Date: Wednesday, February 14, 1996 7:26AM

Dear Chris,

After inspecting the material at CRI and our resultant telephone calls, I instructed Art Hilliker that this material would be classified as "Non-Oilfield" and they will have to remove it from the facility. I will be asking Art to give me written verification when the material is removed.

I took pictures and made a list of material that was inspected for our files.
It is 87 yards of demolition construction debris. It contained mainly old framing lumber, and wallboard. Other items noted were electrical items, plumbing, concrete, a/c equipment, office furniture, etc. There was no visual contamination that this material had come in contact with any E&P waste.

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 6
1445 ROSS AVENUE, SUITE 1200
DALLAS, TX 75202-2733

To Roger

NOV 20 1995

RECEIVED
NOV 22 1995
OIL CONSERVATION DIVISION

Mr. Gail Power
Controlled Recovery Inc.
P.O. Box 369
Hobbs, NM 88241

Dear Mr. Power:

In response to your letter dated April 6, 1994, the U.S. Environmental Protection Agency (EPA) has determined that the Controlled Recovery, Inc., (CRI) facilities in Hobbs, New Mexico, operating under the New Mexico Environment Department discharge permit #DP-818 and the Oil Conservation Division permit #R-9166, are acceptable for the receipt of hazardous substances, pollutants or contaminants (that are not Resource Conservation and Recovery Act hazardous wastes) from Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) response actions. The facilities' actual receipt of CERCLA wastes must be in accordance with applicable State and Federal requirements.

This determination is made pursuant to the requirements prescribed in 40 CFR § 300.440 (58 FR 49200, 49215 - 49218 September 22, 1993) and is based upon communication with representatives of the New Mexico Environment Department and representatives of the Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department. If conditions change, or if new information reveals violations exist, then the acceptability of these facilities may be affected.

If you have any questions regarding this letter, please contact Ms. Eve Boss at (214) 665-6651.

Sincerely yours,

Samuel Coleman

Samuel Coleman, P.E.
Director
Compliance Assurance and
Enforcement Division

cc: Mr. Mark Weidler
New Mexico Environment Department
Ms. Marcy Leavitt
New Mexico Environment Department
Mr. William J. LeMay
New Mexico Energy, Minerals and Natural Resources Department
Mr. Roger C. Anderson
New Mexico Energy, Minerals and Natural Resources Department

NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

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

MEMO TO: Roger Anderson

FROM: Jerry Sexton

DATE: January 22, 1996

SUBJECT: Complaint, CRI

Gary Wink and I checked CRI on January 19, 1996, in response to an anonymous letter of January 16, 1996.

Santa Fe received an anonymous letter in December that we checked out when we received it.

There are open BS pits at CRI, but they have always been there and are permitted. We could see no problems outside of permit.

CRI did have a tank run-over on the 19th, but were cleaning it up and it was obvious that this had just happened.

cc: William J. LeMay

NEW MEXICO OIL CONSERVATION COMMISSION
FIELD TRIP REPORT

Name Charlie Perrin Date 1-11-96 Miles 104 District I

Time of Departure 7 AM Time of Return 4 PM Car No. G-1540

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

Signature _____

INSPECTION	CLASSIFICATION	FACILITY	HOURS	QUARTER HOURS	
M	O	P	3		INLAND PLANT LOOK FOR LARGE OIL SPILL, FOUND NO STANDING OIL OUT OF RETAINING PITS, TALKED TO FORMAN (DAVID) SAID HAVE BEEN MIXING FRESH DIRT WITH OIL IN PIT BETWEEN TANK BTTY & HIGHWAY TO SOLIDIFY SO IT CAN BE MOVED, PITS HAVE BIRD FLAGS ACROSS THEM, SAID HAD 2-4' H2O IN PLAYA BETWEEN HOUSE & BAR NET'S ON SOME PITS, WEST PIT HAS SMALL AMT FLUID BOTTOM OF PIT NOTED HOUSEKEEPING
H	O	P	2		STRATA 26-20-32 A, CENTRAL RESOURCES 25-20-32, SAMSON RESOURCES 25-20-32, CENTRAL RESOURCES #1 36-20-32, 31-20-33

Mileage		Per Diem		Hours	
UIC		UIC		UIC	
RFA		RFA		RFA	
Other	104	Other		Other	5

TYPE INSPECTION PERFORMED

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

INSPECTION CLASSIFICATION

U = Underground Injection Control - Any inspection of or related to injection project, facility, or well or resulting from injection into any well. (SWD, 2ndry injection and production wells, water flows or pressure tests, surface injection equipment, plugging, etc.)
R = Inspections relating to Reclamation Fund Activity
O = Other - Inspections not related to injection or The Reclamation Fund
E = Indicates some form of enforcement action taken in the field (show immediately below the letter U, R or O)

NATURE OF SPECIFIC WELL OR FACILITY INSPECTED

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

NEW MEXICO OIL CONSERVATION COMMISSION
FIELD TRIP REPORT

Name Charlie Perrin Date 1-17-95 Miles 120 District I

Time of Departure 7 AM Time of Return 4 PM Car No. G-1540

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

Signature _____

INSPECTION	CLASSIFICATION	FACILITY	HOURS	QUARTER HOURS
H	U	C	8	

Check for Spill @ CRI There is no fluid outside of Pits, Some Pits Have no nets & some flags have been Blown o: & Are in Pits, 1 Pit has small Amount of fluid could Look Lik. Spill, from Air,
Housekeeping on Apache Bulgaady Yates Nearburt Phillips MARAlo Chevron Meridian Citation Mitchell

Mileage		Per Diem		Hours	
UIC	120	UIC		UIC	8
RFA		RFA		RFA	
Other		Other		Other	

TYPE INSPECTION PERFORMED

H = Housekeeping
P = Plugging
C = Plugging Cleanup
T = Well Test
R = Repair/Workover
F = Waterflow
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INSPECTION CLASSIFICATION

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R = Inspections relating to Reclamation Fund Activity
O = Other - Inspections not related to injection or The Reclamation Fund
E = Indicates some form of enforcement action taken in the field (show immediately below the letter U, R or O)

NATURE OF SPECIFIC WELL OR FACILITY INSPECTED

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

cc: CHRIS EUSTICE
NMOCD
JERRY SEXTON

OIL CONSERVATION DIVISION
RECEIVED
'96 FEB 20 AM 8 52

NEW MEXICO OIL CONSERVATION COMMISSION
FIELD TRIP REPORT

Name WAYNE PRICE Date 2/15/96 Miles _____ District I

Time of Departure 7 AM Time of Return 4 PM Car No. G 047

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

Signature Wayne Price

INSPECTION	CLASSIFICATION	FACILITY	HOURS	QUARTER HOURS

PRESENTED WORKSHOP - SEMINAR FOR CRI EMPLOYEES AT CRI - HALL WAY FACILITY!

SEE ATTACHMENT - SHOWED TELA FILM -

CRI - ART HILLIKER, BILLY CHARO, GAIL OWENS
PLANT EMPLOYEES, DAVE PARSONS - PLT MGR.
NMOCD - LeRICE, GARY WINK, C. PERRIN
DISCUSSED Pit CLOSURES REF EUSTICE JULY 6, 1995
LETTER -

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

TYPE INSPECTION PERFORMED

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

INSPECTION CLASSIFICATION

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R = Inspections relating to Reclamation Fund Activity
O = Other - Inspections not related to injection or The Reclamation Fund
E = Indicates some form of enforcement action taken in the field (show immediately below the letter U, R or O)

NATURE OF SPECIFIC WELL OR FACILITY INSPECTED

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

Due to public opinion and political pressure, the oil industry of the present is being forced to the front line of the environmental battle. Our position in the crude oil recovery industry, combined with our proven ability to process high BS&W petroleum by-products and our reputation as a reliable and efficient operator, enables us to serve the oil industry in these trying times.

At Inland, we feel that concern for the environment is not a choice but an inherited responsibility. It is vital that the oil industry provides the leadership to combat the world's waste problems.

Printed on recycled paper.

Inland Products
successfully providing crude oil recovery for:

Amerada Hess
Amoco
Arco Oil & Gas
Barrett Petroleum
Chevron Pipeline
Citgo Pipeline
Conoco
Diamond Shamrock
Exxon Pipeline
Kerr-McGee
Lynx Energy
Marathon Oil
Mobil
Oryx Energy
Oxy USA
Petrolite Corporation
Shell
Sun Marine
Texaco E&P
Unocal Corporation
Williams Pipeline

Inland Products
Crude Oil Recovery Plants

Kilgore
P.O. Box 1826 • Kilgore, TX 75663
Office: 903/983-3361
Fax: 903/983-2861

Hobbs
P.O. Box G • Hobbs, NM 88241
Office: 505/~~885-9765~~ 393-1079
Fax: 505/~~885-4174~~ 393-3615

OIL
CRUDE
INLAND PRODUCTS
RECOVERY

INLAND PRODUCTS

CRUDE OIL RECOVERY

A Subsidiary of

TransAmerican Waste Industries, Inc.
An Environmental Solutions Company

Thirty heated and insulated tanks keep material in different stages of processing.

Reliable, Efficient, Environmentally Sound

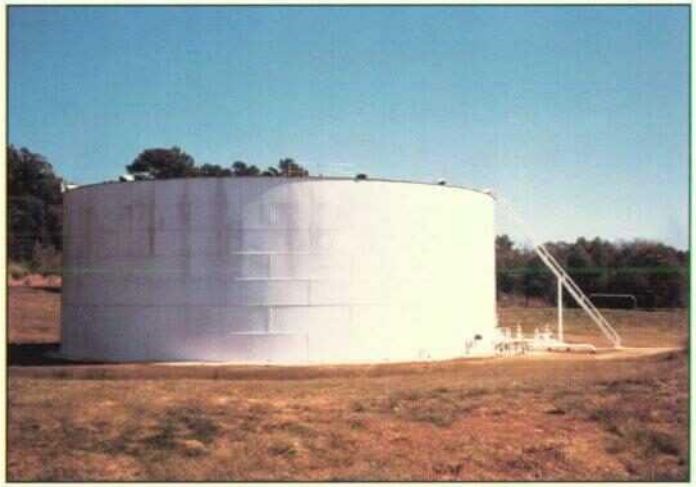
Inland Products has crude oil recovery plants located in Kilgore, Texas and Hobbs, New Mexico, making us one of the largest, most comprehensive crude oil recovery companies in the world. Our reputation in handling tank bottoms, crude oil pits, skim oil, and other petroleum by-products high in basic sediment and water (BS&W) has led major companies such as Arco, Chevron, Conoco and Shell to send us these by-products for processing. We have earned a reputation as a reliable and efficient operator, as well as an environmentally conscious company. We are eager to work with oil companies of any size in meeting their environmental needs.

Old crude oil pits can be processed at Inland's Plant.

Crude Oil Tank Bottoms

Our main feedstock comes from tank cleaning operations on production lease tanks, pipelines, and gathering systems. Upon request, we sample and evaluate sediment that has accumulated during processing and transportation to determine the value of this material if delivered to one of our plants. There is no charge for our sampling and evaluation services.

Oil companies have found that selling their tank bottoms to us solves the problem of transferring bottoms from one tank to another as well as the problem of final disposal.



Pipeline storage tanks provide Inland with their main feedstock.

Crude Oil Pits

Along with processing tank bottoms and other petroleum by-products high in BS&W, we have the ability to process material found in the multitude of crude oil pits. We provide an effective and efficient solution for oil companies faced with environmental problems by turning this waste material into a marketable product.

High wax material found in pits and tanks.

Processing

Crude oil sediment from pits and tank cleaning operations often has solid points as high as 180° F. Water and dirt content may range from 30% to 60%. Through our treating process, we are able to bring this material down to less than 1% water and dirt content. Once the recovered material is 99% pure, it is blended to certain specifications for fuel oil, asphalt, waxes, and crude oil.

Our treating process is based upon the characteristics found in the individual materials. Once these characteristics are determined, we formulate a procedure best suited to processing these materials into a marketable product.

Main heating system capable of 20 million BTU's per hour.

Controlled Recovery, Inc.

Controlled Recovery, Inc. (CRI) is a New Mexico corporation authorized by the State Oil Conservation Division (Order no. R-9166) to construct and operate a surface waste disposal facility and oil treatment plant. In addition to our permit from the Oil Conservation Division, CRI is permitted by the State Environment Department (Order no. DP-818) to accept underground storage tank (UST) contaminated soils and liquids.

Our facility, located 35 miles west of Hobbs on Highway 62-180, has 260 acres serving three purposes:

1. Treatment and reclamation of sediment oil,
2. Collection, disposal, evaporation, or storage of produced water, drilling fluids, drill cuttings, completion fluids, and other non-hazardous oil field waste including contaminated soils, and
3. Disposal of UST contaminated soils and liquids.

Our disposal site is operated in compliance with all rules, regulations, and laws of governmental agencies.

With prior approval from the New Mexico Oil Conservation Division, CRI can accept materials from other states.

CRI's disposal facility has been serving the energy industry since November 1990. We welcome your inspection and look forward to discussing your needs for our facility. Please contact our office for contractual arrangements, acceptance procedures, or any additional information.

TransAmerican Waste Industries, Inc.

Effective December 31, 1992 Controlled Recovery, Inc. became a subsidiary of TransAmerican Waste Industries, Inc. of Houston, Texas. TransAmerican and its subsidiaries offer a complete line of waste services nationwide including solid and industrial waste management and environmental engineering and consulting.

CRI, in conjunction with its affiliate company Inland Products, offers a complete oil recovery process specializing in handling tank bottoms, crude oil pits, skim oil, and other crude products high in BS&W.

We invite you to visit Controlled Recovery, Inc. and Inland Products, Inc.

Hobbs: P.O. Box 369, Hobbs, NM 88241
Off: 505-393-1079 • 1-800-658-6914
Fax: 505-393-6566

Kilgore: P.O. Box 1826, Kilgore, Texas 75663
Off: 903-983-3361 • Fax: 903-983-2861

Midland: P.O. Box 7455, Midland, Texas 79708
Off: 915-682-7417

Houston: 314 North Post Oak Lane, Houston, Texas 77024
Off: 713-956-1212

Inland Products, Inc.

Inland Products has crude oil recovery plants located in Kilgore, Texas and Hobbs, New Mexico, making us one of the largest, most comprehensive crude oil recovery companies in the world. Our reputation in handling tank bottoms, crude oil pits, skim oil, and other petroleum by-products high in basic sediment and water (BS&W) has led major companies to send us these by-products for processing. We have earned a reputation as a reliable and efficient operator, as well as an environmentally conscious company.

Our main feedstock comes from tank cleaning operations on production lease tanks, pipelines, and gathering systems. Upon request, we sample and evaluate sediment that has accumulated during processing and transportation to determine the value of this material if delivered to one of our plants. There is no charge for this service.

Along with processing tank bottoms and other petroleum by-products high in BS&W, we have the ability to process material found in the multitude of crude oil pits. We provide an effective and efficient solution for oil companies faced with environmental problems by turning waste material into a marketable product.

Crude oil sediment from pits and tank cleaning operations often has solid points as high as 180°F. Water and dirt content may range from 30% to 60%. We are able to bring this material to less than 1% water and dirt content. Once the recovered material is 99% pure, it is blended to certain specifications for fuel oil, asphalt, waxes and crude oil.

Our treating process is based upon the characteristics found in the individual materials. Once these characteristics are determined, we formulate a procedure best suited to processing these materials into a marketable product.

CRI
Controlled Recovery Inc.

And

Inland Products, Inc.

CRI has a disposal and oil treatment facility designed to serve the needs of the petroleum industry, environmental consultants, governmental agencies, and private industry. CRI and Inland can effectively and efficiently formulate solutions for environmental problems.

We provide:

- Disposal of Contaminated Soil
- Site and Material Evaluation (no charge)
- State and Federal Compliance Evaluation
- Environmental Permitting Plans
- Pollution Prevention Programs
- Disposal of RCRA Exempt Waste
- Discharge Plans

Permits and Licenses

- New Mexico Oil Conservation Division Permit #R-9166
- New Mexico Environment Department Permit #DP-818
- State Corporation Commission of New Mexico Certificate of Public Convenience and Necessity #45691
- New Mexico Oil Conservation Division Land Farm Permit
- Inland Products, Inc. Railroad Commission of Texas R-2 Plant Permit #06-1971

Serving the Southwestern United States with Four Locations

We Dispose of:

- ★ Contaminated Soil
- ★ UST Soils and Liquids
- ★ Completion Fluids
- ★ Drilling Fluids
- ★ Drill Cuttings
- ★ Production Water
- ★ Other Nonhazardous Waste

CRI
Controlled Recovery Inc.

And

Inland Products, Inc.

Present Our

Environmental Management Services

With

Disposal and Treatment Facilities

Specializing in the Treatment and Disposal of Oilfield Waste and UST Soils & Liquids.

Subsidiaries of

TransAmerican Waste Industries, Inc.
An Environmental Solutions Company

OIL CONSERVATION DIVISION

October 17, 1995

Ms. Eve Boss, 6EN-HS
Regional Off-Site Contact
U.S. Environmental Protection Agency
1445 Ross Avenue, Suite 1200
Dallas, Texas 75202-2733

Re: Controlled Recovery, Inc.

Dear Mr. Coleman:

The Oil Conservation Division (OCD) is in receipt of your preliminary determination that the above referenced facility is acceptable to receive CERCLA wastes for disposal. The Controlled Recovery facility is permitted pursuant to OCD Rule 711 and is permitted to accept only wastes generated in the oil and gas exploration, production, transportation of crude oil or natural gas, refining, gas processing and oilfield industry.

The OCD conducts unannounced inspections of the facility periodically and has had no documented violations or compliance actions against the facility.

The OCD has no objections to the issuance of an acceptability determination, provided all existing permit requirements for receipt of all exempt and non-exempt waste at the facility will be required for any CERCLA authorized wastes.

If you have any questions, please do not hesitate to call me.

Sincerely,

Roger C. Anderson
Environmental Bureau Chief

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

OIL CONSERVATION DIVISION
RECEIVED
95 OCT 20 AM 8 52

October 19, 1995

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

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

Reference: Navajo Refining Co.-Lovington Facility

Subject: C-138 submittal for contaminated soil generated from around the plant waste water sump.
(cover sheet attached)

Please be advised that the NMOCD District I received this submittal on October 16, 1995. At that time there were noted deficiencies in the submitted paper work and routine questions concerning the waste stream.

On October 16, 1995 telephone discussions were held between NMOCD, CRI and Navajo in order to define and classify the waste stream and to expedite these matters.

On October 17 and 18 NMOCD District I contacted the NMOCD Environmental Bureau staff concerning the issue of classifying this waste stream. It was noted that due to the fact that the sump which had leaked, contained a "listed hazardous waste" possible F037, F038 and/or K049, which might have been deposited into the soils that were contaminated, thus possibly making the mixture Hazardous Waste.

The NMOCD Environmental Bureau Chief indicated that since this waste determination decision falls under the regulatory authority of the New Mexico Environmental Department (Hazardous Waste Div) they will be consulted and required to sign off before this waste can be accepted.

On October 18 and 19, 1995 we received faxed copies from the generator (Navajo) addressing these noted deficiencies in the submitted paper work.

In order to speed up this process the NMOCD District I will forward this approval process by fax to Santa Fe today. However, please notify your client that extra time will be required since the New Mexico Environmental Department approval will be required.

If you have any further questions concerning this matter please do not hesitate to call or write.

Sincerely yours,

Wayne Price

Wayne Price-Environmental Engineer

cc: Roger Anderson-Environmental Bureau Chief
Chris Eustice-Environmental Geologist
Jerry Sexton-District I Supervisor

attachments-1

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 6
1445 ROSS AVENUE, SUITE 1200
DALLAS, TX 75202-2733

SEP 21 1995

RECEIVED
SEP 25 1995
Oil Conservation Division

Mr. William J. LeMay
Director
Oil Conservation Division
New Mexico Energy, Minerals and
Natural Resources Department
2040 South Pacheco Street
Santa Fe, NM 87505

Re: Controlled Recovery, Inc.
Hobbs, NM
Oil Conservation Division Order # R-9166

Dear Mr. LeMay:

The U.S. Environmental Protection Agency has made a preliminary determination that the facility referenced above is acceptable to receive wastes from remedial or removal actions taken pursuant to the Comprehensive Environmental Response, Compensation, and Liability Act, provided the facility's actual receipt of such wastes is consistent with applicable State and Federal requirements. The purpose of this letter is to consult with you prior to issuance of this determination.

As provided for in the "Off-site Rule" - 40 CFR § 300.440 (58 FR 49200, 49215 - 49218 September 22, 1993), we want to know if the facility is in compliance with state law requirements, including the requirements of any Federal program for which the State has been authorized, and if there are releases occurring at the facility. If you find a violation or release at the facility or a specific unit of the facility, we will evaluate it for relevance under the "Off-site Rule."

Your agency's response is requested within 14 calendar days, to the attention of:

Ms. Eve Boss, 6EN-HS
Regional Off-Site Contact
U.S. Environmental Protection Agency
1445 Ross Avenue, Suite 1200
Dallas, TX 75202-2733

FAX (214) 665-6660

If you would like to discuss this request, please contact me, or have your staff contact Ms. Eve Boss at (214) 665-6651. If you object to our issuance of an acceptability determination, please specify this in your response.

Sincerely yours,

Samuel Coleman, P.E.
Director
Compliance Assurance and
Enforcement Division

cc: Mr. Roger Anderson, Chief
New Mexico Energy, Minerals and Natural Resources Department

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

Chris Eustice
NMOCD

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

September 27, 1995

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

Re: Exxon Chemical-Denver City facility C-138 submittal.

Dear Ms. Roach,

In order for the NMOCD to properly evaluate the C-138 submitted, please provide the following information and/or make corrections in the original submittal.

1. Describe in detail the nature of the original business, activities conducted at the site, chemicals used and stored at the site, all waste streams generated at the site. If available, any Environmental assessments reports.

2. Provide a complete written description and field notes to describe all sampling activities and cross reference to laboratory reports. For example, which samples are grab, composite etc.

3. Provide detail information on how the waste was generated and what and how it was contaminated with. For example, describe the materials and products that were contained on site which had leaked and cross reference this with sampling events.

4. Please be more definitive in such activities that were conducted on site that caused the contamination, such as why and how the following chemical constituents showed up on the analytical reports; Arsenic, Barium, Chromium, Lead, etc. Also, was there a laboratory on-site and where did these waste go?

   If any of the above waste were classified as hazardous at the point of generation, then demonstrate why the contaminated soils that are to be excavated would not also be classified as hazardous waste.

5. Please provide written documentation from the State of Texas which reflects the waste classifications and authorization to dispose of these waste at the CRI facility.

If you or Exxon's consultant have any questions please do not hesitate to call or write.

Sincerely yours,

Wayne Price-Environmental Engineer

cc: Chris Eustice-NMOCD Santa Fe office
Jerry Sexton-NMOCD District I Supervisor
David Glasco-ENSR

attachment- C-138

District I - (505) 393-6161
P. O. Box 1940
Hobbs, NM 88241-1980
District II - (505) 748-1283
811 S. First
Artesia, NM 88210
District III - (505) 334-6178
1000 Rio Brazos Road
Aztec, NM 87410
District IV - (505) 827-7131

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

Form C-138
Originated 4/18/95

Submit Original
Plus 1 Copy
to appropriate
District Office

REQUEST FOR APPROVAL TO ACCEPT SOLID WASTE

1. RCRA Exempt: ☐ Non-Exempt: ☒	4. Generator EXXON CHEMICAL
Verbal Approval Received: Yes ☐ No ☒	5. Originating Site DENVER CITY TX
2. Management Facility Destination CONTROLLED RECOVERY INC.	6. Transporter MATHEW'S BACKHOE SERVICE
3. Address of Facility Operator P.O. BOX 369 HOBBS	8. State N.M.
7. Location of Material (Street Address or ULSTR) 0.6 MILE OF HWY	83 (W. BROADWAY) ON TEXAS HWY 214

9. Circle One:

A. All requests for approval to accept oilfield exempt wastes will be accompanied by a certification of waste from the Generator; one certificate per job.

(B.) All requests for approval to accept non-exempt wastes must be accompanied by necessary chemical analysis to PROVE the material is not-hazardous and the Generator's certification of origin. No waste classified hazardous by listing or testing will be approved.

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

BRIEF DESCRIPTION OF MATERIAL:

THE FOLLOWING ANALYTICAL IS FROM EXXON'S DENVER CITY FACILTIY. APPROXIMATELY 2500 CUBIC YARDS OF IMPACTED SOILS HAVE BEEN CONTAMINATED BY LEAKS FROM DRUMS AND TANKS THROUGHOUT THE MANY YEARS OF OPERATION AT THE FACILITY. THE TPH IMPACTED SOILS ARE FROM AN EXISTING VACANT DRUM STORAGE AND TANK STORAGE AREAS. I HAVE INCLUDED A CERTIFICATE OF WASTE STATUS, CHAIN OF CUSTODY AND A PROFILE SHEET. CONTROLLED RECOVERY INC. REQUEST APPROVAL TO DISPOSE OF THIS WASTE AT OUR HALFWAY FACILITY.

RECEIVED
SEP 1 5 1
OCD HOBBS OFFICE

DENIED 9/27/95 [illegible]

Estimated Volume 2500 CUBIC YARDS cy Known Volume (to be entered by the operator at the end of the haul) _____ cy

SIGNATURE: Donna L. Roach TITLE: OFFICE MANAGER DATE: 09/19/95
Waste Management Facility Authorized Agent

TYPE OR PRINT NAME: DONNA L. ROACH TELEPHONE NO. (505)-393-1079

(This space for State Use)

APPROVED BY: _____ TITLE: _____ DATE: _____

APPROVED BY: _____ TITLE: _____ DATE: _____

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

Chris Bostick
NMOCD

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

September 27, 1995

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

Re: Exxon Chemical-Odessa facility C-138 submittal.

Dear Ms. Roach,

In order for the NMOCD to properly evaluate the C-138 submitted, please provide the following information and/or make corrections in the original submittal.

1. Describe in detail the nature of the original business, activities conducted at the site, chemicals used and stored at the site, all waste streams generated at the site. If available, any Environmental assessments reports.

2. Provide a complete written description and field notes to describe all sampling activities and cross reference to laboratory reports. For example, which samples are grab, composite etc.

3. Provide detail information on how the waste was generated and what and how it was contaminated with. Also, please indicate the proper quantities, types of waste, etc. For example, there is reference on CRI's profile sheet to " leaking drums & sumps and minor spills & drips" , however the "Certificate of Waste Status" source; reflects a leechfield & sump soils.

   It is NMOCD's understanding that only approximately 100-200 yards of soil will be generated from below the "sump". Therefore please correct the C-138 to reflect this amount, instead of the 1000 cubic yards shown.

4. Please be more definitive in such activities that were conducted on site that caused the contamination, such as why and how the following chemical constituents showed up on the analytical reports; Chloroform, Tetrachloroethene, Arsenic, etc. Also, was there a laboratory on-site and where did these waste go? If these waste were classified as hazardous, then demonstrate why the contaminated soils would not also be classified as hazardous waste.

5. Page 4 of the analytical sheet reflects the S1 sample has a flashpoint <180 f; please explain, how much less than 180 f?

6. Please provide written documentation from the State of Texas which reflects the waste classification and authorization to dispose of this waste at the CRI facility.

If you or Exxon's consultant have any questions please do not hesitate to call or write.

Sincerely yours,

Wayne Price

Wayne Price-Environmental Engineer

cc: Chris Eustice-NMOCD Santa Fe office
Jerry Sexton-NMOCD District I Supervisor
David Glasco-ENSR

attachment- C-138

District I - (505) 393-6161
P. O. Box 1940
Hobbs, NM 88241-1980
District II - (505) 748-1283
811 S. First
Artesia, NM 88210
District III - (505) 334-6178
1000 Rio Brazos Road
Aztec, NM 87410
District IV - (505) 827-7131

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

Form C-13
Originated 4/18/

Submit Origir
Plus 1 Co
to appropri
District Offi

REQUEST FOR APPROVAL TO ACCEPT SOLID WASTE

1. RCRA Exempt: ☐ Non-Exempt: ☒	4. Generator EXXON CHEMICAL
Verbal Approval Received: Yes ☐ No ☒	5. Originating Site ODESSA FACILITY
2. Management Facility Destination CONTROLLED RECOVERY INC.	6. Transporter MATHEW'S BACKHOE SE
3. Address of Facility Operator P.O. BOX 369 HOBBS	8. State NM
7. Location of Material (Street Address or ULSTR) 2126 MAURICE RD. ODESSA TX.	

9. Circle One:

A. All requests for approval to accept oilfield exempt wastes will be accompanied by a certification of waste from the Generator; one certificate per job.

B. All requests for approval to accept non-exempt wastes must be accompanied by necessary chemical analysis to PROVE the material is not-hazardous and the Generator's certification of origin. No waste classified hazardous by listing or testing will be approved.

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

BRIEF DESCRIPTION OF MATERIAL:

THE FOLLOWING ANALYTICAL IS FROM EXXON'S ODESSA FACILITY. THE SOILS WERE CONTAMINATED WITH TRACES OF CHLOROFORM FROM AN EXISTING SUMP AREA. I HAVE INCLUDED THE CHAIN OF CUSTODY, A PROFILE SHEET AND A CERTIFICATE OF WASTE STATUS. CONTROLLED RECOVERY INC. REQUIEST APPROVAL TO DISPOSE OF THIS WASTE AT OUR HALFWAY FACILITY.

RECEIVED
SEP 19 1995
OCD HOBBS OFFICE

DENIED 9/27/95 JW

Estimated Volume 1000 cubic yds cy Known Volume (to be entered by the operator at the end of the haul) _____ cy

SIGNATURE: Donna L. Roach Waste Management Facility Authorized Agent TITLE: OFFICE MANAGER DATE: 09/19/95

TYPE OR PRINT NAME: DONNA L. ROACH TELEPHONE NO. (505)-393-1079

(This space for State Use)

APPROVED BY: _____ TITLE: _____ DATE: _____

APPROVED BY: _____ TITLE: _____ DATE: _____

September 22, 1995

CERTIFIED MAIL
RETURN RECEIPT NO. P-176-012-191

Mr. Michael Patterson, General Manager
Controlled Recovery, Inc.
PO Box 369
Hobbs, New Mexico 88241

Re: Surface Impoundment Closure
CRI Waste Management Facility
Lea County, New Mexico

Dear Mr. Patterson:

The Oil Conservation Division (OCD) has received Controlled Recovery, Inc.'s (CRI) letter dated September 6, 1995 requesting authorization to modify the previously approved "CLOSURE PLAN" for closing the lined surface impoundment present at the west side of the above referenced facility. The request is to use blow sand and incidental salt as a mixing agent to solidify the liquid contents of the pit. Based upon the information provided, the modification to the closure plan is hereby approved with the following conditions:

1. The contents of the pond will be solidified before excavation and disposal.

2. Only clean blowsand and incidental salt will be mixed with the free liquid contents of the pit prior to excavation.

3. All other conditions of the July 6, 1995 approval will be adhered to.

Please be advised that OCD approval does not relieve CRI of liability should closure activities determine that contamination exists which is beyond the scope of the closure plan or if the work fails to fully delineate the extent of contamination related to CRI's activities. In addition, OCD approval does not relieve CRI of responsibility for compliance with any other federal, state or local laws and/or regulations.

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

Sincerely,

Chris E. Eustice
Environmental Geologist

xc: OCD - Artesia Office

CRI

CONTROLLED RECOVERY INC.

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

September 6, 1995

NEW MEXICO OIL CONSERVATION DIVISION
P.O. BOX 6429
SANTA FE, N.M. 87505

ATTN: CHRIS EUSTICE

DEAR CHRIS;

I would like to request your approval on using blowsand and salt from a SWD EVAPORATED POND to solidify our pits in which we have received OCD approval to close at our CRI facility. The SWD pit has been out of service for about 10 years. This material should help us solidify the bottom of our pits. Thank you for your help on this project.

Sincerely,

Michael G. Patterson

Michael G. Patterson
General Manager

MGP/dr

OIL CONSERVATION DIVISION

July 6, 1995

CERTIFIED MAIL
RETURN RECEIPT NO. P-176-012-155

Mr. Michael Patterson, General Manager
Controlled Recovery, Inc.
PO Box 369
Hobbs, New Mexico 88241

Re: Surface Impoundment Closure
CRI Waste Management Facility
Lea County, New Mexico

Dear Mr. Patterson:

The Oil Conservation Division (OCD) has completed a review of Controlled Recovery, Inc.'s (CRI) May 18, 1995 "CLOSURE PLAN" to formally close the lined surface impoundment present at the west side of the above referenced facility. Based upon the information provided, the closure plan is hereby approved with the following conditions:

1. Prior to closure, CRI will sample the contents of the pit for halogenated hydrocarbons (SW 846, EPA Method 8010).

2. Clean fill material will be mixed with the free liquid contents of the pit prior to excavation.

3. Upon completion of all closure activities, CRI will submit to the OCD for approval a CLOSURE REPORT containing the final results of all pit closure activities, deliniation, analytical results requested above, and disposal procedures. To simplify the approval process for both CRI and the OCD, the OCD requests that CRI submit final pit closure reports only upon completion of all closure activities.

4. All soils removed from the pit excavation will be disposed of at an OCD approved facility.

5. The OCD will be notified of any break, spill, or any circumstance that could constitute a hazard or has potential to result in contamination in accordance with OCD rule 116.

6. CRI will notify the OCD of any activities related to the closure of a pit 48 hours in advance to allow the OCD to witness any and/or all activities.

Please be advised that OCD approval does not relieve CRI of liability should closure activities determine that contamination exists which is beyond the scope of the work plan or if the work fails to fully delineate the extent of contamination related to CRI's activities. In addition, OCD approval does not relieve CRI of responsibility for compliance with any other federal, state or local laws and/or regulations.

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

Sincerely,

Chris E. Eustice
Environmental Geologist

xc: OCD - Artesia Office

Memo

From

ROGER ANDERSON
Environmental Engineer

To CRI File

Re: Allegra Disp req
7/18/95 7:30 AM

Per phone con w/ Lori Wrotenbery, RR Commission, material was purchased by Allegra Operating for drilling program. RR comm considers it an oilfield waste, but does need a minor permit to dispose.

RA

Oil Conservation Division Santa Fe, New Mexico 87501
(505) 827-5800

NMOCD Inter-Correspondence

To: Roger Anderson-Environmental Bureau Chief

From: Wayne Price-Environmental Engineer District I

Date: July 3, 1995

Reference: Solid Waste Approval from Controlled Recovery, INC.

Subject: Allegro Minerals

Comments:

Dear Roger,

Please find attached a Request for Solid Waste Approval submitted by CRI listing Allegro Minerals as the generator. The request is to dispose of 200 tons of Anhydrous Magnesium Chloride $MgCl_2$ into the CRI facility.

I denied the first submittal because it appeared to be "Non-Oilfield". Mr. Ken Marsh acting as a broker requested that we reconsidered the request because it is used in drilling fluids. The second request was submitted with Allegro's Article of Incorporation attached.

It appears that this un-used material would be classified as an "Industrial Chemical". The actual marketing and/or generating process is unknown at this time. I have not discussed the generating process with Allegro at the generating site. I did make a telephone call to their Abilene office and the person I talked to indicated that they thought the material was a by-product of some type of recycling project, but referred me to a Mr. Bill Meador, no telephone given.

Since I do not have a copy of CRI's original permit I do not know if they are allowed to take such material. According to the MSDS supplied this material is exothermic when exposed to water. This issue raises questions of what is going to happen when it is buried with other miscellaneous oil field waste.

I have discussed this issue with Jerry Sexton and he has requested that your department handle this request.

cc: Jerry Sexton-District I Supervisor
Chris Eustice-Envr. Geologist

Attachments-1

Roger Anderson

From: Wayne Price
To: Roger Anderson
Cc: Chris Eustice; Wayne Price
Subject: Allegro Minerals/CRI Solid Waste
Date: Thursday, July 06, 1995 1:16PM
Priority: High

Dear Roger,

On July 3, 1995 I sent you a letter concerning the proposed disposal of Anhydrous Magnesium Chloride into the CRI facility. In the mean time Mr. Ken Marsh called and gave me Mr. Bill Meador's (Allegro's owner) telephone number which is 915-447-3272. Mr. Marsh wanted to make sure you had this number so as to aquire additional information on the generating process.

Submit to Appropriate
District Office in Triplicate

DISTRICT I
PO Box 1980
Hobbs, NM 88241-1980

DISTRICT II
PO Drawer DD
Artesia, NM 88211-0719

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

DISTRICT III
1000 Rio Brazos Rd.
Aztec, NM 87410

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

REQUEST FOR APPROVAL TO ACCEPT SOLID WASTE	XXXXXXXXXXXXXXXXXXXXXXXXX
1. RCRA Exempt: ☐ Non-Exempt: ☒ Verbal Approval Received: Yes ☐ No ☐	4. Generator Allegro Minerals
2. Destination Controlled Recovery, Inc.	5. Name of Originating Site Allegro Minerals facility Abilene, Texas
3. Address of Facility Operator P.O. Box 369, Hobbs, NM 88241	6. Name of Transporter Undecided
7. Location of Material (Street Address or ULSTR) Sand Hills Products facility; Pecos, Texas	8. State Texas

9. Circle One

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

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

BRIEF DESCRIPTION OF THE MATERIAL:

Anhydrous magnesium chloride $MgCl_2$ is a material used to control cementing times for oilfield applications and is also used as an additive to drilling fluids. This material is stored in drums in Pecos, Texas at Sand Hills Products facility. The owner is Allegro Minerals of Abilene, Texas. Both companies have common ownership. Please note there is no analysis for corrositivity, ignitibility, reactivity. The MSDS attached addresses these issues, however if required the tests can be performed. The material was never used but is dated. This will be the second time we have requested approval from the OCD for disposal. Our first request was denied, the OCD having written on the form "non-oilfield" company. I have included with this request copies of the Certificate of Incorporation showing this company to be an oilfield company.

Estimated Volume 200 tons CY Known Volume (to be entered by the operator at the end of the haul): _____ CY

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

SIGNATURE J. Amy Sumrall TITLE Office Manager DATE 6-28-95

TYPE OR PRINT NAME J. Amy Sumrall TELEPHONE NO. (505) 393-1079

(This space for State Use)

APPROVED BY _____ TITLE _____ DATE _____

APPROVED BY _____ TITLE _____ DATE _____

DENIED
NON-OILFIELD WASTE
OCD 7-6-95

EnerChem Incorporated

12502 Kirketon Drive
Lakeside, California 92040
(619) 561-2800

MATERIAL SAFETY DATA SHEET

EMERGENCY PHONE: 619-561-2800 EFFECTIVE DATE: 12/01/94

PRODUCT: Anhydrous Magnesium Chloride FORMULA: $MgCl_2$

INGREDIENTS (TYPICAL VALUES - NOT SPECIFICATIONS):

Magnesium Chloride 99+ %

SECTION 1 --- PHYSICAL DATA

BOILING POINT: N.A. SOLUBILITY IN WATER: 001 %
SPECIFIC GRAVITY: 0.69
APPEARANCE AND ODOR: White to off white flake, odorless

SECTION 2 --- FIRE AND EXPLOSION HAZARD DATA

FLASH POINT: Non-flammable solid FLAMMABLE LIMITS: N.A.
SPECIAL FIRE FIGHTING EQUIPMENT AND HAZARDS: None. Heat evolves on contact with water, may cause steaming and splattering unless excess water applied, greater than 20 parts water per part product.

SECTION 3 --- REACTIVITY DATA

STABILITY: Stable in dry form. Avoid contact with water under uncontrolled conditions.
INCOMPATIBILITY: Can be corrosive to metals in the presence of moisture.
HAZARDOUS DECOMP. PRODUCTS: Hydrogen Chloride at well over 1400°C, 2552°F.
HAZARDOUS POLYMERIZATION: Will not occur.

SECTION 4 --- SPILL, LEAK, AND DISPOSAL PROCEDURES

ACTION TO TAKE FOR SPILLS (USE APPROPRIATE SAFETY EQUIPMENT): Sweep to collect and contain for salvage or disposal. If water is used, heat will be formed. Dike run off. Water should be contained for proper disposal. Prevent entry into sewers or natural bodies of water. In high concentrations may cause localized vegetation and fish kill.
DISPOSAL METHOD: It is recommended that all local, state and federal regulations concerning health and pollution be reviewed to determine approved disposal procedures.

CEB-CH

The State of Texas

Secretary of State

CERTIFICATE OF INCORPORATION

OF

ALLEGRO OPERATING, INC.
CHARTER NUMBER 01265465

THE UNDERSIGNED, AS SECRETARY OF STATE OF THE STATE OF TEXAS, HEREBY CERTIFIES THAT THE ATTACHED ARTICLES OF INCORPORATION FOR THE ABOVE NAMED CORPORATION HAVE BEEN RECEIVED IN THIS OFFICE AND ARE FOUND TO CONFORM TO LAW.

ACCORDINGLY, THE UNDERSIGNED, AS SECRETARY OF STATE, AND BY VIRTUE OF THE AUTHORITY VESTED IN THE SECRETARY BY LAW, HEREBY ISSUES THIS CERTIFICATE OF INCORPORATION.

ISSUANCE OF THIS CERTIFICATE OF INCORPORATION DOES NOT AUTHORIZE THE USE OF A CORPORATE NAME IN THIS STATE IN VIOLATION OF THE RIGHTS OF ANOTHER UNDER THE FEDERAL TRADEMARK ACT OF 1946, THE TEXAS TRADEMARK LAW, THE ASSUMED BUSINESS OR PROFESSIONAL NAME ACT OR THE COMMON LAW.

DATED APR. 1, 1993

EFFECTIVE APR. 1, 1993

John Hannah Jr
Secretary of State

FILED
In the Office of the
Secretary of State of Texas

APR 0 1 1993

Corporations Section

ARTICLES OF INCORPORATION

OF

ALLEGRO OPERATING, INC.

I, the undersigned natural person of the age of eighteen years or more, who is a citizen of the State of Texas, acting as sole Incorporator of a Corporation under the Texas Business Corporation Act, do hereby adopt the following Articles of Incorporation for such Corporation:

ARTICLE ONE

The name of the Corporation is Allegro Operating, Inc.

ARTICLE TWO

The period of its duration is perpetual.

ARTICLE THREE

The purpose or purposes for which the Corporation is organized are as follows:

1. To engage in the business of prospecting for, developing, mining, producing, acquiring, storing, refining, processing, beneficiating, manufacturing and marketing natural resources and their products, including but not limited to petroleum, oil, gas, coal, shale, sulphur, pyrites, potash, salts, barites, borates, nitrates, phosphates, clays, gravel, gypsum, limestone, sand, talc, iron, copper, lead, zinc, aluminum, magnesium, titanium, chromium, cobalt, manganese, molybdenum, nickel, uranium, thorium and other radioactive materials, rare earths, tin, tungsten, vanadium, antimony, mercury, gold, platinum, silver, and all other metals and minerals, whether similar or dissimilar to those enumerated, and timber, of transporting said natural resources and the products thereof (except that it may not engage directly in the oil pipe line business in this state), of acquiring, producing, manufacturing, transporting, and marketing all sorts of chemicals, and of conducting fundamental and applied research; to engage in the production, purchase, manufacture, processing, transportation and sale of equipment, commodities, materials, goods, wares and merchandise; and to erect, own, operate and dispose of such buildings, structures, plants, works and facilities, and do such things as may be necessary or convenient in carrying out any and all of the foregoing purposes.

2. To operate by contract or otherwise, Oil, Gas and Mineral Leases and to do such things as may be necessary or convenient to operate such leases.

3. To gather, store, and impound water containing salt or other substances (produced) in the drilling and operation of oil and other wells, and to prevent the flow thereof into streams at times when said water may be used for irrigation and to otherwise qualify as a Waste Water Corporation under the terms of Article 1508-1512, V.A.T.S. as same is presently enacted or as same may be in the future amended.

4. Subject to the provisions of Part Four, Texas Miscellaneous Corporation Laws Act, to purchase, acquire,

hold, improve, sell, convey, assign, release, mortgage, encumber, lease, hire and deal in real and personal property of every name and nature.

5. To mortgage any part of its real and personal estate, to secure the payment of any debts, obligations or liabilities incurred by it in its business, as its Board of Directors may direct, under and pursuant to, and subject to, the provisions of its By-Laws made in relation thereto. Said Corporation may borrow money, without banking or discounting privileges, incur debts and liabilities and issue its bonds or obligations therefor, in such amounts, at such rates, and on such terms as its Board of Directors may, from time to time, direct, and secure the payment of the same as above provided.

6. To manufacture, produce, process, refine, develop, exploit, purchase or otherwise acquire, handle, distribute, sell, market and generally deal and trade in and with, goods, wares, merchandise, articles of commerce and personal property of every kind, nature and description.

7. To enter into any partnership, limited or general, as a limited or general partner, or both, and to enter into any other arrangement for sharing profits, union or interest, unitization or farmout agreements, reciprocal concession, or cooperation, with a corporation, association, partnership, syndicate, entity, person, or governmental, municipal, or public authority, domestic or foreign in the carrying on or any business which this Corporation is authorized to carry on, or any business or transaction deemed necessary, convenient, or incidental to carrying out any of the purposes of this Corporation.

8. To purchase, hold, cancel, reissue, sell, exchange, transfer, or otherwise deal in its own stock from time to time to such an extent and in such manner and upon such terms as the Board of Directors of the Corporation shall determine; provided that, this Corporation shall not use its funds or property for the purchase of its own shares of capital stock when such use would cause any impairment of its capital, except to the extent permitted by law; and provided further that, shares of its own capital stock belonging to this Corporation shall not be voted upon directly or indirectly.

ARTICLE FOUR

The Corporation shall have authority to issue one class of stock, the aggregate number of shares so authorized being One Million (1,000,000) shares, all of such shares to be without par value.

ARTICLE FIVE

Cumulative voting of shares in the election of directors shall be permitted.

ARTICLE SIX

The shareholders of the Corporation shall not have preemptive rights in order that each shareholder may maintain a proportionate interest in the Corporation.

ARTICLE SEVEN

The Corporation will not commence business until it has received for the issuance of its shares consideration of the value of One Thousand Dollars ($1,000.00) consisting of money, labor done, or property actually received.

ARTICLE EIGHT

The post office address of its initial registered office is 1470 Woodland Trail, Abilene, Texas, 79605, and the name of its initial registered agent at such address is W. Allan Meador.

ARTICLE NINE

The number of Directors constituting the initial Board of Directors is three (3), and the names and addresses of the persons who are to serve as Directors until the first annual meeting of the shareholders or until their successors are elected and qualified are as follows:

W. Allan Meador
1470 Woodland Trail
Abilene, Texas 79605

Emily E. Meador
1470 Woodland Trail
Abilene, Texas 79605

Edwin L. Meador
6144 Richmond Ave.
Dallas, Texas 75214

ARTICLE TEN

The name and address of the Incorporator is as follows:

W. Allan Meador
1470 Woodland Trail
Abilene, Texas 79605

IN WITNESS WHEREOF, I have hereunto set my hand this the 30th day of March, 1993.

W. Allan Meador

STATE OF TEXAS ()
COUNTY OF TAYLOR ()

I, Marie D. Mickey, a Notary Public, do hereby certify that on this the 30th day of March, 1993, personally appeared before me, W. Allan Meador, who, being by me first duly sworn, instrument as Incorporator, and that the statements therein contained are true.

Marie D. Mickey
NOTARY PUBLIC, STATE OF TEXAS

OIL CONSERVATION DIVISION

July 24, 1995

CERTIFIED MAIL
RETURN RECEIPT NO. Z 765 962 808

Mr. Ken Marsh
K R M
P.O. Box 1832
Hobbs, New Mexico 88241

Re: OCD FORM "REQUEST FOR APPROVAL TO ACCEPT SOLID WASTE"

Dear Mr. Marsh:

Mr. Wayne Price, the Oil Conservation Division Environmental Engineer in the Hobbs District office, has forwarded your July 21, 1995 request for statute, rule or regulation cites for requiring the above-referenced form.

The authority for requiring paperwork in regulating the disposition of nondomestic waste generated in the oil and gas industry is contained in 70-2-6.A., 70-2-12.A., and 70-2-12.B.(15), (21) and (22), New Mexico Statutes Annotated (NMSA) 1978 as amended.

The form has been used by the OCD since March, 1994. If you have any questions, please do not hesitate to call me.

Sincerely,

Roger C. Anderson
Environmental Bureau Chief

xc: OCD District Supervisors
Wayne Price, OCD Hobbs

FROM: Wayne Price

TO: Roger Anderson

DATE: 07-24-95
TIME: 10:21

CC: Jerry Sexton
Wayne Price
Bill Olson
Chris Eustice

SUBJECT: Regulatory Determination: Ref: OCD Form
PRIORITY: 4
ATTACHMENTS:

Dear Roger,

Please note I will be faxing to you today a copy of a letter (Dated July 21, 1995) that I received from Mr. Ken Marsh. Mr. Marsh has ask me to "quote the statue number, rule number or regulation number which authorizes" the requirement of the OCD Form request for approval to accept solid waste.

I would like to refer this regulatory determination to your department.

Thanks!

==========

K R M
P. O. BOX 1832
HOBBS, NEW MEXICO 88241

July 21, 1995

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

Re: OCD Form request for approval to
to accept solid waste

Dear Mr. Price:

Please quote the statue number, rule number or regulation number which authorizes the requirement of this form and the date it became effective.

Thanks in advance for your help.

Sincerely,

Ken Marsh

KM/ys

Attachment: Request for approval to accept solid waste

REQUEST FOR APPROVAL TO ACCEPT SOLID WASTE	xxxxxxxxxxxxxxxxxxxxx
1. RCRA Exempt: ☐ Non-Exempt: ☐ Verbal Approval Received: Yes ☐ No ☐ (Submitting this form for oilfield exempt waste is optional)	4. Name of Transporter
2. Destination	5. Generator
3. Address of Facility Operator	6. Name of Originating Site
7. Originating Location of Material (Street Address or ULSTR)	8. State

9. Check One

☐ A. All requests for approval to accept oilfield exempt wastes will be accompanied by a certification of waste from the Generator certificate per job.

☐ B. All requests for approval to accept non-oilfield exempt wastes will be accompanied by a certification of waste status from the Gener...or and the New Mexico Environment Department or other appropriate government agency; two certific...es per job.

☐ C. All requests for approval to accept non-exempt wastes must be accompanied by necessary chemical analyses to prove the material is non-hazardous and the Generator's certification of origin. No waste classified as hazardous by listing or testing will be approved.

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

Projected Dates(s) for Transportation: _____

BRIEF DESCRIPTION OF THE MATERIAL:

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
Case No. 11143 11216 Exhibit No. 7
Submitted by OCD
Hearing Date 5/11/95

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
Case No. ... Exhibit No. ...
Submitted by ...
Hearing Date ...

Estimated Volume _____ yd³ Known Volume (to be entered by the operator at the end of the haul): _____

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

SIGNATURE _____ TITLE _____ DATE _____

TYPE OR PRINT NAME _____ TELEPHONE NO. _____

(This space for State Use)

APPROVED BY _____ TITLE _____ DATE _____

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

RECEIVED
JUL 24 1995
OCD HOBBS OFFICE

DATE: 7/24/95

To ROGER ANDERSON
NMOCD

From

WAYNE PRICE - ENVIRONMENTAL ENGR. - NMOCD. DISTRICT I

Energy & Minerals Department

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

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

TOTAL PAGES (4)

OIL CONSERVATION DIVISION

July 6, 1995

CERTIFIED MAIL
RETURN RECEIPT NO. P-176-012-155

Mr. Michael Patterson, General Manager
Controlled Recovery, Inc.
PO Box 369
Hobbs, New Mexico 88241

Re: Surface Impoundment Closure
CRI Waste Management Facility
Lea County, New Mexico

Dear Mr. Patterson:

The Oil Conservation Division (OCD) has completed a review of Controlled Recovery, Inc.'s (CRI) May 18, 1995 "CLOSURE PLAN" to formally close the lined surface impoundment present at the west side of the above referenced facility. Based upon the information provided, the closure plan is hereby approved with the following conditions:

1. Prior to closure, CRI will sample the contents of the pit for halogenated hydrocarbons (SW 846, EPA Method 8010).

2. Clean fill material will be mixed with the free liquid contents of the pit prior to excavation.

3. Upon completion of all closure activities, CRI will submit to the OCD for approval a CLOSURE REPORT containing the final results of all pit closure activities, deliniation, analytical results requested above, and disposal procedures. To simplify the approval process for both CRI and the OCD, the OCD requests that CRI submit final pit closure reports only upon completion of all closure activities.

4. All soils removed from the pit excavation will be disposed of at an OCD approved facility.

5. The OCD will be notified of any break, spill, or any circumstance that could constitute a hazard or has potential to result in contamination in accordance with OCD rule 116.

6. CRI will notify the OCD of any activities related to the closure of a pit 48 hours in advance to allow the OCD to witness any and/or all activities.

Please be advised that OCD approval does not relieve CRI of liability should closure activities determine that contamination exists which is beyond the scope of the work plan or if the work fails to fully delineate the extent of contamination related to CRI's activities. In addition, OCD approval does not relieve CRI of responsibility for compliance with any other federal, state or local laws and/or regulations.

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

Sincerely,

Chris E. Eustice
Environmental Geologist

xc: OCD - Artesia Office

CRI File

OIL CONSERVATION DIVISION
RECEIVED
'95 JU 3 AM 8 52

NMOCD Inter-Correspondence

To: Tess Monahan
NMAGO
827-6058
827-4440 fax

From: Wayne Price-Environmental Engineer District I

Date: June 30, 1995

Reference: Request for Information

Subject: Solid Waste Disposal from Hobbs City POTW to Controlled Recovery Inc. (CRI)

Comments:

Dear Tess,

Please find enclosed a copy of the documentation per your request. This information is included in the CRI and Hobbs City POTW files located in the NMOCD Hobbs office.

I have discussed this issue with Roger Anderson the NMOCD Environmental Bureau Chief and with the NMOCD District I Supervisor Jerry Sexton. If you have any questions concerning this issue and the approval procedure in which the NMOCD used please free to call Mr. Anderson at 505-827-7152.

Per our telephone conversation, I reviewed the Cobra Well Service file and we do not have any thing in the file concerning any release of hydrocarbons that went into the city sewer system.

During the time of your visit in October of 1994, the NMOCD did investigate the Amoco injection line leak which happened to be in the same area of investigation that was being conducted by the City of Hobbs. The NMOCD did not at this time conduct an investigation of any Service Companies in the area.

In February of this year the NMOCD requested that Cobra Well Service apply for a discharge plan and in March there was an on-site inspection for the above mentioned plan. At this time, this plan has not been approved due to a problem concerning proper disposal of their sump sludge.

It is my understanding that the Federal EPA conducted an inspection of the Cobra facility sometime in April of this year, the results of this inspection has not been obtained by this office as of to date.

If you need any other information please do not hesitate to call or write.

cc: Jerry Sexton-District I Supervisor
Roger Anderson-Environmental Bureau Chief

Attachments-1

Submit to Appropriate
District Office in Triplicate

DISTRICT I
PO Box 1980
Hobbs, NM 88241-1980

DISTRICT II
PO Drawer DD
Artesia, NM 88211-0719

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

DISTRICT III
1000 Rio Brazos Rd.
Aztec, NM 87410

DISTRICT IV
PO Box 2088
Santa Fe, NM 87504-20

REQUEST FOR APPROVAL TO ACCEPT SOLID WASTE	XXXXXXXXXXXXXXXXXXXXXXXX
1. RCRA Exempt: ☐ Non-Exempt: ☒ Verbal Approval Received: Yes ☐ No ☐	4. Generator City of Hobbs
2. Destination Controlled Recovery, Inc.	5. Name of Originating Site Unknown
3. Address of Facility Operator P.O. Box 369, Hobbs, NM 88241	6. Name of Transporter Undecided
7. Location of Material (Street Address or ULSTR)	8. State NM

9. Circle One

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

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

BRIEF DESCRIPTION OF THE MATERIAL:

The following analysis is for material that was taken from the City Of Hobbs. 30 to 50 bbls of crude was dumped into the sewer system. The liquid was pulled out and stored in frac tanks. The origin of the crude is unknown, however, the City has run analysis to prove that the material is non-hazardous.

Denied OCD approval
Referred to ED-HW
MEK in Sample
OK RCA

RECEIVED
DEC 14 1994
OCD HOBBS OFFICE

Estimated Volume 13,000 gallons cy Known Volume (to be entered by the operator at the end of the haul): _____

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

SIGNATURE Annette Curiel TITLE Office Manager DATE 10-25-94

TYPE OR PRINT NAME Annette Curiel TELEPHONE NO. (505) 393-1079

(This space for State Use)

APPROVED BY _____ TITLE ENVR ENGR - DATE 10/27/94

APPROVED BY _____ TITLE Environ Bureau Chief DATE 12/9/94

CONDITIONS OF APPROVAL, IF ANY:

TRANSMITTAL COVER SHEET

From The Office of the
Oil Conservation Division
2040 South Pacheco
Santa Fe, New Mexico 87505
(505) 827-7131 (office)
(505) 827-8177 (fax)

Please Deliver This Fax To The Person Below:

TO: Wayne Price

FROM: Chris Eustice

SUBJECT: _____

DATE: _____

PAGES: _____

If You Have Any Problems Receiving This Fax
Please Call the Number Above

Submit to Appropriate
District Office in Triplicate

SENT TO SF 10/27/94

DISTRICT I
PO Box 1980
Hobbs, NM 88241-1980

DISTRICT II
PO Drawer DD
Artesia, NM 88211-0719

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

DISTRICT III
1000 Rio Brazos Rd.
Aztec, NM 87410

DISTRICT IV
PO Box 2088
Santa Fe, NM 87504-

REQUEST FOR APPROVAL TO ACCEPT SOLID WASTE	XXXXXXXXXXXXXXXXXXXXXX
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B. All requests for approval to accept non oilfield exempt wastes will be accompanied by a certification of waste status from the Generator and the New Mexico Environment Department or other appropriate government agency; two certificates per job.

(C) All requests for approval to accept non exempt wastes must be accompanied by necessary chemical analyses to prove the material is non-hazardous and the Generator's certification of origin. No waste classified as hazardous by listing or testing will be approved.

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Referred to ED-HW
MEK in Sample

OKRCA

RECEIVED
DEC 09 1994
OCD HOBBS OFFICE

Estimated Volume 13,000 gallons cy Known Volume (to be entered by the operator at the end of the haul): _____

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

SIGNATURE Annette Curiel TITLE Office Manager DATE 10-25-9

TYPE OR PRINT NAME Annette Curiel TELEPHONE NO. (505) 393-107

(This space for State Use)

APPROVED BY _____ TITLE ENVR ENGR - DATE 10/27/94

APPROVED BY _____ TITLE Environ Bureau Chief DATE 12/9/94

CONDITIONS OF APPROVAL, IF ANY:

Submit to Appropriate
District Office in Triplicate

DISTRICT I
PO Box 1980
Hobbs, NM 88241-1980

DISTRICT II
PO Drawer DD
Artesia, NM 88211-0719

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

DISTRICT III
1000 Rio Brazos Rd.
Aztec, NM 87410

DISTRICT IV
PO Box 2088
Santa Fe, NM 87504

REQUEST FOR APPROVAL TO ACCEPT SOLID WASTE	XXXXXXXXXXXXXXXXXXXXXX
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Estimated Volume 13,000 gallons CY Known Volume (to be entered by the operator at the end of the haul): _____

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

SIGNATURE Annette Curiel TITLE Office Manager DATE 10-25-(

TYPE OR PRINT NAME Annette Curiel TELEPHONE NO. (505) 393-10

(This space for State Use)

APPROVED BY _____ TITLE ENVR ENGR - DATE 10/27/94

APPROVED BY _____ TITLE _____ DATE _____

ASSAIGAI ANALYTICAL LABORATORIES
7300 Jefferson, N.E. • Albuquerque, New Mexico 87109 • (505) 345-8964 • FAX (505) 345-7259
3332 Wedgewood, E-5 • El Paso, Texas 79925 1910 N. Big Springs • Midland, Texas 79705

Report Generated:
October 18, 1994 15:35

CERTIFICATE OF ANALYSIS
RESULTS BY SAMPLE

SENT TO: CITY OF HOBBS
300 N. TURNER
HOBBS, NM 88240

ATTN: DAVID RAY HOOTEN

WORKORDER # : 9410075
WORK ID : INFLUENT WWTP
CLIENT CODE : HOBC1
DATE RECEIVED : 10/07/94

Lab ID: 9410075-01A
Sample ID: INFLUENT WWTP
Collected: 10/05/94 13:05:00
Matrix: WASTE_WATER

TEST / METHOD	RESULT	UNITS	LIMIT	D_F	DATE ANAL	BATCH_ID
(FAA) DIG WATER/SW846 3005	10/12/94	N/A				
(GFAA)DIG WATER/SW846 3005	10/12/94	N/A				
CVAA Hg XT/EPA 245.1	10/14/94	N/A				
RCRA METALS/EPA AA						
Arsenic, As	0.024	mg/L	0.0050	1.0	10/14/94	WG189,WCV57,WF238
Barium, Ba	ND	mg/L	0.50	1.0	10/13/94	WG189,WCV57,WF238
Cadmium, Cd	0.013	mg/L	0.0030	1.0	10/13/94	WG189,WCV57,WF238
Chromium, Cr	ND	mg/L	0.020	1.0	10/13/94	WG189,WCV57,WF238
Lead, Pb	ND	mg/L	0.10	1.0	10/13/94	WG189,WCV57,WF238
Mercury, Hg	0.0073	mg/L	0.00020	10	10/14/94	WG189,WCV57,WF238
Selenium, Se	ND	mg/L	0.0050	1.0	10/13/94	WG189,WCV57,WF238
Silver, Ag	0.03	mg/L	0.010	1.0	10/13/94	WG189,WCV57,WF238

Lab ID: 9410075-01B
Sample ID: INFLUENT WWTP
Collected: 10/05/94 13:05:00
Matrix: WASTE_WATER

TEST / METHOD	RESULT	UNITS	LIMIT	D_F	DATE ANAL	BATCH_ID
TRPH/EPA 418.1						
Total Petroleum HCs	104	mg/L	0.10	1.0	10/10/94	WTRPH-78

Lab ID: 9410075-01C
Sample ID: INFLUENT WWTP
Collected: 10/05/94 13:05:00
Matrix: WASTE_WATER

TEST / METHOD	RESULT	UNITS	LIMIT	D_F	DATE ANAL	BATCH_ID
VOA WATER SCAN/SW846 8240S						
Dichlorodifluoromethane	ND	ug/L	10	1.0	10/09/94	WMSVOA-204
Chloromethane	ND	ug/L	5.0	1.0	10/09/94	WMSVOA-204
Iodomethane	ND	ug/L	5.0	1.0	10/09/94	WMSVOA-204
Acetone	150	ug/L	5.0	1.0	10/09/94	WMSVOA-204
Bromomethane	ND	ug/L	5.0	1.0	10/09/94	WMSVOA-204
Vinyl Chloride	ND	ug/L	5.0	1.0	10/09/94	WMSVOA-204
Chloroethane	ND	ug/L	5.0	1.0	10/09/94	WMSVOA-204
Trichlorofluoromethane	ND	ug/L	5.0	1.0	10/09/94	WMSVOA-204

Lab ID: 9410075-01C
Sample ID: INFLUENT WWTP

Collected: 10/05/94 13:05:00
Matrix: WASTE_WATER

TEST / METHOD	RESULT	UNITS	LIMIT	D_F	DATE ANAL	BATCH_ID
VOA WATER SCAN/SW846 8240S						
Carbon Disulfide	ND	ug/L	5.0	1.0	10/09/94	WMSVOA-204
Acrolein	ND	ug/L	20	1.0	10/09/94	WMSVOA-204
Methylene Chloride	ND	ug/L	10	1.0	10/09/94	WMSVOA-204
1,1-Dichloroethene	ND	ug/L	5.0	1.0	10/09/94	WMSVOA-204
1,1-Dichloroethane	ND	ug/L	1.0	1.0	10/09/94	WMSVOA-204
Acrylonitrile	ND	ug/L	20	1.0	10/09/94	WMSVOA-204
trans-1,2-Dichloroethene	ND	ug/L	5.0	1.0	10/09/94	WMSVOA-204
Chloroform	ND	ug/L	5.0	1.0	10/09/94	WMSVOA-204
1,2-Dichloroethane	ND	ug/L	5.0	1.0	10/09/94	WMSVOA-204
Vinyl Acetate	ND	ug/L	5.0	1.0	10/09/94	WMSVOA-204
cis-1,2-Dichloroethene	ND	ug/L	5.0	1.0	10/09/94	WMSVOA-204
2-Butanone (MEK)	5.6	ug/L	5.0	1.0	10/09/94	WMSVOA-204
1,1,1-Trichloroethane	ND	ug/L	5.0	1.0	10/09/94	WMSVOA-204
Carbon Tetrachloride	ND	ug/L	5.0	1.0	10/09/94	WMSVOA-204
Bromodichloromethane	ND	ug/L	1.0	1.0	10/09/94	WMSVOA-204
1,2-Dichloropropane	ND	ug/L	5.0	1.0	10/09/94	WMSVOA-204
Dibromomethane	ND	ug/L	5.0	1.0	10/09/94	WMSVOA-204
trans-1,3-Dichloropropene	ND	ug/L	1.0	1.0	10/09/94	WMSVOA-204
Trichloroethene	ND	ug/L	5.0	1.0	10/09/94	WMSVOA-204
Chlorodibromomethane	ND	ug/L	5.0	1.0	10/09/94	WMSVOA-204
Ethyl Methacrylate	ND	ug/L	5.0	1.0	10/09/94	WMSVOA-204
2-Chloroethylvinyl Ether	ND	ug/L	5.0	1.0	10/09/94	WMSVOA-204
1,1,2-Trichloroethane	ND	ug/L	5.0	1.0	10/09/94	WMSVOA-204
Benzene	ND	ug/L	1.0	1.0	10/09/94	WMSVOA-204
cis-1,3-Dichloropropene	ND	ug/L	1.0	1.0	10/09/94	WMSVOA-204
Bromoform	ND	ug/L	10	1.0	10/09/94	WMSVOA-204
4-Methyl-2-Pentanone (MIBK)	ND	ug/L	5.0	1.0	10/09/94	WMSVOA-204
Tetrachloroethene	ND	ug/L	5.0	1.0	10/09/94	WMSVOA-204
1,1,2,2-Tetrachloroethane	ND	ug/L	1.0	1.0	10/09/94	WMSVOA-204
2-Hexanone (MBK)	ND	ug/L	5.0	1.0	10/09/94	WMSVOA-204
Toluene	9.0	ug/L	1.0	1.0	10/09/94	WMSVOA-204
Chlorobenzene	ND	ug/L	1.0	1.0	10/09/94	WMSVOA-204
Ethylbenzene	1.2	ug/L	1.0	1.0	10/09/94	WMSVOA-204
1,4-Dichloro-2-Butene	ND	ug/L	10	1.0	10/09/94	WMSVOA-204
Styrene	ND	ug/L	1.0	1.0	10/09/94	WMSVOA-204
P/M Xylene	3.7	ug/L	2.0	1.0	10/09/94	WMSVOA-204
O-Xylene	3.6	ug/L	1.0	1.0	10/09/94	WMSVOA-204
1,2,3-Trichloropropane	ND	ug/L	1.0	1.0	10/09/94	WMSVOA-204
Methyl-tert Butyl Ether	ND	ug/L	1.0	1.0	10/09/94	WMSVOA-204

For James A. Seely
Operations Manager

WORKORDER COMMENTS

DATE : 10/18/94
WORKORDER: 9410075

DEFINITIONS/DATA QUALIFIERS

The following are definitions, abbreviations, and data qualifiers which may have been utilized in your report:

ND	= Analyte "not detected" in analysis at the sample specific detection limit.
D_F	= Sample "dilution factor"
NT	= Analyte "not tested" per client request.
B	= Analyte was also detected in laboratory method QC blank.
E	= Analyte concentration (result) is an estimated value or exceeds analysis calibration range.
LIMIT	= The minimum amount of the analyte that AAL can detect utilizing the specified analysis.

Please Note: Multiply the "Limit" value (AAL's Detection Limit) by Dilution Factor (D_F) to obtain the sample specific Detection Limit.

REPORT COMMENTS

Please Note: 1,4-Dichlorobenzene result = 470 ug/L at a D_F of 5x.

CRI

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

May 18, 1995

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

RE: Closure of lined pits on the west side of CRI's facility.

Gentlemen:

Respectfully request you review the referenced closure plan.

Controlled Recovery, Inc. proposes the following:

1. Dump fill material at the end of pit(s), then pushing fill material through sludge. After this has been accomplished, material will be removed and disposed of properly in landfill. Pit is then backfilled. All recoverable hydrocarbons have been removed from the pits.

Thank you for your consideration of our pit closure plan, please advise CRI on your decision.

Sincerely,

Michael Patterson

Mike Patterson
General Manager

KM/as
cc: Wayne Price
Jerry Sexton
Mike Windsor
Ken Marsh

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION
2040 S. PACHECO
SANTA FE, NEW MEXICO 87505
(505) 827-7131

May 16, 1995

CERTIFIED MAIL
RETURN RECEIPT NO.P-176-012-135

Mr. Roy Furrh, Sr. Attorney
Mississippi Department of Environmental Quality
P.O. Box 20305
Jackson, Mississippi 39289-1305

RE: Controlled Recovery, Inc. Compliance History
Lea County, New Mexico

Dear Mr. Furrh:

The Oil Conservation Division (OCD) has received the request dated April 14, 1995 asking the OCD to provide the State of Mississippi Department of Environmental Quality with the compliance history of Controlled Recovery, Inc (CRI).

The file for CRI indicates no citations for non-compliance. The violation cited in your April 14, 1995 letter was for a facility not regulated by the OCD.

If you have any additional questions, don't hesitate to call me at (505) 827-7153.

Sincerely,

Chris Eustice
Environmental Geologist

STATE OF MISSISSIPPI
DEPARTMENT OF ENVIRONMENTAL QUALITY
JAMES I. PALMER, JR.
EXECUTIVE DIRECTOR

April 14, 1995

New Mexico Oil Conservation
Division
Post Office Box 6429
Santa Fe, New Mexico 87505

Re: TransAmerican's Compliance History

Gentlemen:

TransAmerican Waste Central Landfill, Inc. has applied for a solid waste permit transfer in connection with a sanitary landfill in Pearl River County, Mississippi, currently owned by Central Landfill, Inc. As part of the application process, TransAmerican is required to provide disclosure information not only for itself but also for parent, sister, subsidiary and other related business concerns located in other states.

The compliance history information required under Mississippi's "Bad Boy" statute includes relevant state or federal notices of violation, prosecutions, administrative orders, license or permit revocations or suspensions and enforcement actions against disclosed business concerns for the five (5) years immediately preceding the filing of the application related to the treatment, processing, storage or disposal of solid or hazardous waste.

TransAmerican's disclosure statement indicates that Controlled Recovery, Inc. has only been cited for the one (1) violation discussed on the enclosed page in New Mexico in the last five (5) years. This would apply to the crude oil sludge processing and recovery facility located in Hobbs and the non-hazardous special waste landfill located near Hobbs. We would appreciate written confirmation that the foregoing is accurate. On the other hand, if any additional waste management violations in the last five (5) years are detected, we would appreciate relevant information concerning the same.

We anticipate completing our review concerning TransAmerican's compliance history in the near future. Therefore, we would appreciate your response by Friday, May 5, 1995.

Thank you in advance for your assistance in this matter. If you should have any questions concerning the foregoing, please call me at (601) 961-5260.

Very truly yours,

Roy Furrh

Roy Furrh
Senior Attorney
Mississippi Department of
Environmental Quality

RF:kgs
Enclosure

c:\wp\rf\newmex.ltr

SECTION 7. CIVIL OR CRIMINAL VIOLATIONS

7.1 For any person (including business concerns) listed in this disclosure statement, except those listed in Section 6.3, disclosed chartered lending institutions, any disclosed investment company which is publicly traded and disclosed debt liability holders, provide a listing and explanation of any:

(1) notices of violations
(2) prosecutions
(3) administrative orders (whether by consent or otherwise)
(4) license or permit revocations or suspensions, &
(5) enforcement actions of any other sort,

by any state or federal authority within the five-year period immediately preceding the filing of the application, which are pending or have concluded in a finding of violation or entry of consent agreement regarding any allegation of the civil or criminal violation of any law, regulation or requirement related to the treatment, processing, storage or disposal of nonhazardous solid waste or hazardous waste. Include the name and address of the regulatory agency involved in each action. **(Note: Provide a separate sheet for each person).**

On or about March 3, 1995, the New Mexico Environment Department issued a Notice of Non-Compliance to Controlled Recovery, Inc. ("CRI") alleging that the company was not operating in compliance with its discharge plan and certain Water Quality Control Commission regulations affecting its land farm facility in Hobbs, New Mexico. CRI does not admit any such alleged violations, and remains in contact with the New Mexico Environment Department to voluntarily address any issues of concern. CRI does not anticipate any formal enforcement action resulting from this Notice of Non-Compliance.

STATE OF NEW MEXICO

OIL CONSERVATION DIVISION

MEMORANDUM OF MEETING OR CONVERSATION

☑ Telephone ☐ Personal | Time 330 pm | Date 4-6-95

Originating Party	Other Parties
Chris Eustice - OCD	Annette Curiel - CRI

Subject: Disposal of UST fluids at CRI (ATTACHMENT)

Discussion

Annette faxed a request for clarification as to whether or not CRI can accept fluids associated w/ UST remediations.

Conclusions or Agreements

I told Annette 'No'!
Pursuant to OCD 93 directive

Distribution

Signed Chris Eustice

State of New Mexico
Oil Conservation Division
Permit # R-9166

State of New Mexico
Environment Department
Permit # DP-818

CRI
CONTROLLED RECOVERY, INC.
P.O. BOX 369
HOBBS, NM 88240

a subsidiary of
TransAmerican Waste Industries, Inc.
An Environmental Solutions Company

(505) 393-3615 FAX NUMBER

FAX COVER SHEET

PLEASE DELIVER THE FOLLOWING PAGE(S) TO:

NAME: Chris Eustice

COMPANY: OCD

FAX NUMBER: 827-8177

FROM: Mike Patterson

TOTAL NUMBER OF PAGES: 3 **INCLUDING COVER SHEET.**

DATE: 04/6/95 **TIME** 10:30

IF YOU DO NOT RECEIVE ALL THE PAGES, PLEASE CALL US BACK AS SOON AS POSSIBLE AT: (505) 393-1079.

NOTES

Please review this letter issued by the OCD on 5-15-92 and let us know if this is still in effective. We discussed this w/ Wayne Price @ the Hobbs office and he ask that we contact the Santa Fe office.

Please call our office @ 800-658-6914 to clarify this.

Thanks!
Annette

CRI

CONTROLLED RECOVERY INC.

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

May 12, 1992

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

Mr. Anderson:

CRI proposes to accept fluids from underground storage tanks (UST) sites for remediation in our OCD approved facility. I understand that these materials are exempt from RCRA subtitle C regulations.

I am requesting clarification and determination from OCD if this is within our permit conditions.

Thank you for your time and consideration in this matter.

Sincerely,

Ken Marsh

KRM/baj

STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

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

BRUCE KING
GOVERNOR

May 15, 1992

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

CERTIFIED MAIL
RETURN RECEIPT NO. P-670-683-592

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

RE: **Fluids from Underground Storage Tanks Remediations**
Controlled Recovery Inc. Disposal Facility
Lea County, New Mexico

Dear Mr. Marsh:

The Oil Conservation Division (OCD) has received your request, dated May 12, 1992, to accept fluids from underground storage tank (UST) remediation sites for disposal at your facility.

Because these materials are exempt from RCRA Subtitle C regulations, the OCD approves your request to accept fluids from UST sites. Prior to accepting any fluids, the OCD requires Controlled Recovery Inc. (CRI) to obtain a signed statement from the New Mexico Environment Department (NMED) verifiying that the fluids are from UST remediation sites that are exempt from RCRA Subtitle C regulations. CRI must obtain an individual statement from the NMED for each site where fluids are received from. The OCD requires CRI to maintain these records on file at the facility. Note that this approval is only for fluids from UST sites and does not apply to soils.

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

Sincerely,

Kathy M. Brown

Kathy M. Brown
Geologist

xc: Jerry Sexton, OCD Hobbs Office
Mike Williams, OCD Artesia Office
Chris Eustice, OCD Hobbs Office

RECEIVED
MAY 19 1992
OCD

State of New Mexico
ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT
Santa Fe, New Mexico 87505

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

February 22, 1995

CERTIFIED MAIL
RETURN RECEIPT NO. Z-765-962-823

Mr. Ken Marsh
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 request dated February 10, 1995, for permit modification for the above referenced facility. The modification consists of the addition of a dedicated monocell for Navajo Refining Company. The issuance of public notice is not required since the modification is considered to be minor in nature.

Pursuant to OCD Rule 711, Order R-9166, and the information provided in your request, the proposed modification **is hereby approved.**

Please be advised that OCD approval does not relieve Controlled Recovery, Inc. (CRI) of liability should it later be found that contamination exists which could pose a threat to surface water, ground water, human health or the environment. In addition, OCD approval does not relieve CRI of responsibility for compliance with any other federal, state or local laws and/or regulations.

If you have any questions regarding this matter please feel free to contact Mark Ashley at (505) 827-7155.

Sincerely,

William J. LeMay
Director

WJL/mwa

xc: Jerry Sexton, OCD Hobbs Office
Wayne Price, OCD Hobbs Office

CRI

CONTROLLED RECOVERY INC.

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

February 10, 1995

Mr. Roger Anderson
Environmental Bureau
Oil Conservation Division
2040 South Pacheco
Santa Fe, NM 87505

RE: Monocell for Navajo Refining Co.

Mr. Anderson:

Thank you for taking your time to speak with me on Wednesday, February 1, 1995 regarding the above referenced subject. Attached is a plat of CRI's site which shows the location of the monocell that will be used to store Navajo's material.

As per your verbal approval, the monocell is located in the Northwest quadrant of the existing general excavation.

Also attached is a copy of the letter that was sent to Wayne Price at the District I office, requesting comments or suggestions for this project.

Please call our office if you have any questions.

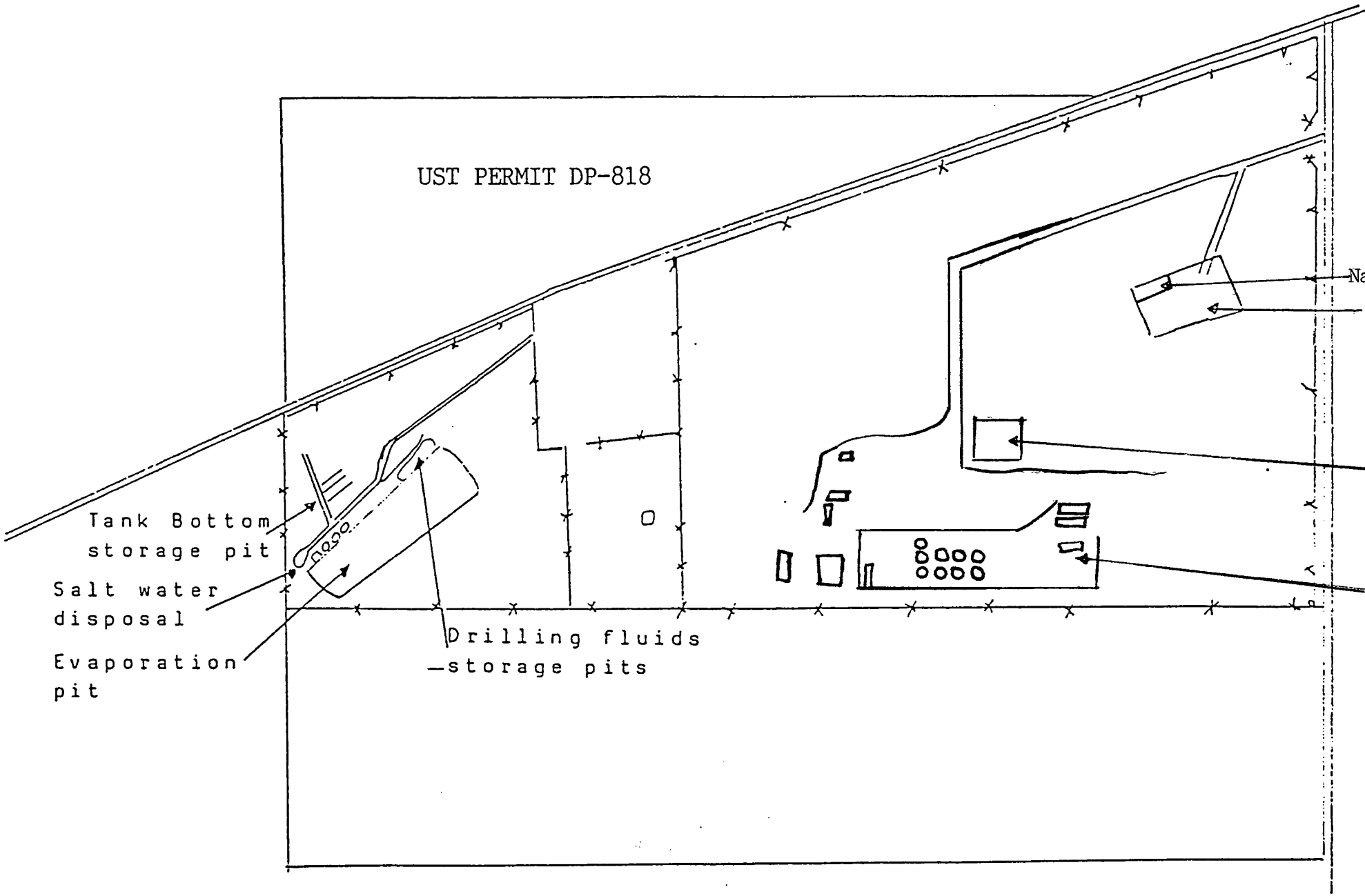
Sincerely,

Ken Marsh

Enclosures

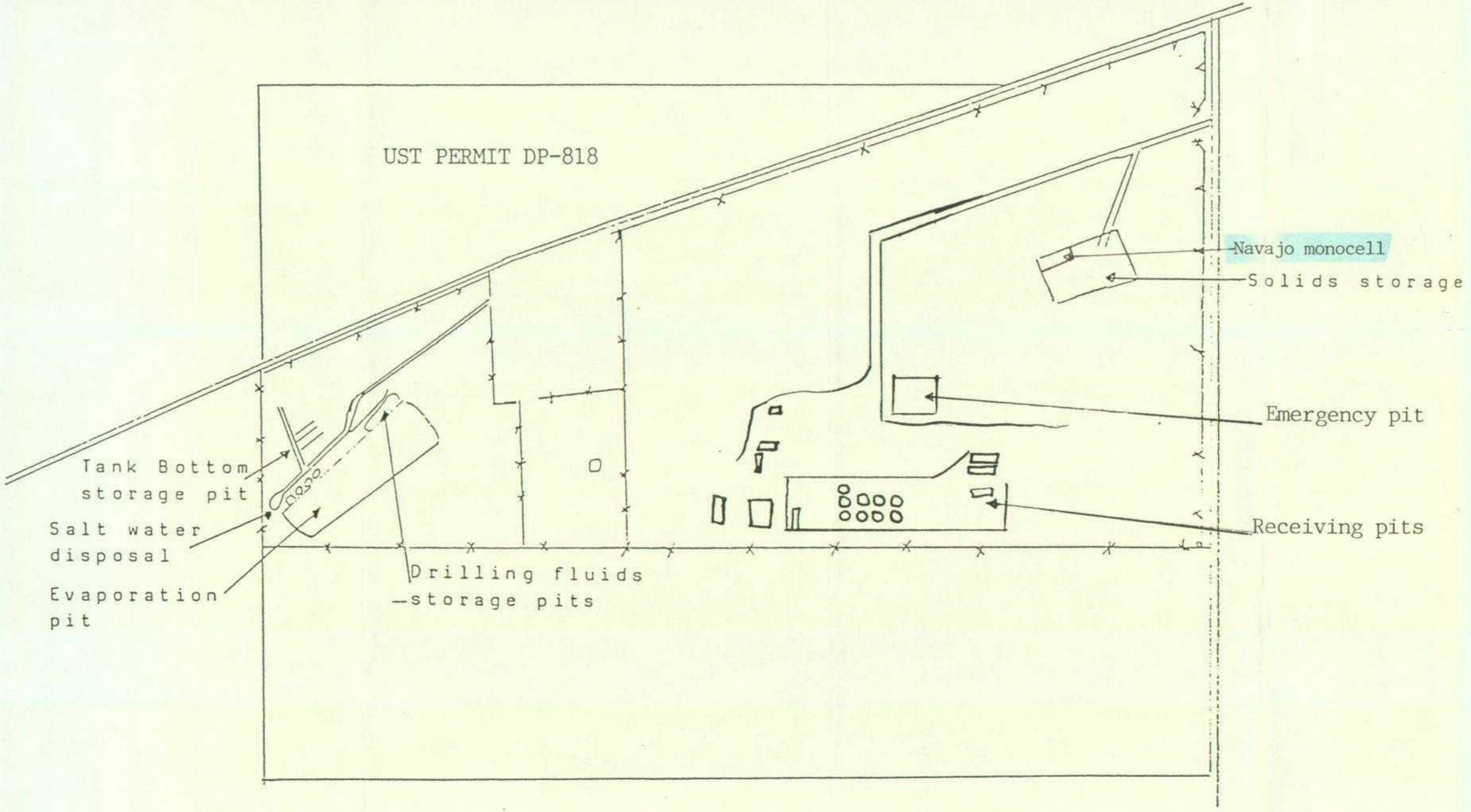
ac

DIMENSIONS
CONSTRUCTION



CONTROLLED RECOVERY, INC.

SITE PLAT



CONTROLLED RECOVERY, INC.

SITE PLAT

FILE COPY

CRI

CONTROLLED RECOVERY INC.

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

Mr. Wayne Price
Environmental Engineer
State Of New Mexico
Oil Conservation Division
P.O. Box 1980
Hobbs, New Mexico 88241-1980

RE: CRI/Navajo Refining Company

Fax copy: January 30, 1995
10:20 a.m.

Dear Mr. Price:

Thank you for taking your time to meet with Mr. Darrell Moore with Navajo Refining Company and myself on Friday, January 20, 1995.

During our meeting we briefly discussed CRI constructing a separate cell for Navajo material. Subsequent to that meeting, Navajo Refining Company has shipped material to CRI for disposal. At Navajo's request, CRI intends to establish a cell for exclusive use by Navajo.

If you have any comments or suggestions with regard to this project, please advise.

Thank You.

Sincerely,

Gail Power

xc: Darrell Moore - U.S. Mail
Wayne Price - U.S. Mail

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

OIL CONSERVATION DIVISION
RECEIVED
'95 FEB 8 AM 8 52
RECEIVED
FEB 06 1995
Environmental Bureau
Oil Conservation Division

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

NMOCD Inter-Correspondence

To: Roger Anderson-Environmental Bureau Chief

From: Wayne Price-Environmental Engineer District I

Date: January 31, 1995

Reference: Meeting between CRI/Navajo and NMOCD
Darrell Moore-Navajo Refining Co. 748-3311
Gail Power-Controlled Recovery Inc. (CRI)
Wayne Price-NMOCD District I

Subject: Waste disposal (See attached letter)

Comments:

Dear Roger,

Controlled Recovery Inc. and Navajo Refining recently requested a meeting with me concerning disposing of certain Refinery waste from the Navajo Artesia facility and the Lea Co. facility into the CRI facility. The waste is described as FCC Cat Fines, Activated Alumina, Phosphors stones, Spent Catalyst. Mr. Darrell Moore with Navajo indicated these waste streams would be RCRA non-exempt, but would not be classified as hazardous and it is not a listed RCRA waste. Mr. Moore also requested that other waste such as contaminated soils from leaks and spills be allowed to be disposed of at CRI.

LOCAL LANDFILL) CLASS I LANDFILL IN OK.

Presently Navajo is sending this waste off-site to a RCRA TSDF.

CRI in the mean time is going to set up and establish a dedicated landfill cell for the Navajo material. Please note, I do not have a copy of the CRI permit conditions, therefore I would like to refer this change in operations at CRI for your review.

Please note that I do not have a copy of Navajo's discharge plan at Artesia, so therefore, I would also like to refer this change in operations at the Navajo Artesia facility for your review.

I do have the Discharge Plan for the Navajo Lea facility, please note they do not specifically identify these waste streams, but only in generic terms do they describe how solid waste is being disposed. Therefore, I would once again like to refer this change in operations to you and your staff.

We did discussed that any RCRA non-exempt waste will have to be approved using the new "Solid Waste Approval" form.

Please advise me if any further information is required by your staff concerning these operational changes at these facilities.

cc: Jerry Sexton-District I Supervisor
Tim Gum-District II Supervisor

Attachments-1

CRI

CONTROLLED RECOVERY INC.

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

Mr. Wayne Price
Environmental Engineer
State Of New Mexico
Oil Conservation Division
P.O. Box 1980
Hobbs, New Mexico 88241-1980

RE: CRI/Navajo Refining Company

Fax copy: January 30, 1995
10:20 a.m.

Dear Mr. Price:

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During our meeting we briefly discussed CRI constructing a separate cell for Navajo material. Subsequent to that meeting, Navajo Refining Company has shipped material to CRI for disposal. At Navajo's request, CRI intends to establish a cell for exclusive use by Navajo.

If you have any comments or suggestions with regard to this project, please advise.

Thank You.

Sincerely,

Gail Power

Gail Power

xc: Darrell Moore - U.S. Mail
Wayne Price - U.S. Mail

ANNETTE INDICATES THIS IS FROM SPILL IN TEXAS! 1/31/95 DM

CHRIS & I APPROVED!

NOT FROM REFINERY!

RECEIVED
JAN 30 1995
OCD HOBBS OFFICE

CRI

CONTROLLED RECOVERY INC.

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

February 17, 1994

Mr. Roger Anderson
State of New Mexico
Oil Conservation Division
P.O. Box 2088
Santa Fe, NM 87501

Dear Roger:

Enclosed you will find an as built drawing of the CRI treating facility. If you have any questions or need any more information please call me at (505) 885-9765.

Sincerely,

Steven L. McLane
General Manager

Enclosure

cc: Jerry Sexton
P.O. Box 1980
Hobbs, NM 88241-1980

STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

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

August 23, 1993

Ms. Johanna Smith
Porter & Hedges
700 Louisiana, Suite 3500
Houston, Texas 77002-2730

Dear Ms. Smith:

The New Mexico Oil Conservation Division (OCD) has received a request from Mr. Victor Lyon on the behalf of Porter & Hedges to indicate if Controlled Recovery Inc. (CRI), a surface disposal facility, is in compliance with all OCD rules and regulations. CRI was permitted by the Division pursuant to OCD Rule 711. The facility is approved to accept oilfield wastes classified as either exempt from the Federal RCRA Subtitle C (hazardous waste) Regulations or "nonhazardous" by characteristic testing pursuant to specific conditions as stated in the permit.

To date the OCD has not issued any notices of non-compliance. All OCD inspections have indicated that the facility is operating in compliance with its permit and all applicable rules and regulations of the Division.

The OCD files are public information and are available for inspection from 8:00 a.m. to 5:00 p.m., Monday through Friday.

If you need additional information feel free to contact me at (505) 827-5884.

Sincerely,

Kathy M. Brown

Kathy M. Brown
Geologist

Victor T. Lyon, P.E.
Consulting Petroleum Engineer
Oil and Gas Conservation
P.O. Box 9615
Santa Fe, N.M. 87504-9615
(505) 989-8474

August 20, 1993

Oil Conservation Division
NM Energy, Minerals and Natural Resources Dept.
P. O. Box 2088
Santa Fe, NM 87504-2088

Attn: Mr Roger Anderson, Bureau Chief

Gentlemen:

On Februaryy 1, 1993 and again on July 8 you were very kind ton respond to my request in behalf of my client, to write a letter concerning complieance with your rules and regulations by Controlled Recovery, Inc. of Hobbs New Mexico.

I have been requested by my client to solicit another such letter concerning the same operator.

Again the time frame is limited and a reply is requested by Wednesday, August 25.

Please send the letter to:
Porter & Hedges
700 Louisiana, Suite 3500
Houston TX 77002-2730
Attn: Ms Johanna Smith

The letter should state that Controlled Recovery, Inc. is in compliance with your rules and regulations to the extent that there is nothing in your files which would indicate otherwise, if, indeed that is the case.

Your cooperation in this regard is most sincerely appreciated.

Yours very truly,

Victor T. Lyon, P.E.

STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

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

August 16, 1993

CERTIFIED MAIL
RETURN RECEIPT NO. P-667-242-008

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

RE: **Approval of Treating Plant Improvements**
Controlled Recovery Inc.
Lea County, New Mexico

Dear Mr. Marsh:

The New Mexico Oil Conservation Division (OCD) has received your August 6, 1993 request for approval to improve your treating plant facilities at the Controlled Recovery Inc. Treating Plant/Disposal Facility. The improvements consist of adding additional tanks and equipment to increase the volume of material which can be processed. The treating plant was approved by the Division under Order R-9166 on April 27, 1990.

Based on the information supplied in the August 6, 1993 request, the OCD hereby approves the improvements and additions to your treating plant pursuant to Order R-9166, Page 5, Paragraph 5, Item (3) and under the following conditions:

1. CRI will submit as built engineering plans within 30 days of completion of the treating plant improvements and additions.

2. No chemicals (ie. chlorinated solvents) will be used in the waste oil processing operation without obtaining prior OCD approval. At no time will the OCD approve the use of chemicals which result in the creation of a hazardous waste as listed in the 40 Code of Federal Regulations, Part 261, Subparts C and D.

3. All tanks that contain materials other than fresh water that, if released, could contaminate fresh water or the environment will be bermed to contain one and one-third times the capacity of the tank.

4. All drips, leaks and spills will be contained within sumps or drip pans and disposed of periodically to prevent overflow. Additional containment will be installed in areas where repeated leaks, spills, overflows, etc. are reaching the ground surface.

5. All sumps and below-grade tanks will incorporate secondary containment and leak detection in their designs. The leak detection systems will be inspected quarterly, at a minimum. If fluids are detected in the leak detection system the conductivity of the fluids will measured and the OCD will be notified upon discovery.

6. All drums will be stored on pad and curb type containment.

7. The OCD will be notified of any break, spill, blow out, or fire or any other circumstance that could constitute a hazard or contamination in accordance with OCD Rule 116.

The operation, monitoring and reporting shall be as specified in the original Order R-9166 and the conditions above. All modifications and alternatives to the approved waste oil processing methods must receive prior OCD approval. You are required to notify the Director of any facility expansion or process modification and to file the appropriate materials with the Division.

Please be advised that all tanks exceeding 16 feet in diameter and exposed pits, ponds or lagoons must be screened, netted or otherwise rendered nonhazardous to migratory birds. In addition, OCD Rule 310.A. states that oil shall not be stored or retained in earthen reservoirs, or in open receptacles.

Please be advised that approval of this facility modification 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. In addition, the OCD approval does not relieve you of liability for compliance with any other laws and/or regulations.

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

Sincerely,

William J. LeMay
Director

WJL/kmb

xc: Jerry Sexton, OCD Hobbs Office

CRI

CONTROLLED RECOVERY INC.

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

August 6, 1993

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

Dear Sirs:

Enclosed please find a site plan, an equipment layout, and a facility plat which indicate our proposed modification and location of our treatment plant authorized by Order R-9166.

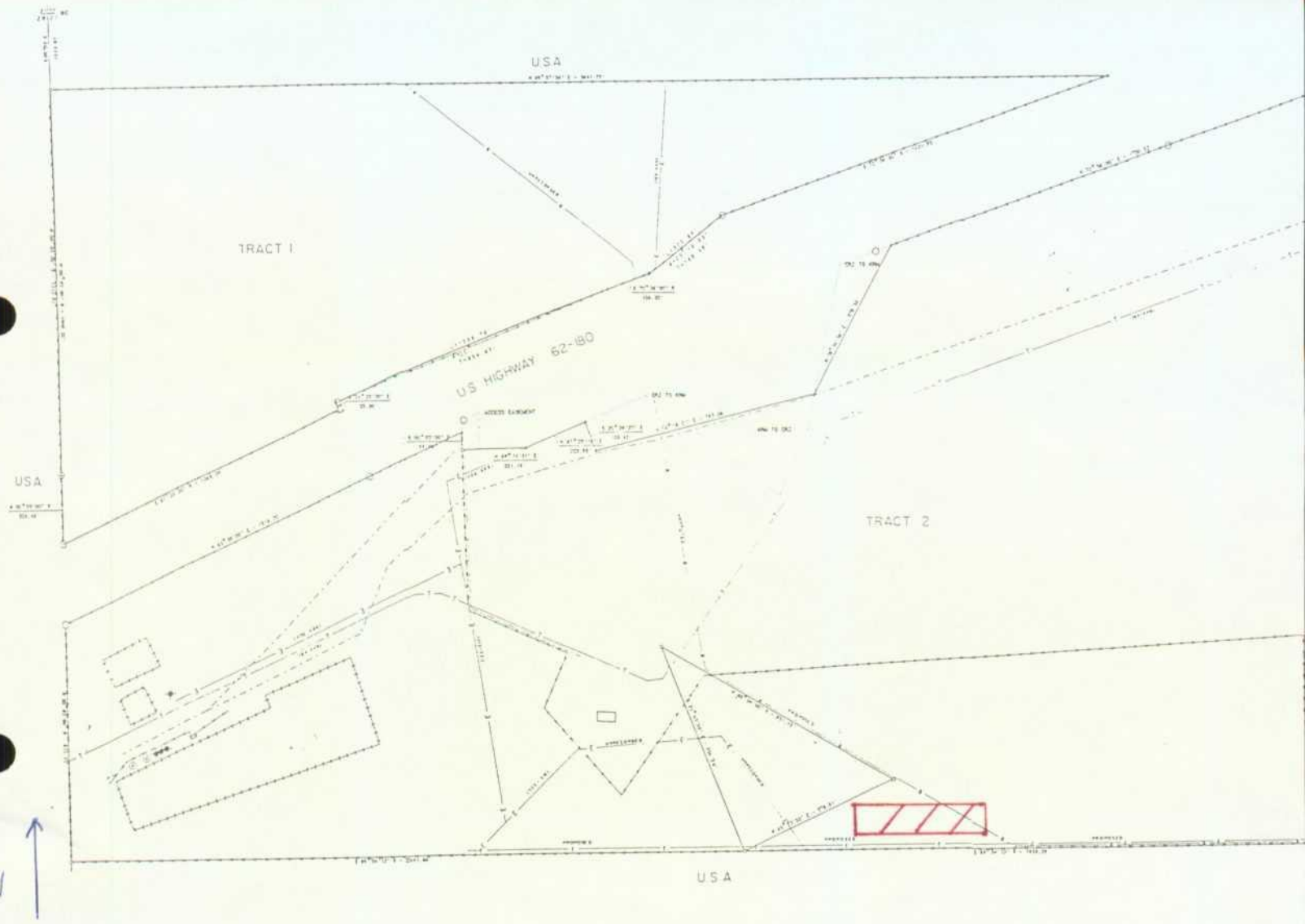
We respectfully ask for administrative approval of these improvements.

Sincerely,

Ken Marsh
President

KRM/baj

Enclosures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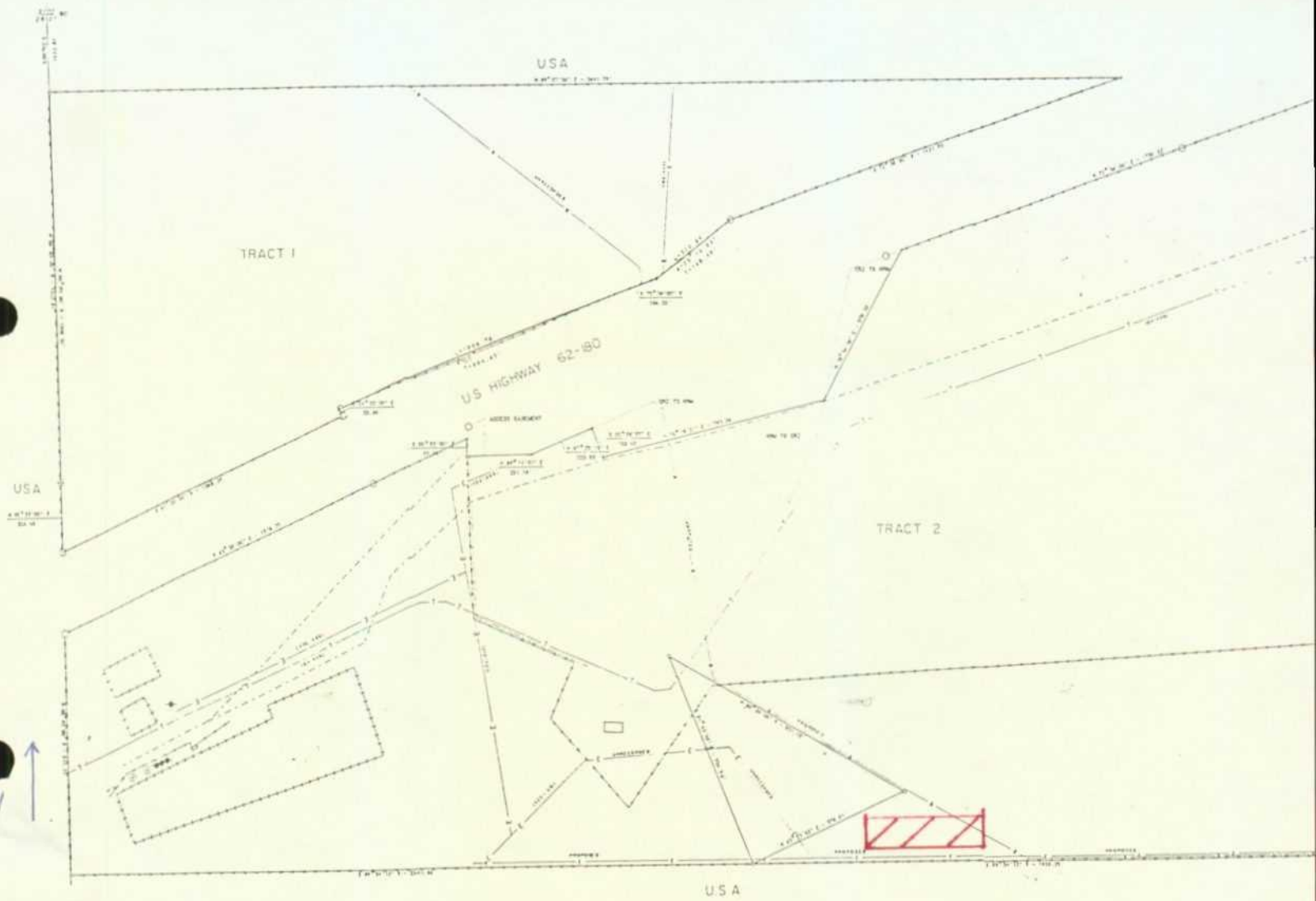
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STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

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

July 14, 1993

Ms. Johanna Smith
Porter & Hedges
700 Louisiana, Suite 3500
Houston, Texas 77002-2730

Dear Ms. Smith:

The New Mexico Oil Conservation Division (OCD) has received a request from Mr. Victor Lyon on the behalf of Porter & Hedges to indicate if Controlled Recovery Inc. (CRI), a surface disposal facility, is in compliance with all OCD rules and regulations. CRI was permitted by the Division pursuant to OCD Rule 711. The facility is approved to accept oilfield wastes classified as either exempt from the Federal RCRA Subtitle C (hazardous waste) Regulations or "nonhazardous" by characteristic testing pursuant to specific conditions as stated in the permit.

To date the OCD has not issued any notices of non-compliance. All OCD inspections have indicated that the facility is operating in compliance with its permit and all applicable rules and regulations of the Division.

The OCD files are public information and are available for inspection from 8:00 a.m. to 5:00 p.m., Monday through Friday.

If you need additional information feel free to contact me at (505) 827-5884.

Sincerely,

Kathy M. Brown
Geologist

Victor T. Lyon, P.E.
Consulting Petroleum Engineer
Oil and Gas Conservation
P.O. Box 9615
Santa Fe, N.M. 87504-9615
(505) 989-8474

July 8, 1993

Oil Conservation Division
NM Energy, Minerals and Natural Resources Dept.
P. O. Box 2088
Santa Fe, NM 87504-2088

Attn: Mr. Roger Anderson, BuChf

Gentlemen

On February 1, of this year you were very kind to respond to my request in behalf of my client, to write a letter concerning compliance with your rules and regulations by Controlled Recovery, Inc. of Hobbs, NM.

I have been requested by my client to solicit another such letter concerning the same operator.

The previous incident required reply in a very short amount of time for which I apologize but over which I had no control. This time a reply is requested by end of next week.

I would greatly appreciate your sending a letter to my client
Porter & Hedges (name change)
700 Louisiana, Suite 3500
Houston TX 77002-2730

to the effect that Controlled Recovery, Inc. is in compliance with your rules and regulations to the extent that there is nothing in your files which would indicate otherwise, if, indeed that is the case.

Your cooperation in this regard is most sincerely appreciated.

Yours very Truly,

Vic Lyon

Victor T. Lyon,P.E.

KELLAHIN AND KELLAHIN
ATTORNEYS AT LAW
EL PATIO BUILDING
117 NORTH GUADALUPE
POST OFFICE BOX 2265
SANTA FE, NEW MEXICO 87504-2265

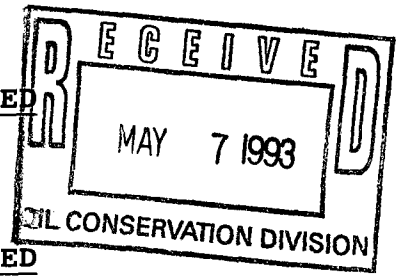
W. THOMAS KELLAHIN*

*NEW MEXICO BOARD OF LEGAL SPECIALIZATION RECOGNIZED SPECIALIST IN THE AREA OF NATURAL RESOURCES-OIL AND GAS LAW

JASON KELLAHIN (RETIRED 1991)

TELEPHONE (505) 982-4285
TELEFAX (505) 982-2047

May 7, 1993



Robert G. Stovall, Esq.
Oil Conservation Division
310 Old Santa Fe Trail
Santa Fe, New Mexico 87501

HAND DELIVERED

Roger Anderson
Oil Conservation Division
310 Old Santa Fe Trail
Santa Fe, New Mexico 87501

HAND DELIVERED

Re: NMOCD Memorandum dated April 1, 1993
Documentation Required for Acceptance of Waste

Gentlemen:

On behalf of the Regulatory Practices Committee of the New Mexico Oil and Gas Association, Mr. Ken Marsh and I wish to express our thanks to you for meeting with us on May 3, 1993. Your helpful explanations of the purpose for and the technical aspects of the referenced Memorandum are most appreciated.

Prior to your clarification to us of the Memorandum, we were concerned that the previous practice of the Division for approving the deposit of waste material received from Texas into the NMOCD permitted facilities would not be considered adequate under the Memorandum. We appreciate knowing that our concern was unfounded.

In addition, we were concerned that any non-compliance with the Memorandum might be construed to be a violation of a Division Rule and subject the operator of the OCD permitted commercial disposal facility to the $1,000 per day statutory penalty. We now understand that compliance with the Memorandum is voluntary until such time as the Commission, after notice and hearing, formally adopts the documentation procedures into Rule 711.

Finally, we appreciate your willingness to consider a "self-certification" option whereby the facility operator could certify the classification of the waste material (exempt, non-exempt, and/or non-hazardous) which would substitute for the verification by an out of state regulator.

It is our objective to aide the Division with its practice of formulating and adopting fair and practical rules and regulations so that the commercial surface disposal facilities in New Mexico continue to be environmentally safe depositories for oilfield waste material generated by our oil and gas industry.

The opportunity to discuss this topic with you has provided our Committee with information we needed in order to present our recommendations to the New Mexico Oil Conservation Commission at the November, 1993 hearing on Rule 711 which will include this topic and others.

Again, we thank you for your assistance.

Very truly yours,

W. Thomas Kellahin

cc: NMOGA (Ruth Andrews)
cc: Ken Marsh

TO: Roger Anderson

From: Jerry Sexton

April 13, 1993

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

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

PARABO, INC.

No 3251

DATE	TRANSPORTED BY	DRIVER/TRUCK NO.	PRODUCER	LEASE & WELL	BBLS.	PRODUCTION WATER, BSW ETC.
1-7-93	WALTON		CONOCO	CLARKEN UNIT BTRY #1	12 YDS	OILY DIRT
1-7-93	WALTON		CONOCO	SEMU DRINKARD BTRY #6	25 YDS	OILY DIRT
1-8-93	MCCASLAND		ROWLAND TRUCKING	HOBBS YARD	12 YDS	CEMENT
1-15-93	K+S		CONOCO	SEMU CEMENT "E"	9 YDS	OILY DIRT
1-15-93	K+S		CONOCO	CLARKEN MCKEE BTRY "K"	28 YDS	OILY DIRT
1-18-93	COLBORN		AMOCO	SOUTH HOBBS "GSA" UNIT 62	36 YDS	OILY DIRT CEMENT + BOARDS
1-18-93	COLBORN		AMOCO	S.H.U. 224	2 YDS	OILY DIRT CEMENT
1-18-93	COLBORN		AMOCO	S.H.U. 232	2 YDS	OILY DIRT CEMENT
1-18-93	COLBORN		AMOCO	S.H.U. 18	20 YDS	OILY DIRT CEMENT
1-19-93	COLBORN		AMOCO	S.H.U. 18	4 YDS	OILY DIRT
1-19-93	COLBORN		AMOCO	S.H.U. 75	20 YDS	OILY DIRT
1-22-93	COLBORN		AMOCO	S.H.U. 19	20 YDS	OILY DIRT CEMENT BLOCKS
1-22-93	COLBORN		AMOCO	S.H.U. 20	2 YDS	OILY DIRT CEMENT BLOCKS
1-27-93	L. RAMIREZ		CONOCO	LOCKHART A-27	12 YDS	OILY DIRT
1-27-93	L. RAMIREZ		CONOCO	SOUTH EUNICE UNIT NORTH EAST SATELLITE	16 YDS	OILY DIRT
1-27-93	L. RAMIREZ		CONOCO	SOUTH EUNICE UNIT NORTH WEST SATELLITE	4 YDS	OILY DIRT
1-27-93	L. RAMIREZ		CONOCO	SOUTH EUNICE UNIT WELL 66	4 YDS	OILY DIRT
1-28-93	L. RAMIREZ		CONOCO	LOCKHART B-13 A BTRY	4 YDS	OILY DIRT
1-28-93	L. RAMIREZ		CONOCO	STEVENS B-35 WELL #1	8 YDS	OILY DIRT
1-28-93	L. RAMIREZ		CONOCO	STATE A-2	4 YDS	OILY DIRT
1-29-93	L. RAMIREZ		CONOCO	LOCKHART A-17 BTRY	8 YDS	OILY DIRT

CRI

CONTROLLED RECOVERY INC.

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

February 22, 1993

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

Dear Jerry:

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

Company	Location	Amounts
Homco	Abilene, TX	1820 yards

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

Sincerely,

Ken Marsh
President

CRI

CONTROLLED RECOVERY INC

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

April 13, 1993

Mr. William J. LeMay, Director
State of New Mexico
Oil Conservation Division
P.O. Box 2088
Santa Fe, NM 87504

RE: Memorandum dated April 2, 1993 to all commercial surface disposal facilities

Dear Mr. LeMay:

I am in receipt of the above referenced memorandum and have questions, comments, and requests concerning this **memorandum.**

Questions:

1) Is this a proposed rule, regulation, or guideline? If so, what is the implementation date and under what authority is it issued?

2) Why does it apply only to commercial surface disposal facilities?

3) What prompted this memorandum?

4) Why are there no definitions of the unusual terminology used?

5) Why was there no input from operators, users, generators, transporters, the public, other regulatory agencies, or the facilities themselves?

6) Should not all oilfield wastes be subject to the same requirements no matter where they go, either private or commercial, surface or subsurface?

7) Why did your office issue information about this by telephone to our customers before it was signed and before any notification to our facility?

8) Who is the author of "DOCUMENTATION REQUIRED FOR ACCEPTANCE OF WASTE TO ALL COMMERCIAL SURFACE DISPOSAL FACILITIES"?

9) Was any consideration given to economic impact of this memorandum?

Comments:

This type of action (reactionary, inadequate planning, no consideration given to economic impact, no input from affected parties) is similar in many ways to the EPA playa lake and BLM produced water action. By inference, you are saying that commercial surface waste disposals have problems and are not acting properly thereby causing economic damage to the disposal facilities and undermining the creditability of those operations and the entire oil and gas industry. Commercial surface waste facilities have suffered all the damage we can stand because of thoughtless actions by government agencies. Just because one (1) facility in conjunction with OCD personnel has a problem does not justify OCD action that has very serious consequences for prudent operators.

I have polled some of our customers as well as other disposal operators and no one seems to be in support of this "documentation" proposal you have issued.

This action is not consistent with the current administration's policies and philosophies and does not characterize responsible "government" that the citizens of New Mexico deserve.

Request:

I respectfully request that this "memorandum" be withdrawn immediately.

Very sincerely,

Ken Marsh

cc: Ruth Andrews, NMOGA
Richard Brakey, Parabo
Ray Westall, Loco Hills

STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

DRUG FREE

MEMORANDUM

BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

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

TO: ALL COMMERCIAL SURFACE DISPOSAL FACILITIES

FROM: WILLIAM J. LEMAY, Director
Oil Conservation Division

SUBJECT: DOCUMENTATION REQUIRED FOR ACCEPTANCE OF WASTE

DATE: APRIL 2, 1993

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

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

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

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

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

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

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

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

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

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

EPA WASTE CLASSIFICATION
O & G EXPLORATION AND PRODUCTION WASTES*

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

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

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

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

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

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

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

(rev. NMOCD 9/91)

NOTES:

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

   As of March 29, 1991, facilities disposing of between 0.11 and 1.1 tons of non-exempt waste per month became subject to the same rules. Regulation of such facilities is the responsibility of either the US Environmental Protection Agency or the New Mexico Environment Department (dependent on jurisdiction transfer from USEPA).

   The following OCD regulated facilities, especially, may be subject to hazardous waste rules for disposal of wastes and contaminated soils containing benzene:

   - Oil and gas service companies having wastes such as vacuum truck, tank, and drum rinsate from trucks, tanks and drums transporting or containing non-exempt waste.
   - Crude oil treating plants and crude tank bottom reclaimers using benzene solvent, or liquids containing benzene as cleaning solutions.
   - Transportation pipelines and mainline compressor stations generating waste, including waste deposited in transportation pipeline-related pits.

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

2. In April, 1991, EPA clarified the status of oil and tank bottom reclamation facilities:

   A. Those wastes that are derived from the processing by reclaimers of only exempt wastes from primary oil and gas field operations are also exempt from the hazardous waste requirements. For example, wastes generated from the process of recovering crude oil from tank bottoms are exempt because the crude storage tanks are exempt.

   B. Those reclaimer wastes derived from non-exempt wastes (eg. reclamation of used motor oil, refined product tank bottoms), or that otherwise contain material which are not uniquely associated with or intrinsic to primary exploration and production field operations would not be exempt. An example of such non-exempt wastes would be waste solvent generated from the solvent cleaning of tank trucks that are used to transport oil field tank bottoms. The use of solvent is neither unique nor intrinsic to the production of crude oil.

   Source: EPA Office of Solid Waste and Emergency Response letter opinion dated April 2, 1991, signed by Don R. Clay, Assistant Administrator.

STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

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

March 2, 1993

Ms. Johanna Smith
Porter & Clements
700 Louisiana, STE 3500
Houston, Texas 77002

Dear Ms. Smith:

The New Mexico Oil Conservation Division (OCD) has received a request from Mr. Victor Lyon on the behalf of Porter & Clements to indicate if Controlled Recovery Inc. (CRI), a surface disposal facility, is in compliance with all OCD rules and regulations. CRI was permitted by the Division pursuant to OCD Rule 711. The facility is approved to accept non-hazardous oil field wastes under specific conditions as stated in the permit.

To date the OCD has not issued any notices of non-compliance. All OCD inspections have indicated that the facility is operating in compliance with its permit and all applicable rules and regulations of the Division.

The OCD files are public information and are available for inspection from 8:00 a.m. to 5:00 p.m., Monday through Friday.

If you need additional information feel free to contact me at (505) 827-5884.

Sincerely,

Kathy M. Brown

Kathy M. Brown
Geologist

FAX 713-228-1331

Roger Anderson
Oil Conservation Division
Environmental Bureau
Box 2088
Santa Fe NM 87504

RECEIVED
MAR 01 1993
OIL CONSERVATION DIV.
SANTA FE

Dear Mr Anderson

My client, Porter + Clements, Houston, Texas have asked that I document that Controlled Recovery, Inc is in compliance with rules and regulations of your Division and Bureau.

I have done a search of your files without finding documentation which would be conclusive.

I believe that the best we could hope for under the circumstances would be a letter from you indicating that your experiences with the company and your inspections of the facilities have been satisfactory and there is nothing to indicate non-compliance in any respect.

I would sincerely appreciate your furnishing a letter reflecting such ~~letter~~ evaluation if you feel that it is merited.

Please address the letter to:

PORTER & CLEMENTS
700 LOUISIANA, STE 3500
HOUSTON TX 77002
Attn: Johanna Smith

Yours very truly
Victor L. Lyon

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:

1792 (065)

RECEIVED
JUL 20 1992

JUL 17 1992

Controlled Recovery Inc.
Halfway Disposal Facility
Attention: Ken Marsh
P. O. Box 369
Hobbs, NM 88241

Gentlemen:

The Environmental Protection Agency has recently informed the Bureau of Land Management that two playa lakes in southeastern New Mexico meet the definition of Waters of the United States. The Clean Water Act requires a National Pollutant Discharge Elimination System (NPDES) permit for discharge into such waters. Two commercial facilities were affected by this situation. Because these facilities do not have NPDES permits, the NTL-2B permits of Federal operators using them had to be rescinded. These operators must now make other arrangements for disposal of their produced water.

The Bureau of Land Management is preparing an Environmental Assessment (EA) on permitting the disposal of formation waters produced by Federal oil and gas wells into existing privately owned, man-made surface disposal facilities currently licensed by the New Mexico Oil Conservation Division. This EA will address only those facilities that are not associated with playa lakes. At this time there are three such facilities in southeastern New Mexico. They are:

Facility	Order #	Location
Controlled Recovery	R-9166	Sec. 27, T. 20 S., R. 32 E.
Loco Hills	R-6811-A	Sec. 16, T. 17 S., R. 30 E.
Parabo	R-5516	Sec. 29, T. 21 S., R. 38 E.

This EA is required by the National Environmental Policy Act before new NTL-2B applications for disposal into the above described facilities can be approved. The EA will analyze the impacts of disposal of produced water into these facilities. Applications for disposal of produced water into injection wells will not be affected and are subject to routine approval. The management alternatives to be addressed in this EA are:

Proposed Action: To approve NTL-2B applications to dispose of formation waters produced from Federal oil and gas wells into existing privately owned, man-made surface disposal facilities that are currently licensed by the New Mexico Oil Conservation Division.

No Action Alternative: To deny NTL-2B applications for disposal of formation waters into these facilities.

Injection Alternative: To require all NTL-2B applications for off-lease disposal of formation waters to specify the use of injection wells.

As the operator of one of the above listed facilities, we encourage you to present your views, information, or alternatives to this proposal to dispose of produced water into state-licensed facilities as part of the scoping process of this EA. We particularly need estimates of your current volumes, estimates of your maximum capacity, whether all of your open pits and ponds are netted and whether you would install such netting as a condition of receiving produced water from Federal wells, analyses of the formation water currently being disposed of, and any other pertinent data you wish to provide. Speedy collection of this data will allow a prompt completion of the document. All comments submitted through August 15, 1992 will be considered in preparing the EA.

If you have any questions concerning this issue, please contact Jim Pettengill at (505) 622-9042. Please submit your comments to:

Bureau of Land Management
Roswell District Office
Box 1397
Roswell, NM 88202-1397
Attention: Jim Pettengill
EA COMMENTS

Sincerely,

Leslie M. Cone

Leslie M. Cone
District Manager

DEPARTMENT OF THE INTERIOR

BUREAU OF LAND MANAGEMENT

DECISION RECORD AND FINDING OF NO SIGNIFICANT IMPACT

for

ENVIRONMENTAL ASSESSMENT:

DISPOSAL OF PRODUCED WATER INTO THREE NONFEDERAL SURFACE DISPOSAL FACILITIES THAT DISCHARGE INTO MAN-MADE STRUCTURES, EDDY AND LEA COUNTIES, NEW MEXICO.

The Roswell District Office of the Bureau of Land Management has proposed to approve applications to dispose of produced water through Notice To Lessees 2B (NTL-2B) into three existing nonfederal surface disposal facilities that discharge into man-made structures. These facilities are located on private and state land, and are regulated and approved by the New Mexico Oil Conservation Division (NMOCD). This decision reflects the analysis and review conducted in the attached environmental assessment (EA), from public comments, and fulfillment of the requirements of applicable federal laws.

DECISION

Based upon consideration and analysis of the alternatives within the environmental assessment, and in compliance with the laws and regulations relating to the proposed action, I hereby select the Proposed Action as the BLM's decision for the action.

The requirement for the action is documented in the EA. A tremendous volume of saline formation water is produced along with the hydrocarbons extracted from thousands of oil and gas wells in southeastern New Mexico. This water must be disposed of by one of several accepted methods, which include injection into a geologic formation or evaporation in surface ponds. There are several commercially operated surface disposal facilities in southeastern New Mexico; three of these facilities discharge their waters into man-made evaporation ponds. These facilities are:

Facility	Order #	Location
Controlled Recovery	R-9166	Sec. 27, T. 20 S., R. 32 E.
Loco Hills	R-6811-A	Sec. 16, T. 17 S., R. 30 E.
Parabo	R-5516	Sec. 29, T. 21 S., R. 38 E.

These three facilities are located on private and state land, and are the disposal sites discussed in this EA. These facilities have

been permitted by NMOCD, and have been in operation for some time; however, their use by Federal lessee/operators must be authorized by BLM in accordance with NTL-2B. The regulations implementing the National Environmental Policy Act (NEPA) require that BLM assess the impacts associated with such authorizations.

The EA addressed the Proposed Action and a No Action Alternative (denial of future NTL-2B applications and rescission of existing NTL-2B permits citing use of these facilities).

The proposed action of this EA authorizes produced water disposal in accordance with NTL-2B at three surface disposal facilities permitted by the NMOCD that discharge produced water into man-made structures.

Specific elements of the Proposed Action include:

* Requests for authorization to dispose of produced water at these three facilities will be processed in accordance with NTL-2B.

* BLM will recommend the following mitigative measures to NMOCD, the regulatory agency with jurisdiction. These recommendations will not be stipulations for approval of NTL-2B applications:

1) Require all three private waste water disposal facilities to flag their active evaporation ponds to deter migratory birds.

2) To regularly monitor groundwater quality at all three facilities by analysis of samples from monitor wells to ensure that contamination of groundwater does not occur.

3) To inform BLM of any wildlife protection or groundwater quality problems as they occur.

The No Action Alternative was considered, but was not acceptable based upon the need to dispose of significant volumes of produced water by methods approvable through NTL-2B.

Four mitigation measures were considered in the EA. Proposal number one, to require flagging, was modified to the above form to conform to existing U. S. Fish and Wildlife Service (USF&WS) Regional policy and to rely upon the NMOCD, who have legal jurisdiction, for the regulation of these facilities. Proposal two, to require notification of BLM when monitor wells were to be sampled, was dropped because the NMOCD has jurisdiction and is already monitoring sampling. Proposal three, to have NMOCD notify BLM of any problems, was adopted above in slightly modified form. Proposal four, to require monitoring wells at Controlled Recovery with periodic testing for specific toxic water components, was modified to request NMOCD, the agency with jurisdiction, to continue to monitor groundwater quality and inform BLM of any problems.

RATIONALE FOR DECISION

During the summer of 1992 the Roswell District Office of the BLM conducted an in-depth analysis and review of the subject facilities.

These three facilities already exist and have been in operation for several years. No significant negative environmental consequences of disposal of produced water at these facilities have been documented. The facilities are in compliance with NMOCD requirements, and are inspected regularly by the USF&WS and NMOCD. No wildlife mortalities have been documented. The facilities will continue to dispose of private and state produced water regardless of this decision, and the water quality and surface area of the evaporation ponds would be unchanged.

Copies of the EA were sent to approximately 70 individuals, oil and gas lessees and operators, cooperating agencies and environmental groups for review and comment. Five responses were received from outside BLM, four of which recommended adoption of the Proposed Action. None advocated the No Action Alternative. Several modifications and editorial recommendations were offered, most of which were adopted. The Proposed Action is consistent with current USF&WS enforcement policies.

This action is in conformance with existing regulations and statutes. The facilities are on private and state lands and are licensed by the State of New Mexico; guidance from BLM's New Mexico State Office holds that RMP prescriptions apply only to facilities located on Federal lands, and that a plan amendment is not needed for the actions proposed in this EA.

FINDING OF NO SIGNIFICANT IMPACT (FONSI)

Based on the analysis of potential environmental impacts contained in the attached environmental assessment, I have determined that selection of the Proposed Action would not have a significant impact on the human environment and, therefore, conclude that preparation of an Environmental Impact Statement (EIS) is not required.

Leslie M. Cone
DISTRICT MANAGER

10/15/92
DATE

ENVIRONMENTAL ASSESSMENT

DISPOSAL OF PRODUCED WATER INTO THREE SURFACE DISPOSAL FACILITIES THAT DISCHARGE INTO MAN-MADE STRUCTURES, EDDY AND LEA COUNTIES, NEW MEXICO.

ROSWELL DISTRICT OFFICE

BUREAU OF LAND MANAGEMENT

OCTOBER 1992

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I. INTRODUCTION

Oil and gas reservoirs occur in porous sedimentary rock beds which are surrounded by nonporous or impermeable rocks. There is invariably some formation water distributed throughout a reservoir, though it is often more concentrated in the lower portion, below the oil. Production of this water with the hydrocarbons is a natural consequence of production, and cannot be avoided. As the hydrocarbons in a reservoir are depleted over time, the volume of water produced with a given volume of oil increases. Therefore, the total rate of production of water from an oil field increases over time. The volumes of produced water can become very large. Sometimes it is this increased production of water, and the attendant handling and disposal costs, which results in the abandonment of some or all of the wells in a particular oil field.

Extensive development of oil and gas resources in Southeast New Mexico has been occurring since the 1920s, producing in excess of 4.1 billion barrels of oil to date. The oil fields in this part of the State are currently producing over 345 million barrels of water annually compared to approximately 60 million barrels of oil. The proper management of this tremendous volume of water is a major part of the oil and gas industry infrastructure in Southeast New Mexico.

Water produced with oil is primarily salt water, commonly called brine, a pollutant which requires proper handling and disposal. Care must be exercised in the management of produced water because of potential damage to other resources, including the possibility of polluting lakes , streams, or ground water aquifers which provide water for drinking or agricultural purposes. Both the State and Federal governments regulate the disposal of this produced water. The Bureau of Land Management (BLM) authorizes disposal of water produced from Federal wells through Notice to Lessees and Operators No. 2B (NTL-2B): Disposal of Produced Water. A copy of NTL-2B is included in Appendix A.

A. Need for the Proposed Action.

Produced water is commonly injected into the subsurface reservoir from which it came. A large portion of the produced water in southeast New Mexico is disposed of in this fashion through oil and gas well bores no longer needed for production purposes or through wells drilled solely for the purpose of injection. Disposal by injection is preferred by BLM over other methods.

NTL-2B also provides for surface disposal into lined or unlined evaporation pits. The typical surface disposal facility is a pit installed by the well operator as part of operations on the oil and gas lease. Federal oil and gas operators commonly use injection wells, lined or unlined pits on their own leases, or they may use such facilities on properties owned by others depending on their particular circumstance and needs.

The need for alternate disposal methods is great enough in southeast New Mexico that several commercial surface disposal facilities have been constructed to handle and dispose of produced water as a business enterprise. These facilities receive produced water by truck, store the water temporarily

in large tanks, and reclaim the oil that rises to the surface. The water that remains after this reclaiming process is placed in an open, lined pit for further separation of entrapped oil. These hydrocarbon-containing pits are netted to protect wildlife. After this oil has been removed, the remaining saline water, which should now be oil-free, is placed in ponds to evaporate. These ponds are very large, may be unlined, and the facilities have typically been granted exceptions to netting requirements by the New Mexico Oil Conservation Division, in consultation with the U. S. Fish and Wildlife Service. Other mitigative measures and/or close monitoring is then required by NMOCD to protect wildlife.

Existing commercial surface disposal facilities in southeast New Mexico have been authorized through permits by the NMOCD. No such facilities exist on Federal lands in the Roswell District. However, Federal oil and gas operators may elect to use such commercial facilities as their needs dictate. The use of a privately owned, commercial disposal facility by a Federal lease operator must be authorized under NTL-2B. Of the commercial produced water disposal facilities using surface disposal methods in Southeast New Mexico, three are discharging produced water into man-made structures for evaporation purposes. These three facilities are the subject of this Environmental Assessment.

These facilities have been permitted by NMOCD, and have been in operation for some time; however, their use by Federal lessee/operators must be authorized by BLM in accordance with NTL-2B. The regulations implementing the National Environmental Policy Act (NEPA) require that BLM assess the impacts associated with such authorizations. BLM proposes to authorize the removal of produced water from Federal oil and gas leases to three existing commercially operated surface disposal facilities in the Roswell District that discharge into man-made structures.

B. Conformance with Land Use Plans.

The three commercial surface disposal facilities discharging produced water into man-made structures covered by this EA are located in Eddy and Lea Counties. These two counties are covered by decisions made in the Carlsbad Resource Management Plan (RMP) dated September 1988. Decisions in the Carlsbad RMP cover all of the Federal surface and Federal subsurface mineral estates within the Carlsbad Resource Area. The RMP is supported by the Proposed Resource Management Plan/Final Environmental Impact Statement and Revised Proposed RMP issued in January 1988. Decisions affecting oil and gas operations are further supported by analysis contained in the Environmental Assessment for Oil and Gas Leasing in the Roswell District (BLM, 1981).

The Carlsbad RMP provides management prescriptions specific to produced water disposal. The guidance in the RMP prescribes that produced water disposal in pits and injection wells will be in accordance (approved) with NTL-2B. The use of unlined produced water pits is further limited to areas in Southeast New Mexico described in NMOCD Order No. R-3221-B. This means that unlined pits are prohibited for produced water disposal in most parts of the Resource Area. This management guidance allows unlined pits to be authorized according to NTL-2B in discrete areas described in the aforementioned Order R-3221-B and its amendments. The Planned Action formulated in the RMP is to restrict the use of pits west of the Pecos River. None of the three facilities subject to this EA are west of the Pecos River. The only other action is to require

netting over open produced water tanks and pits (State NMOCD Orders and Rules require netting or other approved mitigative measures).

The proposed action of this EA is to authorize produced water disposal in accordance with NTL-2B at three surface disposal facilities permitted by the NMOCD that discharge produced water into man-made structures. This action is in conformance with existing regulations and statutes. The facilities are on private and state lands and are licensed by the State of New Mexico; guidance from BLM's New Mexico State Office holds that RMP prescriptions apply only to facilities located on Federal lands, and that a plan amendment is not needed for the actions proposed in this EA (J. W. Whitney, personal communication, August 5, 1992).

C. Relationship to Statutes, Regulations, or Other Plans.

Oil and gas leasing and development of Federal lands are conducted under authority of the Mineral Leasing Act of 1920 and the Mineral Leasing Act for Acquired Lands of 1947. The leases which allow a company to drill and produce hydrocarbon resources grant certain rights and privileges to the lessee subject to the terms and conditions of the lease itself and the Federal oil and gas operating regulations in 43 CFR 3160. Included with the rights granted is the obligation to undertake whatever reasonable operations as are necessary to efficiently develop and produce the mineral resource. This includes disposal of water produced with the oil and gas. The operating regulations include the requirements and instructions in NTL-2B (43 CFR Parts 3162.1 and 3164.2(b)).

While BLM regulates produced water disposal through NTL-2B, other government agencies also control produced water. The Environmental Protection Agency (EPA) has a specific regulatory program for injection wells as authorized by the Safe Drinking Water Act. The EPA Underground Injection Control Program (UIC) has been delegated to the State of New Mexico. The State UIC program regulations are contained in NMOCD Rules 701 through 708. NMOCD Rule 8 covers surface disposal using pits. The State of New Mexico exercises these joint responsibilities for produced water control on Federal lands under authorities contained in the State's Oil and Gas Act and Water Quality Act. Specific State regulations for commercial produced water disposal facilities are contained in NMOCD Rule 711 (copy included in Appendix B).

Additional Federal laws and Orders that can apply to produced water management are:

1. The Clean Water Act
2. The Migratory Bird Treaty Act
3. The Fish and Wildlife Coordination Act
4. Executive Orders 11988 (Floodplain Management) and 11990 (Wetlands)
5. Water Pollution Control Act
6. Water Quality Act
7. Federal Land Policy and Management Act
8. National Environmental Policy Act.

The selection of alternatives, mitigating measures and findings developed in this EA are based in part on the guidance in NTL-2B. The NTL forms the basis of BLM's enforcement authority with respect to produced water. The BLM has plans in the near future to replace NTL-2B with Onshore Order No.7. When

Onshore Order No.7 becomes effective, produced water disposal rules will be codified in an amended 43 CFR Part 3164.1. The basic authorities in the planned Order No.7 will be unchanged; BLM will continue to regulate produced water disposal. The following differences between the draft Order and NTL-2B are worthy of mention:

1. The reporting requirements of NTL-2B will be eliminated.
2. Detailed pit construction specifications will be required.
3. Off-lease disposal will not be approved by BLM if the facility has not been permitted or otherwise approved by other State or Federal regulatory authorities.

The conclusions in this EA will not be significantly affected by any differences between NTL-2B and Order No.7. However, to assure adherence to specific procedures, the Appendix to this EA will be amended with the final version of Onshore Order No.7.

II. PROPOSED ACTION AND ALTERNATIVES

Assumptions:

This EA and the alternatives cover three existing commercially operated surface disposal facilities which discharge produced water into man-made structures and have been licensed by the NMOCD. Produced water disposal into injection wells, commercial facilities discharging into natural features, and on-lease facilities as a part of lease operations is not a part of this EA.

Alternative A: Proposed Action.

The proposed action is to approve new applications for the disposal of formation water produced during Federal oil and gas lease operations to three existing privately owned surface disposal facilities. These authorizations would be processed by BLM in accordance with guidance contained in NTL-2B. Disposal of Produced Water, and its eventual successor, Onshore Order No. 7. These facilities are licensed by the New Mexico Oil Conservation Division for commercial surface waste disposal operations. They discharge into man-made structures. These facilities are:

Facility	Order #	Location
Controlled Recovery	R-9166	Sec. 27, T. 20 S., R. 32 E.
Loco Hills	R-6811-A	Sec. 16, T. 17 S., R. 30 E.
Parabo	R-5516	Sec. 29, T. 21 S., R. 38 E.

(SEE FIGURES 1, 2, and 3)

Only these three sites are included in this alternative. No other commercial surface disposal facilities would be subject to BLM authorizations under this EA; if applications for disposal are received for similar facilities in the future, their approval will be subject to separate environmental assessments.

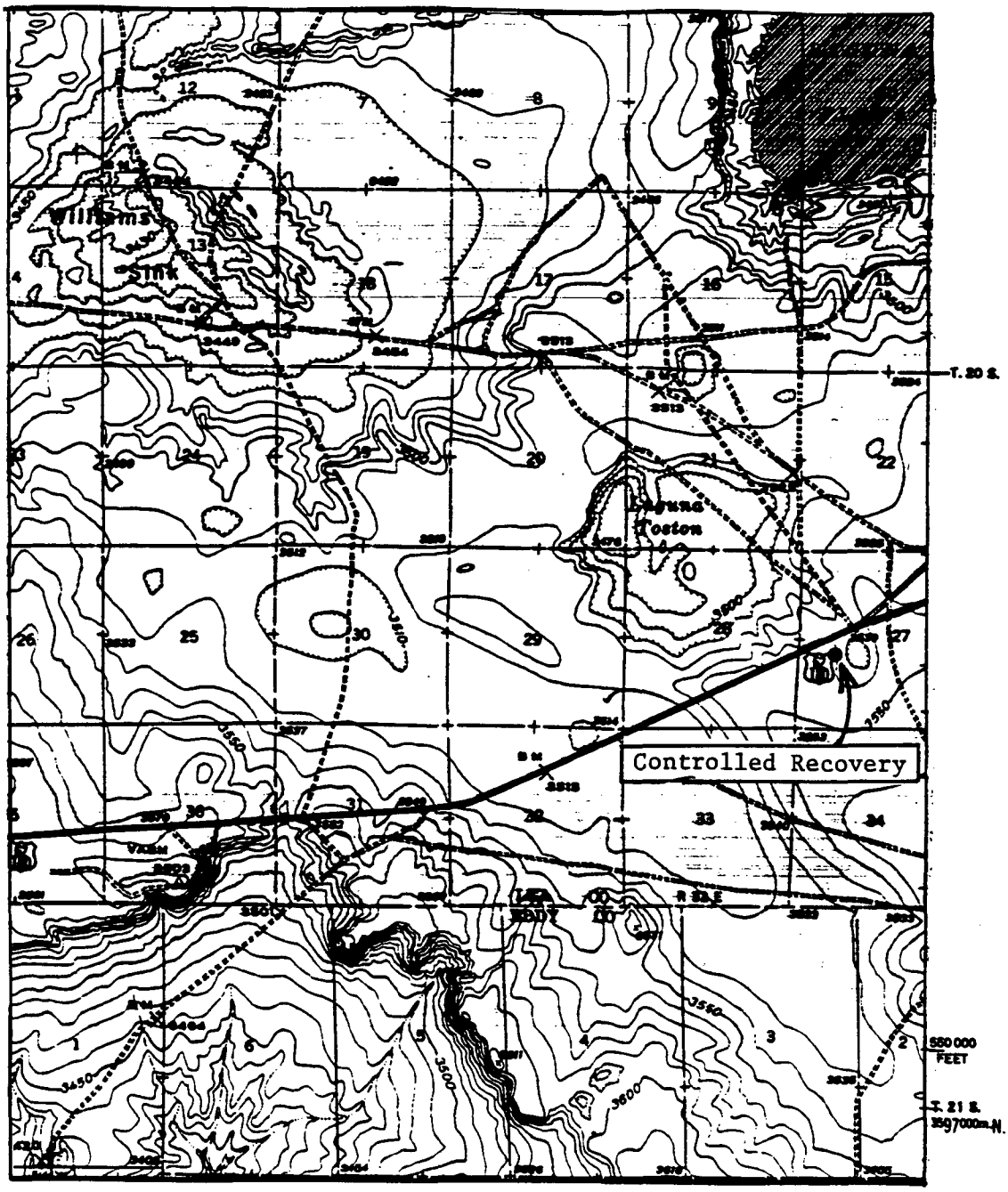


Figure 1:

Plat Showing Location of
Controlled Recovery Facility

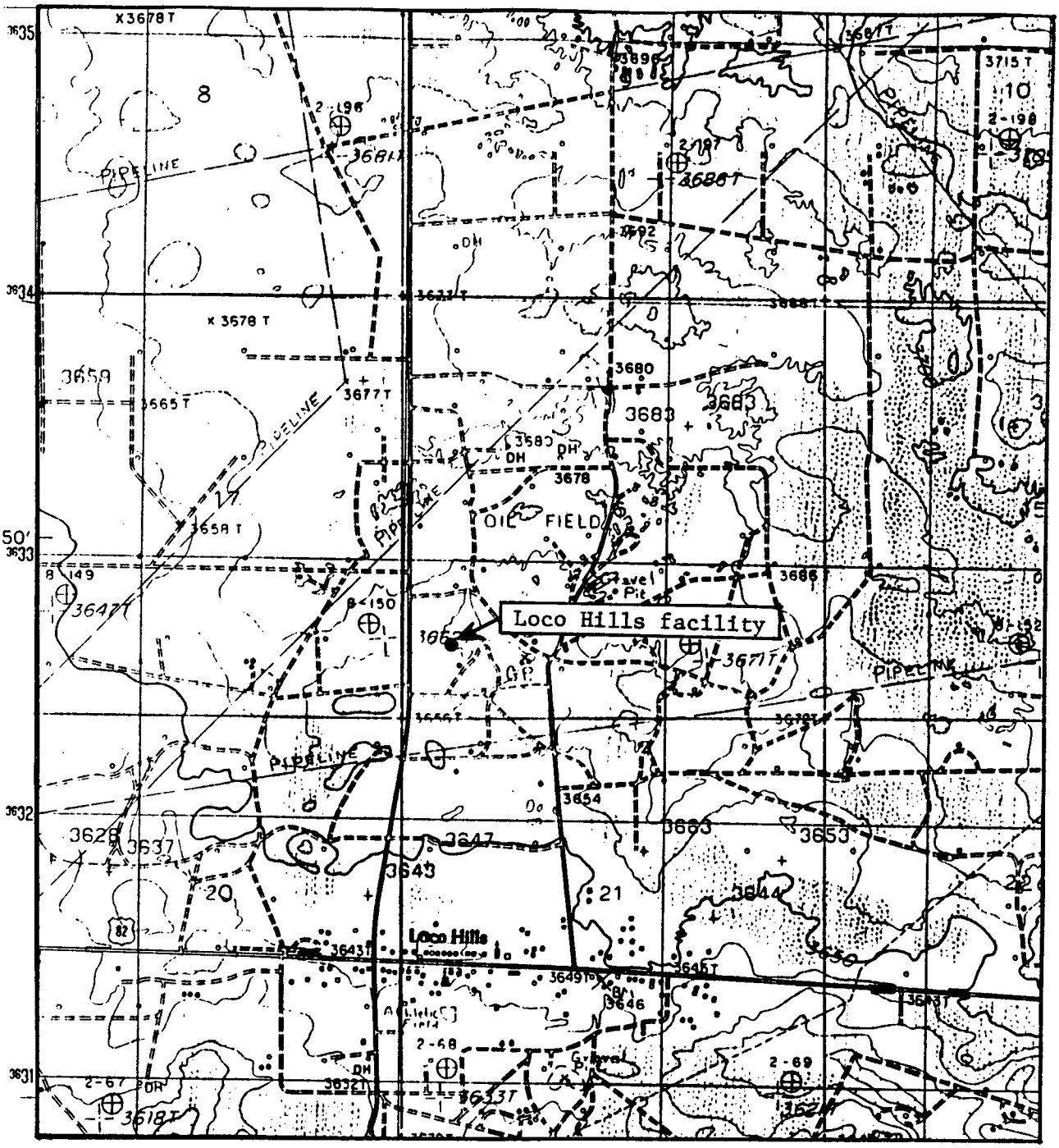
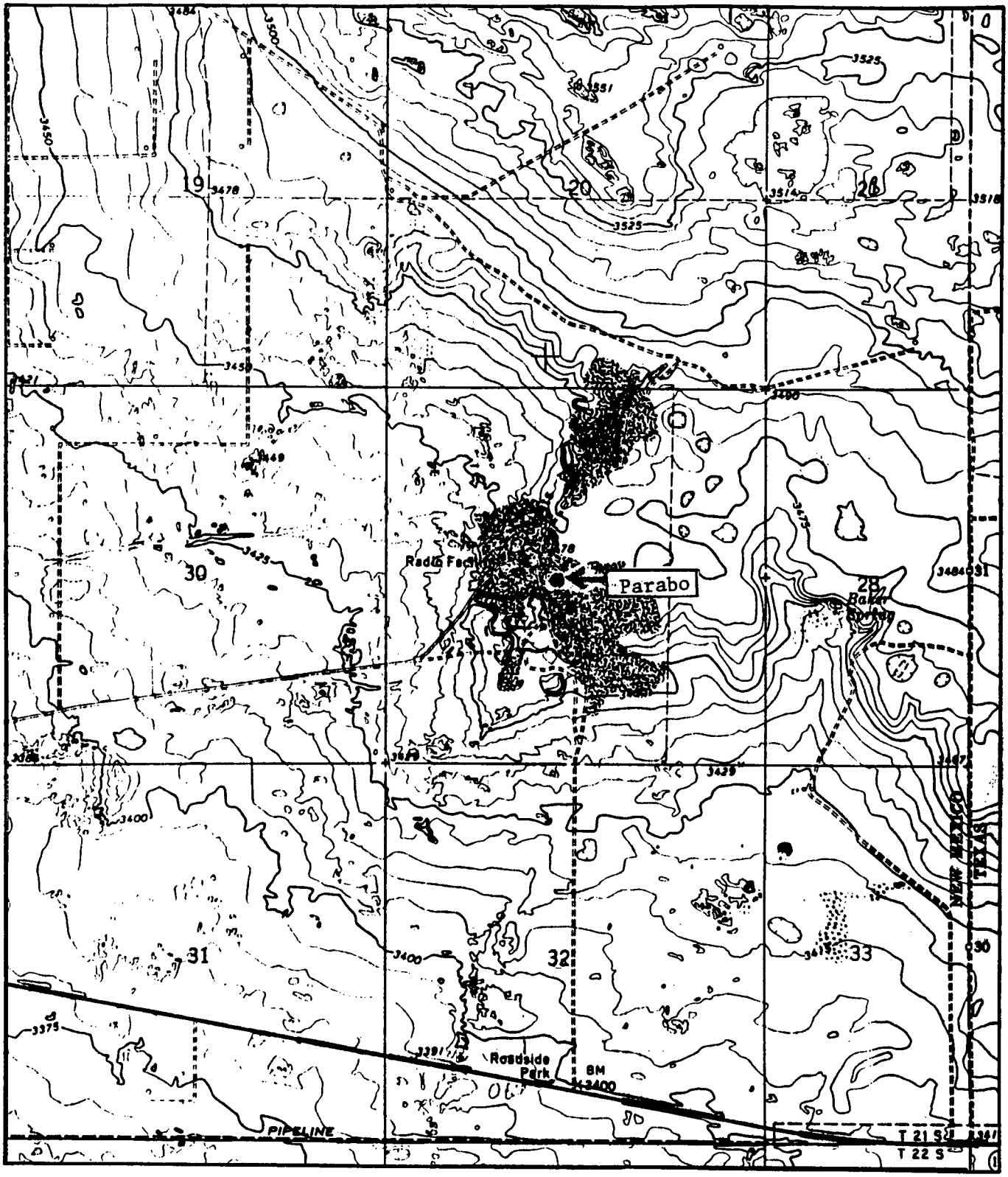


Figure 2:

Plat Showing Location of
Loco Hills Facility



1 Mile

Figure 3:

Plat Showing Location of
Parabo Facility

Alternative B: No Action.

Under this alternative, new NTL-2B applications to dispose of produced water from Federal oil and gas wells into these three privately owned surface disposal facilities which discharge into man-made structures would not be approved. Existing permits to dispose of produced water from Federal wells would be rescinded.

III. AFFECTED ENVIRONMENT

The following sections describe components of the Roswell District's environment in the areas of study. Only those items which are likely to be impacted by the disposal of produced water from Federal oil and gas wells into the above-listed existing, privately owned surface disposal facilities which discharge into man-made structures and are licensed by the NMOCD will be given descriptive emphasis. Data examined included published groundwater and geologic reports, files in the NMOCD offices in Santa Fe, Artesia, and Hobbs which include geologic, hydrologic, and water quality data, and tours of the sites. All data is public information.

General Setting

The study area is located in southeastern New Mexico, in Eddy and Lea Counties. The area is in the Pecos Valley section of the Great Plains physiographic province, which is a ". . .very irregular erosional surface which slopes toward the Pecos River, . . .generally southward . . . topography of the Pecos Valley section is further complicated by areas of interior drainage which are apparently the result of deep-seated collapse due to solution, and by vast areas of both stabilized and drifting dune sand" (Nicholson Jr. and Clebsch Jr., 1961, p. 7). Elevation at the facilities ranges from 3450 to 3662 feet, with local relief limited to a few tens of feet.

The climate in the study area is characterized by low annual rainfall, averaging between nine and 14 inches, although rainfall amounts can vary significantly. Temperatures are high, with summer maxima commonly over 100 degrees Fahrenheit. Humidity is typically low, resulting in estimated evaporation rates for water at the Red Bluff Reservoir of around 3180 barrels per month per acre (E. L. Reed & Associates, Parabo application). This is an area of high seasonal winds, which add to the evaporation potential.

This is a sparsely populated area, with the major economic base being mineral extraction, both hydrocarbons and potash ore. Ranching is another significant component of the economic base of the area.

Critical Elements

The consideration of critical elements in an environmental assessment is mandatory. The following critical elements have been considered and determined to be either not present or not affected by the proposed action or the alternative:

--Areas of Critical Environmental Concern.
--Cultural Resources.
--Farm Lands (Prime or Unique).
--Floodplains.
--Native American Religious Concerns.
--Vegetation.
--Wetlands and Riparian Zones.
--Wild and Scenic Rivers.
--Wilderness.

Other critical elements that may be affected by the proposed action or the alternative are denoted by an asterisk in the heading.

Geology

The study area is located within the Permian Basin, a large depositional basin that formed during Permian time (Figure 4). The Permian Basin is a heavily developed, prolific producer of hydrocarbons. The Loco Hills facility is located on the Northwestern Shelf within the Permian Basin, while Parabo is on the Central Basin Platform and Controlled Recovery is on the boundary between the Northwest Shelf and the Delaware Basin.

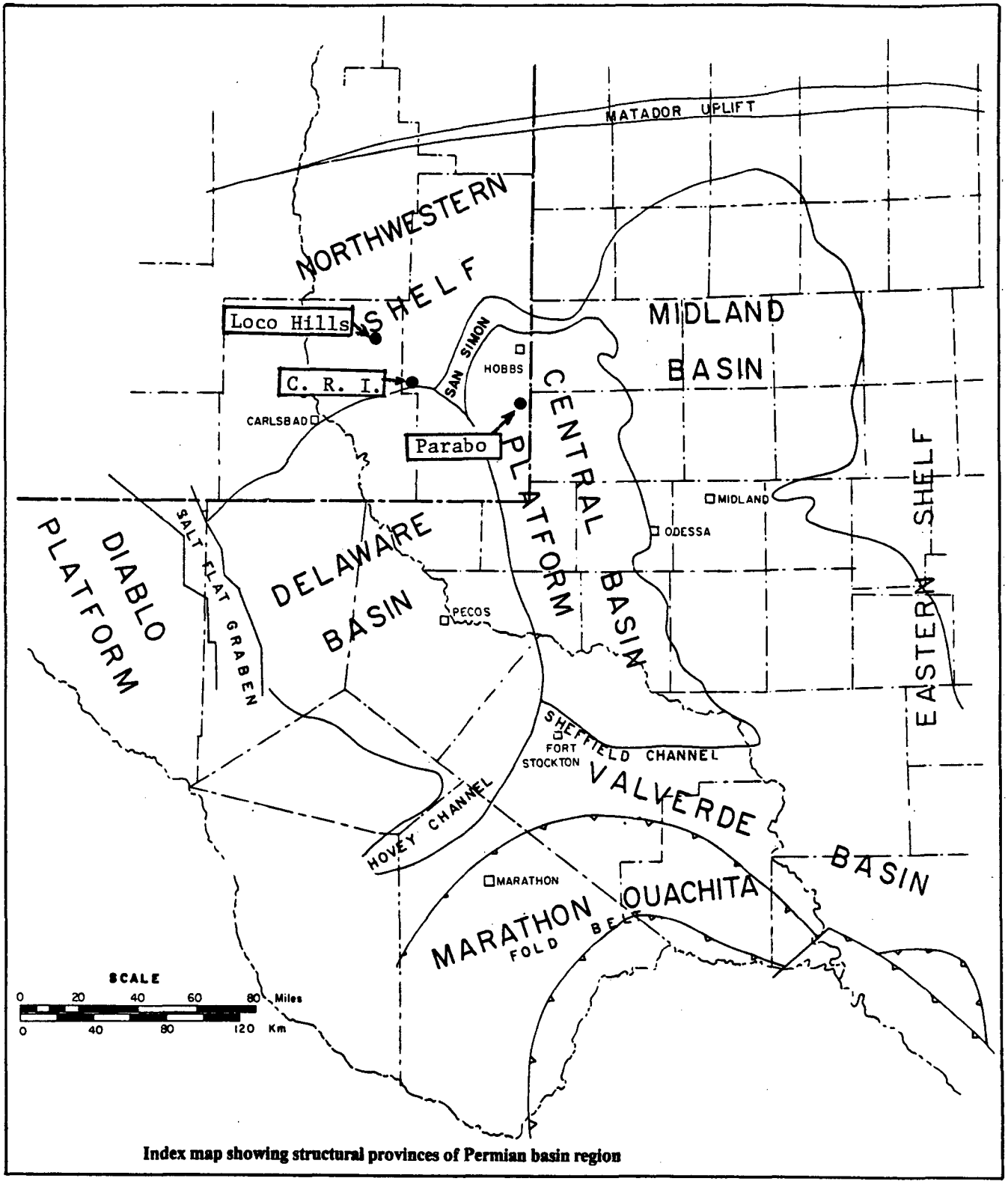
A general listing of the stratigraphic units found in the study area is found in Figure 5. This study is principally concerned with surface and near-surface geologic formations. The geologic map (Figure 6) shows the general surface formation at the three subject locations to be alluvium and bolson deposits of Quaternary age. For detailed descriptions of area geology, see Kelley (1971), Grant and Foster (1989), Hendrickson and Jones (1952), and Nicholson Jr. and Clebsch Jr. (1961). Site-specific descriptions of surface deposits may be found in the section of this EA describing Hydrology and Water Quality.

Fluid Minerals

Southeastern New Mexico is a significant hydrocarbon-producing area. Oil was first produced from Permian rocks in the Artesia field in Eddy County in 1923. The giant Hobbs field, with total reserves exceeding 250 million barrels of oil, was discovered in 1930. Through 1986, more than 5.19 billion barrels of oil and 36.9 trillion cubic feet of gas had been produced from all of New Mexico, with the southeastern part of the state currently accounting for around 90 percent of the oil and half of the gas. In 1990 the Roswell District had 27,085 producing wells, 85 percent of which were oil wells. Total district production in 1990 was 62,507,948 barrels of oil and 474,064,501 MCF of gas. Over 345,000,000 barrels of water were produced. The oil and gas industry is by far the largest source of income to the State of New Mexico.

Most of the oil produced in southeast New Mexico comes from Permian-aged sandstones and carbonates. For detailed summaries of the occurrence of oil and gas in the area, see Grant and Foster (1989) and the Roswell Geological Society Symposia on the Oil and Gas Fields of Southeast New Mexico (1956, 1960, 1967, 1977, 1988).

*Air Quality



Index map showing structural provinces of Permian basin region

Figure 4:

(after Hills, 1984, p. 251)

STRATIGRAPHIC UNITS IN SOUTHERN LEA COUNTY, N. MEX.

Geologic age	Geologic unit	Thickness (ft)	General character	Water-bearing properties
Cenozoic Quaternary Recent and Pleistocene	Sand	0–30±	Dune sand, unconsolidated stabilized to drifting, semiconsolidated at depth; fine- to medium-grained.	Above the zone of saturation, hence, does not yield water to wells. Aids recharge to underlying formations by permitting rapid infiltration of rainwater.
	Alluvium	0–400±	Channel and lake deposits; alternating thickbedded calcareous silt, fine sand, and clay; thickest in San Simon Swale; less than 100 feet thick in most places.	Saturated and highly permeable in places in east end of Laguna Valley. Forms continuous aquifer with Ogallala formation. Wells usually yield less than 30 gpm. Locally above the water table.
Cenozoic Tertiary Pliocene	Ogallala	0–300±	Semiconsolidated fine-grained calcareous sand capped with thick layer of caliche; contains some clay, silt, and gravel.	Major water-bearing formation of the area. Unsaturated in many localities, such as north side of Grama Ridge, west side of Eunice Plain, Antelope Ridge area, and Rattlesnake Ridge. Greatest saturated thickness along east side of Eunice Plain, west of Monument Draw, where wells yield up to 30 gpm. Highest yields, up to 700 gpm, obtained from wells along south edge of Eunice Plain, east of Jal.
Mesozoic Cretaceous	Undifferentiated	35±	Small isolated and buried residual blocks of limestone, about 3 miles east of Eunice.	Possibly small isolated bodies of water locally.
Mesozoic Triassic Dockum group	Chinle formation	0–1,270±	Claystone, red and green; minor fine-grained sandstones and siltstones; underlies all of eastern part of southern Lea County area; thins westward; absent in extreme west.	Yields small quantities of water from sandstone beds. Yields are rarely over 10 gpm. Water has high sulfate content.
	Santa Rosa sandstone	140–300±	Sandstone, chiefly red but locally white, gray, or greenish-gray; fine- to coarse-grained; exposed in extreme west; underlies Cenozoic rocks in western part of area, and is present at depth in eastern part.	Yields small quantities of water over most of the area. Some wells are reported to yield as much as 100 gpm. Water has high sulfate content.
Paleozoic Permian or Triassic	Undifferentiated	90–400+	Siltstone, red, shale, and sandstone; present at depth under all of southern Lea County.	No wells are known to be bottomed in the red beds. Probably can yield very small quantities of high-sulfate water.
Paleozoic Ordovician through Permian		6,500–17,000±	Thick basin deposits ranging in character from evaporites to coarse clastics; thinnest on the east side of the area over the Central basin platform, thickest toward the southwest.	No presently usable water supply available from these rocks. Source of highly mineralized oil-field waters.
Precambrian			Granite, granodioritic and other igneous and metamorphic rocks; complex structure.	Not hydrologically significant.

Figure 5:

(after Nicholson Jr. & Clebsch Jr., 1961, p. 30 - 31)

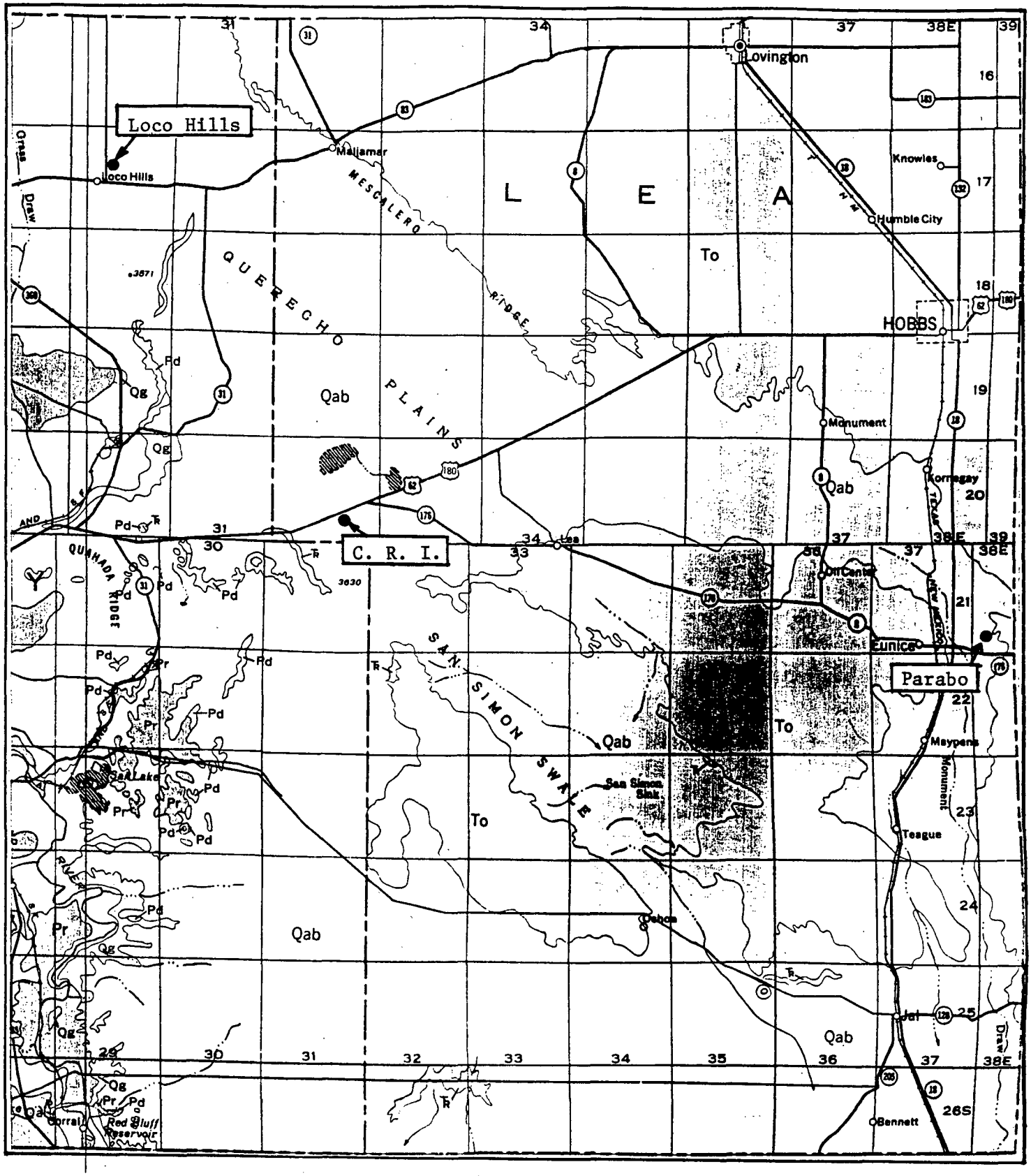


Figure 6:

Geologic Map of Study Area
(after Dane & Bachman, 1965)

Clean Air Act compliance and air quality is regulated by the New Mexico Environment Department. The facilities are not located in regulated air districts. Produced water disposal facilities are not monitored for air quality by the New Mexico Enironmental Department.

Produced water is not tested for air toxins. Evaporation and volatilization increases potential for release of air toxins such as benzene, toluene, ethylbenzene, xylene, and other volatile organic compounds (VOCs).

Hydrogen sulfide gas (H2S) is monitored under Occupational Health and Safety Administration regulations. All facilities comply with H2S regulations.

*Hazardous Materials

Produced water is exempt from regulation under Subtitle C of the Resource Conservation and Recovery Act (RCRA). The definition of hazardous substances in section 101(14) of the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) does not exclude produced water. Produced water may contain constituents that are regulated as hazardous substances under CERCLA. These hazardous substances include but are not limited to benzene, toluene, ethylbenzene, xylene, and polyaromatic hydrocarbons. Testing is required to determine if the hazardous substances exist and if they are above reportable quantities.

Produced water is not tested for hazardous substances prior to disposal. Leaching into the subsurface and volatilization increases potential for release of these hazardous substances, if present. At this time the State regulatory agencies (New Mexico Environmental Department and Oil Conservation Division) do not require testing of produced water or monitoring of the facilities for release of hazardous substances.

*Hydrology and Water Quality

Controlled Recovery, Inc.

Surface and near surface deposits at CRI's brine disposal facility are of Quaternary age. Lithologies consist of caliche, sand, and mixtures of clay, sand, gravel, and caliche. Thickness of these units varies from 0 to 45 feet. These units are underlain by approximately 800 feet of Triassic red beds, consisting largely of impermeable red clays, siltstones, and occasional sandstone stringers. The Rustler Formation anhydrite, gypsum, and limestone underlie the Triassic red beds and are approximately 300 feet thick beneath the site.

Surface drainage in the area is from rainfall runoff toward Laguna Toston, located three-quarters of a mile northwest of the facility. Rainfall is less than 10 inches per year and no permanent streams occur in this area. The CRI facility has a berm around the total area, which is designed to retain on site rainfall and prevent surface runoff. Laguna Toston is a natural collapse feature forming a playa lake. The laguna is currently being used by one of the potash companies for salt water disposal.

Ground water movement at the CRI site consists of downward percolation of rain water through the Quaternary alluvium to the red bed contact. It then moves

horizontally toward Laguna Toston. Figure 7 shows the water table in the area and indicates a hydrologic gradient of 15 feet per mile.

Recharge to this system is not considered significant due to low rainfall and high evaporation rates. Some ground water storage is evident from drill hole measurements taken prior to opening of the facility. This capacity is of low, unsustainable yield which is insufficient for domestic or animal use. Water for these uses is generally piped in from Ogallala resources east of this area.

Groundwater quality is poor as indicated by samples analyzed by the City of Hobbs in February of 1990, which was prior to the opening of the facility. Total dissolved solids averaged greater than 100,000 ppm, with the low being 34,430 in well 2a and the high being 251,140 in well 1a which is nearest Laguna Toston. This water would not be of beneficial use for domestic or livestock use.

Brine water disposed of at the CRI facility dissipates principally through evaporation from pond surfaces. Pits have been excavated into underlying red beds and the clays have been recompacted. Permeabilities of the recompacted clays should be extremely low. Infiltration into the existing groundwater system is not expected to be significant.

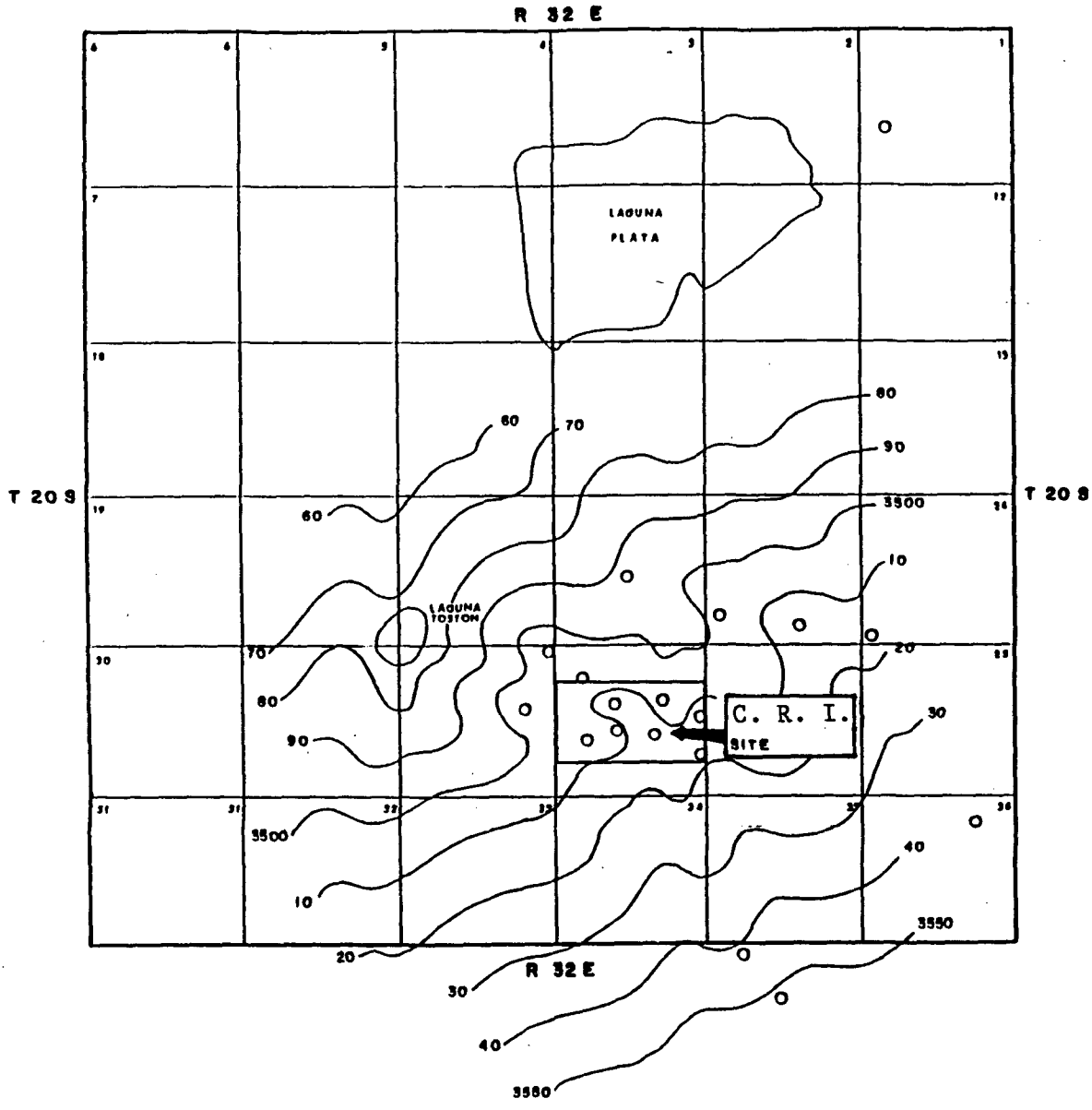
Loco Hills Water Disposal Co.

Surface and near surface deposits at the Loco Hills Salt Water Disposal facility consist of caliche and sand and caliche. These units average about 10 feet in thickness and are underlain by Triassic red beds. The red beds are composed of red clay, fine-grained interbedded siltstone and sandstone, and silty clay. The thickness of these units is generally less than 300 feet. The Rustler Formation anhydrite, gypsum and limestones underlie these red beds.

Surface drainage in the area is from rainfall runoff toward the south - southwest. Rainfall is generally less than 12 inches per year, although locally heavy rains can occur. There are no permanent drainage streams in the area.

Groundwater movement at the site consists of the downward slow percolation of rain water through the thin caliche/sand zone and into the Triassic red bed sequences. Numerous clay beds of low permeability occur throughout the thickness of the Triassic. Vertical permeability in several of these beds has been measured at a range of 4.9 x 10 -6 cm/sec to 1 x 10 -9 cm/sec. Seepage rates are calculated to range from .014 gallons per minute per acre to 1.2 gallons per minute per acre. Clay beds are thought to be discontinuous across the area which would permit some vertical migration of infiltrating brine from the disposal site. Migration of waters may thus proceed to the Rustler contact and southeastward down dip. The local hydrologic gradient is approximately 25 to 30 feet per mile (Figure 8).

Recharge to this system is not significant due to low rainfall, and subsurface storage is poor due to lack of porous/permeable media within the Triassic sequence. The result is a lack of any groundwater resources within the site area. The nearest known water resources are approximately nine miles southeast



ALTITUDE AND CONFIGURATION OF WATER TABLE IN THE VICINITY OF SECTION 27, TOWNSHIP 20 SOUTH, RANGE 32 EAST, N.M.P.M.

LEA COUNTY, NEW MEXICO - 1990

Figure 7:

O - DRILL HOLE OR WELL

~ CONTOUR INTERVAL IS 10 FEET

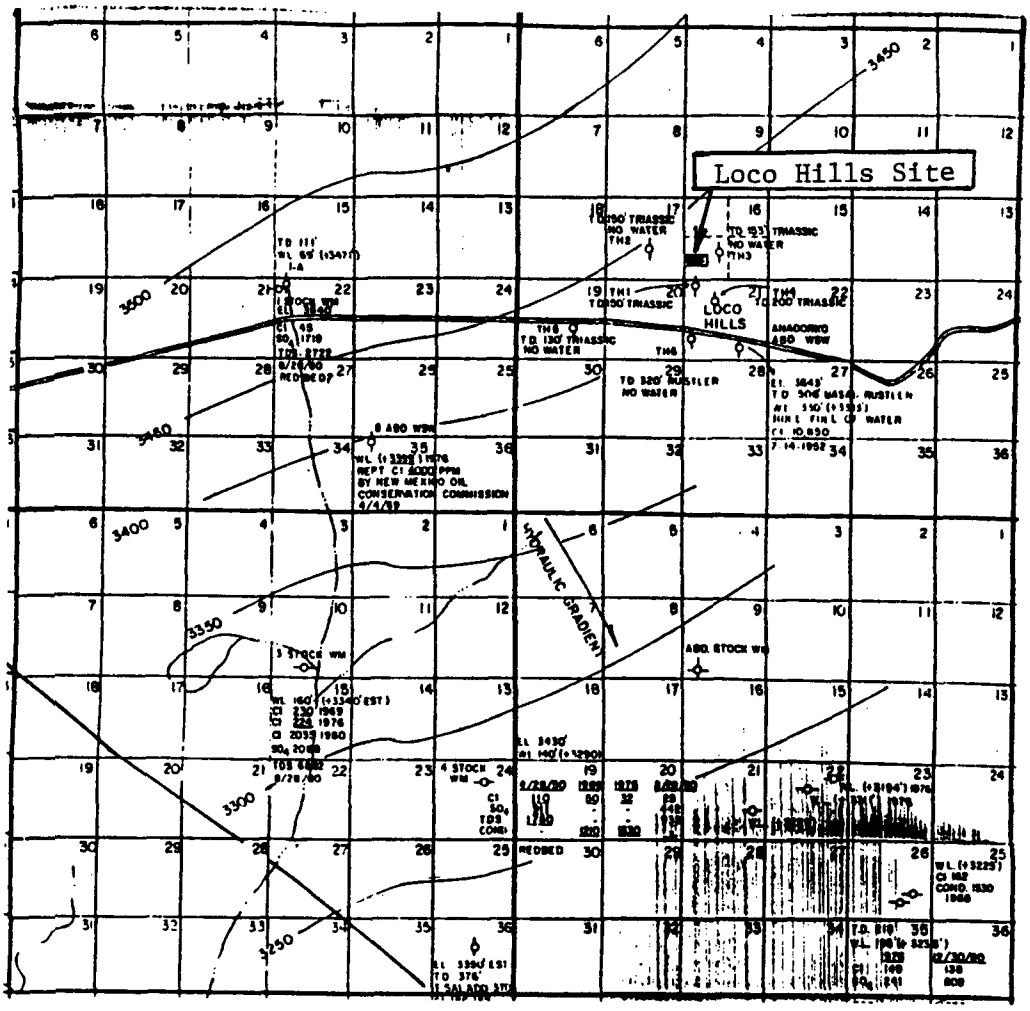
Source: NMOCD Application

JAMES I. WRIGHT
CONSULTING HYDROLOGIST
ROSWELL, NEW MEXICO

N

0 2000 4000 6000

SCALE



LEGEND

◊	Abandoned windmill, domestic well, or testhole
⊹	Windmill or domestic well
⊹	Dry and abandoned well
El.	Sea level elevation
T.D.	Total depth
Cl	Chloride ion concentration in mg/l
SO_4	Sulfate ion concentration in mg/l
TDS	Total dissolved solids in mg/l
Cond.	Conductivity in micromhos
W.L.	Static water level

Underlined values taken from Bureau of Mines and Mineral Resources, New Mexico Institute of Mining and Technology, Report 3

All other values taken by Ed L. Reed & Associates, Inc.

Figure 8:

Source: NMOCD Application

8000 0 8000' 16,000'

SCALE IN FEET

EDDY COUNTY, NEW MEXICO

LOCO HILLS WATER DISPOSAL COMPANY

SALT WATER DISPOSAL SITE

BASIC DATA MAP

3-1981

DRN. BY DR

ED L. REED & ASSOCIATES, INC
CONSULTING HYDROLOGISTS
MIDLAND, CORPUS CHRISTI, TEXAS

of the site and four to five miles west of the site.

Groundwater quality from resources outside the site area are generally good, but have a range of total dissolved solids. Wells west of the site measured 2,722 ppm tds. A well six miles northeast of the site had total dissolved solid concentration of 644 ppm. Wells south of the site have a total dissolved solid range of 932ppm to 6882ppm. Water from a well 1 mile south of the site measured 10000ppm chlorides in the Rustler Formation.

Brine water disposed of at the Loco Hills facility dissipates through a combination of evaporation from pond surfaces and slow infiltration into the Triassic red beds. The movement is both vertical and horizontal but at a very slow rate and volume. Southward migration of fluids will proceed in a southerly direction toward existing water resources outside the site area.

Parabo, Inc.

Surface and near surface deposits at the Parabo Inc. salt water disposal facility consist of sand and gravel of the Ogallala Formation. The thickness ranges from 0 to 20 feet. The gravels occupy a linear depression in the underlying Triassic red beds, and represent channel fill during Ogallala time. The regional dip on the Triassic beds is south-southwest, while the channel fill trends east-northeast. Triassic red beds are composed largely of red or green clays with some minor silt fraction.

Surface drainage in the site area is from rainfall runoff toward the south-southwest. Rainfall in the area averages approximately 11 inches per year. There are no permanent streams in the site area.

Ground water movement at the site would normally consist of downward infiltration of rainwater through porous gravels and sands in the Ogallala Formation. It would then move horizontally through these channel ways toward the south at the Triassic boundary. Brine ponds at the site, however, are constructed in mined-out gravel pits which have been excavated into the underlying red bed clays. Clay dikes of the same impermeable material have been constructed and keyed into these clay beds across the mined out channels. This forms a container which is essentially lined with clay. Permeabilities from core samples for the Triassic clays are generally less than 1×10^{-7} cm/sec. Compacted clay dike permeabilities are between 2.8×10^{-8} and 3.5×10^{-9} cm/sec. Brine water is therefore confined within the pit boundaries (Figure 9).

Brine water disposed of at Parabo dissipates through evaporation from the pond surfaces. Infiltration into the underlying formations should not occur because of the impermeable properties of the clays within the Triassic rocks and compacted dike material. Escapes of water can and have occurred at the site, through overtopping of the dikes and leaks through the dikes in areas of poor construction. These incidents have been detected through on-going monitoring of pond levels and measurements of the extensive network of monitoring holes drilled around the site. Remedial actions have been taken and there is no threat to ground water resources in the area.

Wildlife

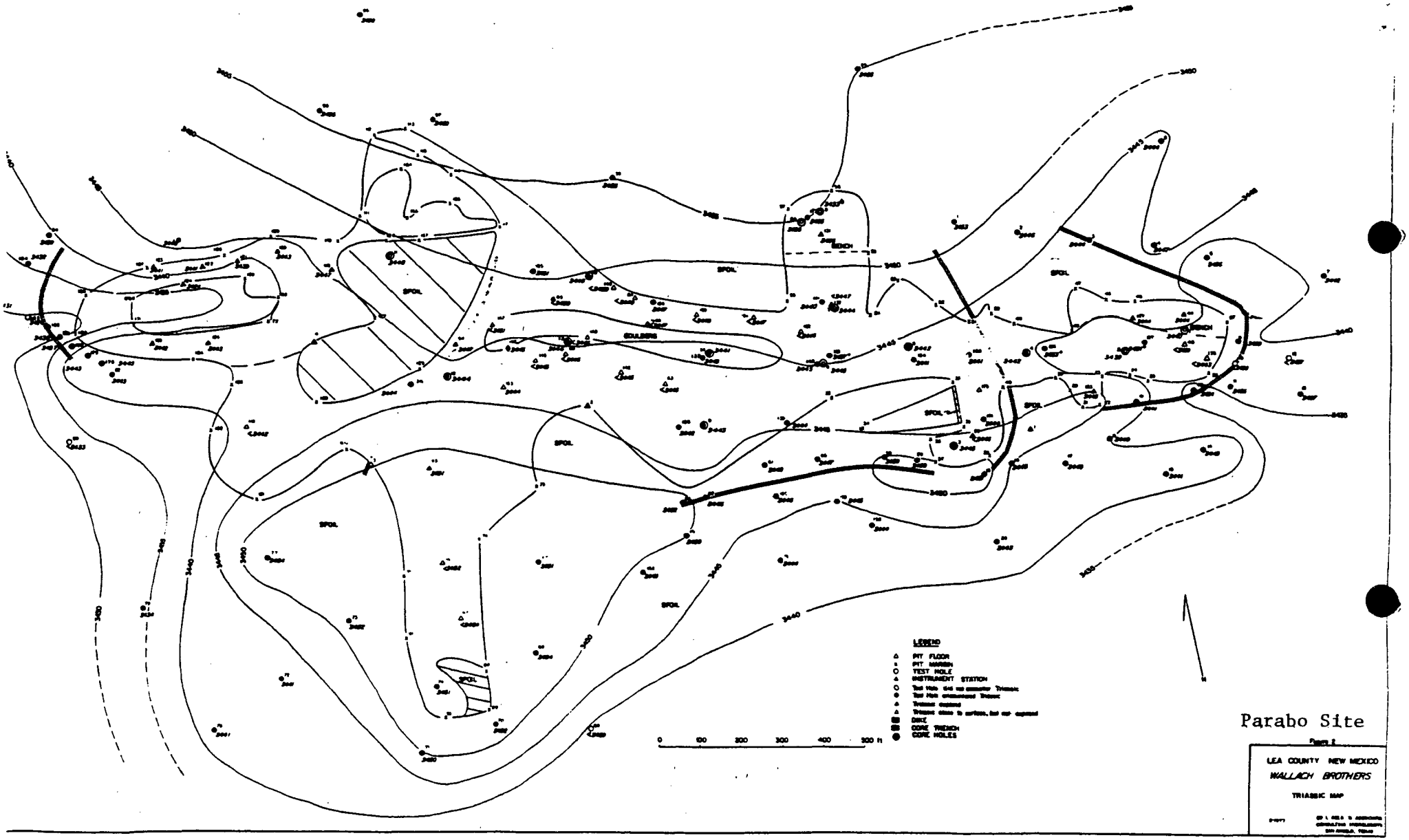


Figure 9:

Source: NMOCD Application

Wildlife found in the areas addressed under the proposed action are associated with two habitat types; mesquite grasslands and shinnery oak dune. Comprehensive species lists for these two habitat types may be found in the East Roswell Grazing Environmental Impact Statement (1979), available in the Roswell District Office and the Carlsbad Area Office.

Bird species have the greatest potential for being affected by the proposed action. The area is in a migratory flyway and has waterfowl and shorebirds passing through in fall, winter and spring. These species rely on fish, amphibians, snails and aquatic vegetation for food. The Pecos River, Lake McMillan, Lake Avalon, and flooded playas are all heavily used by migrant waterfowl and shorebirds.

*Special Status Species

Animal, reptile, fish and amphibian special status species potentially occurring in the area were not considered because of the habitats they are normally found in and the physical barriers associated with the features at the facilities considered in the proposed action. However, the locations identified in this EA potentially provide habitat for fourteen special status bird species which were analyzed in the context of this document.

COMMON NAME	SCIENTIFIC NAME	STATUS
Bald Eagle	Haliaeetus leucocephalus	FE, SE2
Ferruginous Hawk	Buteo regalis	FC2
American Peregrine Falcon	Falco peregrinus anatum	FE, SE1
Northern Aplomado Falcon	Falco femoralis septentrionalis	FE, SE1
Southwestern Willow Flycatcher	Empidonax traillii extimus	FC2, SE2
Interior Least Tern	Sterna antillarum athalassos	FE, SE1
Western Snowy Plover	Charadrinus alexandrinus nivosus	FC2
White-faced Ibis	Plegadis chihi	FC2
Long-billed Curlew	Numenius americanus	FC2
Mountain Plover	Charadrius montanus	FC2
Bell's Vireo	Vireo bellii	SE2
Bairds Sparrow	Ammodramus bairdii	SE2
Olivaceous Cormorant	Phalacrocorax olivaceous	SE2

Brown Pelican Pelicanus occidentalis SE2

Abbreviations:
FE = Federal Endangered
FC2 = Federal Category 2
SE1 = State Endangered Group 1
SE2 = State Endangered Group 2

The locations identified in the proposed action potentially provide habitat for four Federally endangered bird species: the bald eagle, peregrine falcon, Aplomado falcon and Interior least tern.

The bald eagle migrates and winters along the middle Pecos valley (Hubbard, 1985). Wintering bald eagle habitat in this area includes grasslands and shrublands to aquatic sites at lower elevations. Numbers build up gradually in November and December, peaking in January and February, followed by a decline and exodus in March. Potential use areas in relation to this EA would be habitat along the Pecos River and around the larger playa lakes.

The peregrine falcon occurs in migration and winter essentially statewide, but mainly west of the eastern plains (Hubbard, 1978). Major habitat use areas include steep-walled canyons, high cliffs, rivers, marshlands and deserts. Fewer than half dozen confirmed sightings have been recorded in this area in recent years. Birds are usually observed once and never seen again.

The Aplomado falcon is rare in the State and was historically found from the Guadalupe Mountains west. It prefers open yucca desert grasslands.

The interior least tern has historically nested on Bitter Lake within the Bitter Lake National Wildlife Refuge. In other areas, suitable nesting habitat exists in the form of sandbars and spits along the Pecos River and wide alkali flats in the Pecos Valley.

Socioeconomics

The oil and gas industry is the largest employer in the study areas, and the largest generator of both personal income and total dollar output. Detailed descriptions of socioeconomic conditions in southeastern New Mexico can be found in the Draft Carlsbad Resource Area Resource Management Plan Environmental Impact Statement (1988, p. 3-33 through 3-38 and 3-3 through 3-9) and in the Environmental Assessment on Oil and Gas Leasing in the Roswell District, BLM (1981, p. 2-24 through 2-28).

Reasonably Foreseeable Future Actions

The volumes of produced water from Federal wells in the area will increase in the future, requiring more disposal approvals. This will result from several reasons:

--The amendment of 43 CFR 3103.4-1, "Promotion of Development, Reduction of Royalty on Stripper Wells", effective October 1, 1992 (Federal Register,

August 11, 1992, p. 35968 - 35979) will allow continued operation of Federal stripper wells that would formerly have been abandoned for economic reasons. These wells can produce large volumes of water. A high percentage of the wells in southeastern New Mexico are stripper wells.

--This same amendment may stimulate development drilling on qualifying Federal leases due to lower royalty rates. A high percentage of Federal leases in southeastern New Mexico may qualify for these reductions. Each new well that is drilled will require produced water disposal.

--Because nationwide exploration is at an all-time low at the time of preparation of this EA, a future increase in exploration is likely.

IV. ENVIRONMENTAL IMPACTS

A. Impacts of Alternative A: Proposed Action

Disposal of produced water at the three subject facilities has been taking place, and will continue to take place, under State oversight, in consultation with the U. S. Fish and Wildlife Service. The presence of Federal produced water will not change the nature of the physical impacts of these facilities. Increases in volume could affect the intensity of these impacts in some situations.

Geology

The geology of the study areas surrounding each of the three facilities would be unaffected by implementation of this alternative. The presence of produced water from Federal wells in these facilities will not alter the configuration, content, or character of the rocks.

Fluid Minerals

Implementation of this alternative will have no physical impacts on the occurrence of fluid minerals or on reservoir systems in the study areas. Exploration for and development of fluid minerals in the study areas may increase, due to lower haulage costs which are critical to the continued profitablilty of marginal ("stripper") wells. The Federal government is currently trying to encourage the continued production of oil from Federal stripper wells through the recently approved "Promotion of Development, Reduction of Royalty on Stripper Wells", effective date October 1, 1992 (Federal Register, August 11, 1992).

*Air Quality

The proposed action complies with existing air quality regulations. The proposed action will not impact air quality in excess of regulatory standards.

*Hazardous Materials

The proposed action complies with existing State regulations. The State regulatory agencies do not require testing of produced water before disposal.

Potential exists for off-site migration of contaminants at all three facilities. Any off-site migration at CRI would have the potential for affecting the environment of Laguna Toston. Off-site migration at the Loco Hills facility would have little potential to affect groundwater or surface water. Off-site migration at Parabo would have potential to affect groundwater. Monitoring wells at Parabo have detected migration from an evaporation pond. The fluids are being collected and pumped back into the facility. No groundwater contamination has been reported.

*Hydrology and Water Quality

The continued disposal of Federal oil field brine waters at the CRI, Loco Hills and Parabo facilities will not adversely affect any potable ground water resources; disposal of produced water from state and fee wells will continue. Water resources for domestic and stock use do not occur in the areas of the CRI and Loco Hills sites. Any infiltration into underlying sediments will slowly continue. At CRI infiltration is not expected to be significant. Any infiltration that did occur would eventually move into Laguna Toston but would not impact the quality of water within this playa. Infiltration at Loco Hills will continue through the thick Triassic sequence and southward from the site, but will not impact any known water resources. Brines at Parabo will continue to evaporate and will remain confined as long as there is no overtopping of the dikes and no breaks occur in the facility. Under these conditions there should be no impact to water resources. Detection systems are in place and have worked when these incidents have happened. Remedial actions have been taken and no water resources were affected.

Wildlife

The three waste water disposal facilities studied in this EA have made provisions to protect wildlife. All three facilities are fenced. The main impact would be to bird species, particularly waterfowl and shorebirds.

Two of the facilities operate on a 24-hour basis, with floodlights and vehicular activity which tends to disrupt bird use. The third facility, Parabo, does not routinely receive water shipments between about midnight and early morning, but does receive shipments during these times occasionally. All pits containing oil and hydrocarbon residues are netted to prevent birds from landing on their surface. No hydrocarbons are discharged into the evaporation ponds. It is anticipated that brine water discharged into these evaporation ponds will range from 50,000 to over 100,000 ppm chlorides. The New Mexico Environmental Division has analyzed water samples from natural salt playas in this part of New Mexico which measured up to 190,000 ppm TDS. These playas were being used by waterfowl without any documented detrimental effects from the brine concentrations.

Another bird deterrent used by some of these facilities on their evaporation ponds is plastic flagging, which is suspended over the evaporation ponds.

The three facilities are inspected by the New Mexico Oil Conservation Division on a regular basis. U. S. Fish & Wildlife Service Special Agents periodically inspect the facilities to ensure compliance with wildlife mitigation measures. Any dead migratory birds would constitute a violation of the Migratory Bird Treaty Act and could result in substantial fines. At this time, USF&WS

Regional policy for migratory bird protection at these facilities is to request flagging of evaporation ponds (Tom Lane, personal communication, October 13, 1992).

*Special Status Species

Because the subject facilities will continue to dispose of produced water from state and fee wells regardless of whether or not disposal of Federal produced water is authorized, water compositions and surface areas of the evaporation ponds will be virtually unchanged. The principal change would be in the depth of the water in the evaporation ponds. As a result, none of the special status species potentially occurring in the areas identified in the proposed action would be detrimentally affected by implementation of the proposed action. The netting provided by the facilities over the oil separation pits and tanks would prevent the bird species from coming into contact with these substances. The flagging suspended over the brine evaporation ponds would deter most of the birds from landing on the ponds that are so equipped. The 24-hour a day, or nearly 24-hour a day, human disturbance factor would also tend to drive the birds away from the facilities. Monitoring of the facilities by USF&WS and NMOCD would identify the need for any additional mitigative measures.

Socioeconomics

Economic impacts of implementation of this alternative may include:

--An increase in income to owners of these facilities due to increased volumes of produced water received from newly permitted Federal wells.

--Possible fines to owners of these facilities by USF&WS if dead migratory birds are found in the evaporation ponds, with subsequent increased costs resulting from any more intensive mitigation requirements imposed by the NMOCD - the regulatory agency with jurisdiction. If stronger NMOCD mitigation requirements are imposed and the owners choose not to comply, they will experience a loss of income from loss of produced water from Federal wells due to denial of future applications and rescinsion of existing approvals.

--Increased costs could result if NMOCD were to require Controlled Recovery to install more monitoring wells and perform more detailed water quality testing. Any increased testing requirements by NMOCD would increase costs to Loco Hills and Parabo. These analyses are expensive, and could combine to produce a significant cost increase.

--Because permitting the use of these facilities is similar to the current situation and requires no substantial changes in the distances that water is hauled, costs to oil and gas producers and income to water hauling firms should increase moderately as the number of producing Federal wells increases, and as the volumes of water produced by stripper wells increases.

--Increased volumes of produced water resulting from increased drilling and longer producing lives of wells due to the Royalty Reduction amendment could result in more jobs within the industry.

B. Impacts of Alternative B: No Action

Geology

The geology of the study areas surrounding each of the three facilities would be unaffected by implementation of this alternative. The absence of newly permitted produced water from Federal wells in these facilities will not alter the configuration, content, or character of the rocks.

Fluid Minerals

Implementation of this alternative will have no physical impacts on the occurrence of fluid minerals or on reservoir systems in the study areas. Exploration for and development of fluid minerals in the study areas may slow down due to possibly longer haulage distances, resulting in increased costs to operators. This could result in shutting in or abandonment of marginal ("stripper") Federal wells. The Federal government is currently trying to encourage the continued production of oil from Federal stripper wells through the recently approved "Promotion of Development, Reduction of Royalty on Stripper Wells", effective date October 1, 1992 (Federal Register, August 11, 1992). There could be an increase in the number of disposal wells , both for on-lease use and commercial use.

*Air Quality

The no action alternative has no impact on air quality.

*Hazardous Materials

These facilities will probably continue to receive and dispose of produced water from state and fee lands; denial of new applications to dispose of produced water from Federal wells will have no positive impacts. Denial of permission to dispose of Federal produced water at these facilities would likely result in an increase in the amount of illegal dumping.

*Hydrology and Water Quality

There will be no impacts to water or water quality; disposal of state and fee brine waters will continue.

Wildlife and *Special Status Species

There would be no detrimental affect to wildlife or Special Status Species under this alternative because the facilities would not be used to dispose of produced water from Federal oil and gas wells. There would be no positive affect to wildlife or Special Status Species because of continued disposal of produced water from State and Fee oil and gas wells.

Socioeconomics

Economic impacts of implementation of this alternative may include:

--Decreased income for owners of these facilities, due to the denial of applications to dispose of water from Federal wells. This may be a

significant loss of income.

--Increased costs to Federal oil and gas producers as a result of an increase in distance that their water must be hauled for disposal.

--Increased income for water haulage firms as a result of an increase in distance that water from Federal wells must be hauled for disposal.

C. Mitigation Measures

Alternative A: Proposed Action

Mitigation measures to be adopted under this alternative are:

* BLM will recommend the following general mitigative measures to NMOCD, the regulatory agency with jurisdiction. These recommendations will not be stipulations for approval of individual NTL-2B applications:

1) Require all three private waste water disposal facilities to flag their active evaporation ponds to deter migratory birds, in conformance with current USF&WS regional policy.

2) To regularly monitor groundwater quality at all three facilities by analysis of samples from monitor wells to ensure that contamination of groundwater does not occur.

3) To inform BLM of any wildlife protection or groundwater quality problems as they occur.

Mitigative measures previously considered in this EA, but not included in the final version in this form, were:

1) Because of the size of the evaporation ponds at these facilities, netting is expensive and in some cases impractical. At the time of this study, mitigation is by measures agreed upon by the NMOCD and the U. S. Fish & Wildlife Service, which include netting of all pits that contain oil, flagging of evaporation ponds as needed, and periodic inspections of these disposal facilities the U. S. Fish & Wildlife Service. To ensure protection of wildlife and Special Status Species, BLM field inspectors may periodically check the facilities for wildlife deaths in the evaporation ponds. If BLM or USF&WS finds wildlife fatalities in a site's evaporation ponds, BLM has the right to require more stringent mitigation measures. These measures may include, but are not limited to, year-round flagging of all pits and ponds, or full netting of all pits and ponds. The mitigation measures to be imposed will be determined on a site-specific basis, and will be discussed with USF&WS, NMOCD, and the facility owners so that the best method of protecting wildlife at the affected site will be selected. If the owner of a disposal facility chooses not to comply with the selected mitigation requirements, permission to dispose of Federal produced waters at that facility can be rescinded.

2) To ensure protection of any groundwater, each site will notify the appropriate BLM resource area office in advance of testing of monitor wells so

BLM field inspectors can witness the testing if they so choose. Inspectors will randomly witness these tests as time permits.

3) To ensure protection of any groundwater, BLM will arrange for the NMOCD to notify BLM of any problems encountered with water quality of monitor well samples. If mitigative measures are required, they will be analyzed and selected on a site-specific, case-by-case basis, in consultation with NMOCD. If the owner of a disposal facility chooses not to comply with the selected mitigation requirements, permission to dispose of Federal produced waters at that facility can be rescinded.

4) Require additional monitoring wells at CRI, with periodic testing to include (but not limited to) benzene, ethylbenzene, toluene, xylene, and VOCs. The Parabo and Loco Hills facilities have adequate monitoring well coverage, but should also be periodically tested for the above hazardous substances.

Proposal number one, to require flagging, was modified to the final form to conform to existing U. S. Fish and Wildlife Service (USF&WS) Regional policy and to rely upon the NMOCD, who have legal jurisdiction, for the regulation of these facilities. Proposal two, to require notification of BLM when monitor wells were to be sampled, was dropped because the NMOCD has jurisdiction and is already monitoring sampling. Proposal three, to have NMOCD notify BLM of any problems, was finalized in slightly modified form. Proposal four, to require monitoring wells at Controlled Recovery with periodic testing for specific toxic water components, was modified to request NMOCD, the agency with jurisdiction, to continue to monitor groundwater quality and inform BLM of any problems.

Alternative B: No Action

Because no new applications for disposal of produced water would be approved at these facilities under this alternative, no mitigative measures would be required.

D. Residual Impacts

Alternative A: Proposed Action

Implementation of the Proposed Action would allow continued disposal of Federal produced water at these facilities, which would continue to dispose of produced water from state and fee wells regardless of any decision made by BLM. Residual impacts resulting from the proposed action would include:

--Increased development and recovery of fluid minerals due to lower water hauling costs.

--An increase in income to owners of these facilities due to increased volumes of produced water received from newly permitted Federal wells.

--Possible fines to owners of these facilities by USF&WS if dead migratory birds are found in the evaporation ponds, with possible subsequent increased costs resulting from more intensive mitigation requirements if imposed by NMOCD. If stronger NMOCD mitigation requirements are imposed and the owners

choose not to comply, then they will experience a loss of income from loss of produced water from Federal wells.

--Possible increased costs to Controlled Recovery to install more monitoring wells and perform more detailed water quality testing, if required by NMOCD. Possible increased testing costs to Loco Hills and Parabo, if required by NMOCD. These analyses are expensive, and could combine to produce a significant cost increase.

--Because permitting the use of these facilities is similar to the current situation and requires no substantial changes in the distances that water is hauled, costs to oil and gas producers and income to water hauling firms should increase moderately as the number of producing Federal wells increases, and as the volumes of water produced by stripper wells increases.

--Increased volumes of produced water resulting from increased drilling and longer producing lives of wells due to the Royalty Reduction amendment could result in more jobs within the industry.

Residual impacts to ground water and wildlife would be minimal, due to continued operation of the facilities as disposal sites for state and fee wells.

Alternative B: No Action

While implementation of the No Action alternative would halt disposal of Federal produced water at these facilities, disposal of water from state and fee wells would continue. As a result, the principal residual impacts of this decision would be economic. These would include:

--Decreased income for owners of these facilities, due to the denial of applications to dispose of water from Federal wells. This may be a significant loss of income.

--Increased costs to Federal oil and gas producers as a result of an increase in distance that their water must be hauled for disposal.

--Increased income for water haulage firms as a result of an increase in distance that water produced from Federal wells must be hauled for disposal.

Another residual impact could be an increase in the amount of illegal dumping of produced water.

E. Cumulative Impacts

Currently over 27,000 wells are producing hydrocarbons in southeastern New Mexico. Total annual production is approximately 62,000,000 barrels of oil, 474,000,000 MCF of gas, and 345,000,000 barrels of produced water. The volume of produced water will go up in the future as fields age and as Federal incentives to leave marginal wells on production longer before abandonment take affect. The need for disposal of these waters will increase.

Disposal of produced water at the three subject facilities has been taking place, and will continue to take place, under State oversight, in consultation

with the U. S. Fish and Wildlife Service. The presence of Federal produced water will not change the nature of the physical impacts of these facilities. Increases in volume could affect the intensity of these impacts in some situations.

Cumulative impacts resulting from the implementation of the proposed action will include:

--Increased development and recovery of fluid minerals due to lower water hauling costs.

--An increase in income to owners of these facilities due to increased volumes of produced water received from newly permitted Federal wells.

--Possible fines to owners of these facilities by USF&WS if dead migratory birds are found in the evaporation ponds, with possible subsequent increased costs resulting from more intensive mitigation requirements, if imposed by NMOCD. If stronger NMOCD mitigation requirements are imposed and the owners choose not to comply, then they will experience a loss of income from loss of produced water from Federal wells.

--Possible increased costs to Controlled Recovery to install more monitoring wells and perform more detailed water quality testing, if required by NMOCD. Possible increased testing costs to Loco Hills and Parabo, if required by NMOCD. These analyses are expensive, and could combine to produce a significant cost increase.

--Because permitting the use of these facilities is similar to the current situation and requires no substantial changes in the distances that water is hauled, costs to oil and gas producers and income to water hauling firms should increase moderately as the number of producing Federal wells increases, and as the volumes of water produced by stripper wells increases.

--Increased volumes of produced water resulting from increased drilling and longer producing lives of wells due to the Royalty Reduction amendment could result in more jobs within the industry.

V. INFORMAL CONSULTATION AND COORDINATION

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James Pettengill, Geologist: B. S. in geology, Allegheny College (1968), M. S. in geology, Northern Arizona University (1971); 10 years geologist , U. S. Geological Survey, 9 years geologist, BLM: Team Leader, Editor, Data Accumulation, Introduction, Proposed Actions and Alternatives, General Setting, Geology, Fluid Minerals, Socioeconomics, Reasonably Foreseeable Future Actions.

Gary Stephens, Geologist: B. S. in geology, Texas Tech University (1972); four years geologist with private industry, seven years environmental scientist with U. S. Geological Survey and BLM, eight years geologist with BLM: Data Accumulation, Introduction, Proposed Action and Alternatives.

APPENDICES

APPENDIX A: NTL-2B: DISPOSAL OF PRODUCED WATER.

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
CONSERVATION DIVISION

Notice to Lessees and Operators
of Federal and Indian Oil and Gas Leases
(NTL-2B)

Disposal of Produced Water

This Notice supersedes NTL-2 and 2A and is issued pursuant to the authority prescribed in 30 CFR 221.4 and 221.32. Lessees and operators of onshore Federal and Indian oil and gas leases or fee and State leases committed to federally supervised unitized or communitized areas shall comply with the following requirements for the handling, storing, or disposing of water produced from oil and gas wells on such leases.

As used in this Notice, the term "District Engineer" means the District Engineer, U.S. Geological Survey. However, in the State of Alaska, the requirements of this Notice will be administered by the Area Oil and Gas Supervisor.

I DISPOSAL REQUIREMENTS AND APPLICATIONS FOR APPROVAL OF DISPOSAL METHODS

By October 1, 1977, all produced water from the above said leases must be disposed of by (1) injection into the subsurface; (2) lined pits; or, (3) by other acceptable methods. All such disposal methods must be approved in writing by the District Engineer regardless of the physical location of the disposal facility. Any method of disposal which has not been approved as of October 1, 1977, will be considered as an incident of noncompliance and will be grounds for issuing a shut-in order until an acceptable manner for disposing of said water is provided and approved by the District Engineer. Lessees and operators are encouraged to file applications in this regard as promptly as possible and are forewarned that applications for approval of existing disposal facilities which are filed after July 1, 1977, may not be timely approved.

No additional approval is required for facilities previously approved by the Geological Survey which involve the disposal of produced water into the subsurface or in lined surface pits. Likewise, no further approval is necessary for existing injection facilities utilized for pressure maintenance or secondary recovery operations.

Lessees and operators who are presently disposing of water in unlined surface pits must timely file applications with the District Engineer for approval of present or proposed disposal methods. Likewise, lessees and operators who are presently disposing of produced water in the subsurface or in lined surface pits without approval of the Geological Survey must also file applications for approval thereof by the District Engineer.

The District Engineer may require modification of any disposal facility prior to October 1, 1977, whenever it is determined that continued use of such facility is endangering the fresh water in the area or is otherwise adversely affecting the environment.

Any application to dispose of produced water must specify the proposed method of disposal and provide the information necessary to justify the method. Required information which must be included in applications for approval of produced water disposal in the subsurface, in lined pits, or in unlined pits is set forth in Sections II, III, and IV, respectively, of this Notice. Additional information may be required by the District Engineer in individual cases. Previous applications filed in response to NTL-2 and NTL-2A which do not meet the data requirements of this Notice must be supplemented or resubmitted.

A single application may be submitted for several leases or facilities provided that (1) the leases or facilities are located in the same field; (2) the produced water is from the same formation or is of similar quality; (3) the volume and source of the water is shown separately for each disposal facility; and, (4) the method of disposal is the same in every case.

II DISPOSAL IN THE SUBSURFACE

If approval is requested for subsurface water injection in connection with secondary recovery operations or for disposal purposes, the lessee or operator must furnish information which includes:

1. The designated name and number of the proposed disposal well and its location in feet and direction from the nearest section lines of an established survey. The applicable Federal or Indian oil and gas lease number or other permit and/or the ownership of the surface and minerals if other than Federal or Indian.

2. The daily quantity and sources of the produced water and a water analysis which includes total dissolved solids, pH, and the concentrations of chlorides and sulfates.

3. The injection formation and interval.

4. The quality of the fluids in the injection interval, i.e., total dissolved solids.

5. The depth and areal extent of all usable water (i.e., less than 10,000 ppm total dissolved solids) aquifers in the area.

6. The size, weight, grade and casing points of all casing strings, the size hole drilled to accommodate each string, the amount and type of cement, including additives used in cementing each string, and the top of the cement behind each casing string. In addition, bond logs may be required in certain instances.

7. The total and plugged back depth of the well.

8. The present or proposed method of completing the well for injection including the type and size of tubing and packer to be utilized, the setting depth of the packer, anticipated injection pressure, and information concerning any corrosion inhibitor fluid which is to be placed in the tubing-casing annulus.

9. Plans for monitoring the system to assure that injection is confined to the injection interval and measures to be taken should it be necessary to shut-in the disposal system.

In order to be approved, subsurface disposal must be confined (1) to formations which contain water of similar or poorer quality than the injected water or (2) to formations that contain water of such poor quality as to eliminate any practical use thereof.

In general, it will be required that subsurface disposal be accomplished through tubing utilizing a packer which is designed to hold pressure from above and below. The packer should be set at a depth where the casing is protected by competent cement but normally not more than 50 feet above the injection interval. Other procedures or methods of subsurface disposal may be approved by the District Engineer when justified by the lessee or operator.

III DISPOSAL IN LINED PITS

Where approval is requested for surface disposal in a lined pit, the lessee or operator must supply information which includes:

1. A topographic map of suitable scale which shows the size and location of pit.

2. The daily quantity, sources of the produced water, and a water analysis which includes the concentrations of chlorides, sulfates, and other constituents which are toxic to animal, plant, or aquatic life.

3. The evaporation rate for the area compensated for annual rainfall.

4. The method for periodic disposal of precipitated solids.

5. The type of material to be used for lining the pit and the method of installation.

6. The method to be employed for the detection of leaks and plans for corrective action should a leak occur in the liner.

The material used in lining pits must be impervious, weather-resistant, and not subject to deterioration when contacted by hydrocarbons, aqueous acids, alkalies, fungi, or other substances likely to be contained in the produced water. Lined pits constructed after the issuance of this Notice must have an underlying gravel-filled sump and lateral system or other suitable devices for the detection of leaks. The District Engineer shall be provided an opportunity to inspect the leak detection system prior to the installation of the pit liner.

IV DISPOSAL IN UNLINED PITS

Surface disposal into unlined pits will not be considered for approval by the District Engineer unless the lessee or operator can show by application that such disposal meets any one or more of the following criteria:

1. The water to be disposed of has an annual weighted average concentration of not more than 5,000 ppm of total dissolved solids, provided that such water does not contain objectionable levels of any constituent toxic to animal, plant, or aquatic life.

2. That all, or a substantial part, of the produced water is being used for beneficial purposes. For example, produced water used for purposes such as irrigation and livestock or wildlife watering shall be considered as being beneficially used.

3. The water to be disposed of is not of poorer quality than the surface or subsurface waters in the area which reasonably might be affected by such disposal or the surface and subsurface waters are of such poor quality as to eliminate any practical use thereof.

4. The volume of water to be disposed of per facility does not exceed five barrels per day on a monthly basis.

5. The specific method of disposal has been granted a surface discharge permit under the National Pollutant Discharge Elimination System (NPDES).

Applications for approval of unlined surface pits pursuant to exception Nos. 1, 2, 3, or 4, above, must include:

1. The daily quantity and sources of the produced water and for exception Nos. 1 through 3, a water analysis which includes total dissolved solids, pH, and the concentrations of chlorides and sulfates.

2. A topographic map of suitable scale which shows the size and location of the pit.

3. The evaporation rate for the area compensated for annual rainfall.

4. The estimated percolation rate based on the soil characteristics under and adjacent to the pit.

5. The depth and areal extent of all usable water (i.e., less than 10,000 ppm total dissolved solids) aquifers in the area.

Where beneficial use is the basis for the application, the justification submitted must contain written confirmation from the user(s) and the water analysis must also include the oil and grease content, temperature, and the concentration of other constituents which are toxic to animal, plant, or aquatic life.

If the application is made on the basis that surface and subsurface fresh waters will not be affected by disposal in an unlined pit, the justification must also include:

1. Analyses of all surface and subsurface waters in the area which might reasonably be affected by the proposed disposal.

2. Maps or plats showing the location of surface waters, fresh water wells, and existing water disposal facilities within two miles of the proposed disposal facility.

3. Reasonable geologic and hydrologic evidence showing that the proposed disposal method will not adversely impact on existing water quality or major uses of such waters; the depth of the shallowest fresh water aquifer in the area and the presence of any impermeable barrier(s).

4. A copy of any State order or other authorization granted as a result of a public hearing which is pertinent to the District Engineer's consideration of the application.

If the application is for disposal pursuant to an NPDES permit, only a topographic map showing the size and location of the pit together with a copy of the approved permit and the most recent "Discharge Monitoring Report" will be required.

V GENERAL REQUIREMENTS FOR PERMANENT SURFACE PITS

Lined and unlined pits approved for water disposal shall:

1. Have adequate storage capacity to safely contain all produced water even in those months when evaporation rates are at a minimum.

2. Be constructed, maintained, and operated to prevent unauthorized surface discharges of water. Unless surface discharge is authorized, no siphon, except between pits, will be permitted.

3. Be fenced to prevent livestock or wildlife entry to the pit, when required by the District Engineer.

4. Be kept reasonably free from surface accumulations of liquid hydrocarbons by use of approved skimmer pits, settling tanks, or other suitable equipment.

5. Be located away from the established drainage patterns in the area and be constructed so as to prevent the entrance of surface water.

VI TEMPORARY USE OF SURFACE PITS

Unlined surface pits may be used for handling or storage of fluids used in drilling, redrilling, reworking, deepening, or plugging of a well provided that such facilities are promptly and properly emptied and restored upon completion of the operations. Mud or other fluids contained in such pits shall not be disposed of by cutting the pit walls without the prior authorization of the District Engineer. Until finally restored, unattended pits must be fenced to prevent access by livestock and wildlife. Unless otherwise specified by the District Engineer, unlined pits may be used for well evaluation purposes for a period of 30 days.

Unlined pits may also be retained as temporary containment pits for use only in an emergency provided such pits have been approved by the District Engineer. Any emergency use of such pits shall be reported to the District Engineer as soon as possible and the pit shall be emptied and the liquids disposed of in an approved manner within 48 hours following its use, unless such time is extended by the District Engineer.

VII DISPOSAL FACILITIES FOR NEW WELLS

With the approval of the District Engineer, produced water from wells completed after the issuance date of this Notice may be temporarily disposed of into unlined pits for a period up to 90 days. During the period so authorized, an application for approval of the permanent disposal method, along with the required water analysis and other information, must be submitted to the District Engineer. Failure to timely file an application within the time allowed will be considered an incident of noncompliance and will be grounds for issuing a shut-in order until the application is submitted. With the approval of the District Engineer, the disposal method

may be continued pending his final determination. Once the District Engineer has determined the proper method of disposal, the lessee or operator will have until October 1, 1977, or 60 days following receipt of the District Engineer's determination, whichever is the longer, in which to make any changes necessary to bring the disposal method into compliance. However, if the disposal method then employed is endangering the fresh water in the area or otherwise constitutes a hazard to the quality of the environment, the District Engineer will direct prompt compliance with the requirements of this Notice.

VIII UNAVOIDABLE DELAY

A single extension of time not to exceed three months (six months in arctic and subarctic areas) may be granted by the District Engineer where the lessee or operator conclusively shows by application that, despite the exercise of due care and diligence, he has been unable to timely comply with the requirements of the Notice provided that such delay will not adversely affect the environment.

IX REPORTS

All unauthorized discharges or spills from disposal facilities must be reported to the District Engineer in accordance with the provisions of NTL-3.

Beginning October 1, 1978, and thereafter on an annual basis, lessees and operators must submit a report for each facility which includes the total volume disposed of during the reporting period and a current water analysis which provides the same type of information required for approval of the original application. Provided, however, that:

1. Where disposal is approved pursuant to Section IV (4), no annual water analysis will be required.

2. Where disposal is approved pursuant to a NPDES permit, a copy of the required discharge monitoring report may be submitted in lieu of the above annual report.

3. Where a single application was approved for several leases and/or facilities, a composite annual report covering all such leases and facilities may be submitted.

X COMPLIANCE

Compliance with this Notice does not relieve a lessee or operator of the responsibility for complying with more stringent applicable Federal or State water quality laws and regulations, including those which are subsequently promulgated pursuant to the Safe Drinking Water Act (P.L. 92-523), or with other written orders of the Geological Survey.

JAN 1 1976
Date

John A. Dulitsky
Acting Area Oil and Gas Supervisor

APPROVED:

Russell G. Wayland
Russell G. Wayland
Chief, Conservation Division

APPENDIX B: NMOCD RULE 711.

(I-SECONDARY OR OTHER ENHANCED RECOVERY, PRESSURE MAINTENANCE, SALT WATER DISPOSAL, AND UNDERGROUND STORAGE - Cont'd.)

Delivery of produced water to approved salt water disposal facilities, secondary recovery or pressure maintenance injection facilities, or to a drillsite for use in drilling fluid will not be construed as constituting a hazard to fresh water supplies provided the produced waters are placed in tanks or other impermeable storage at such facilities.

(b) The supervisor of the appropriate district office of the Division may grant temporary exceptions to paragraph (a) above for emergency situations for use of produced water in road construction or maintenance or for use of produced waters for other construction purposes upon request and a proper showing by a holder of an approved Form C-133 (Authorization to Move Produced Water).

(c) Vehicular movement or disposition of produced water in any manner contrary to these rules shall be considered cause, after notice and hearing, for cancellation of Form C-133.

RULE 711. COMMERCIAL SURFACE WASTE DISPOSAL FACILITIES (As Added by Order No. R-862, June 6, 1988; Order No. R-8952, June 20, 1989; and Order No. R-9012, October 16, 1989.)

A commercial surface waste disposal facility is defined as any facility that receives compensation for collection, disposal, evaporation or storage of produced water, drilling fluids, drill cuttings, completion fluids, and/or other approved oil field related waste in surface pits, ponds, or below grade tanks. Such facility will not be allowed to operate unless it has been permitted in conformity with the following provisions:

A. Prior to the construction, reconstruction or enlargement of a commercial surface waste disposal facility, application for a permit or a modification to an existing permit shall be filed in duplicate with the Santa Fe office of the Division and one copy to the appropriate district office. The application shall be accompanied by:

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

2. The names and addresses of the landowner of the disposal facility site and landowners of record within one-half mile of the site;

3. A description of the facility with a diagram indicating location of fences and cattleguards, and detailed engineering construction/installation diagrams of any pits, liners, dikes, piping, sprayers, and tanks on the facility, prepared in accordance with Division "Guidelines for Permit Application, Design and Construction of Waste Storage/Disposal Pits;"

4. A plan for disposal of approved waste solids or liquids in accordance with Division rules, regulations and guidelines;

5. A contingency plan for reporting and cleanup of spills or releases;

6. A routine inspection and maintenance plan to ensure permit compliance;

7. A closure plan;

8. Geological/hydrological evidence demonstrating that disposal of oil field wastes will not adversely impact fresh water;

9. Proof that the notice requirements of this Rule have been met;

10. Certification by an authorized representive of the applicant that information submitted in the application is true, accurate, and complete to the best of the applicant's knowledge; and

11. Such other information as is necessary to demonstrate compliance with OCD rules and/or orders.

B. The applicant shall give written notice of application to the owners of surface lands and occupants thereof within one-half (1/2) mile and a copy and proof of such notice will be furnished to the Division. The Division will issue public notice by advertisement in a paper of general circulation published in the county in which the disposal facility is to be located. For permit modifications, the Division may issue public notice and may require the applicant to give written notice as above. any person seeking to comment on such application must file comments with the Division within 30 days of the date of public notice. If there is objection by owners or occupants of adjacent lands, the Director of the Division may set any application for a surface waste disposal permit for public hearing.

C. (As Amended by Order No. R-9012, October 16 1989.) Before commencing construction, all commercial surface waste disposal facilities shall have a surety or cash bond in the amount of $25,000, in a form approved by the Division, conditioned upon compliance with statutes of the State of New Mexico and rules of the Division, and satisfactory clean-up of site upon cessation of operation, in accordance with Part J of this Rule. If a bond has been secured for a treating plant permit at the location that bond shall be sufficient for the surface waste disposal portion of the facility, providing they are contiguous. If an adequate bond is posted by the applicant with a federal or state agency and the bond otherwise fulfills the requirements of this rule, the Division may consider the bond as satisfying the requirement of this rule The applicant must notify the Division of any material change affecting the bond filed for the site and must, in any case, report the status of their bond annually to the Division.

D. The Director of the Division may administratively issue a permit upon a finding that a complete and proper application has been filed and that no significant objections have been filed within 30 days following public notice. All permits shall be revocable, after notice and hearing, upon showing of good cause and are transferable only upon written approval of the Division Director. The permit shall be consistent with the application and appropriate requirements of Division rules and The Oil and Gas Act.

E. All surface waste disposal facility operators shall file forms C-117-A, C-118, and C-120-A as required by OCD rules

F. Each operator of a commericial surface disposal facility shall keep and make available for inspection records for each calendar month on the source, location, volume and type of waste (produced water, acids, completion fluids, drilling mud etc.), date of disposal, and hauling company that disposes of fluids or material in their facility. Such records shall be maintained for a period of two (2) years from the date of disposal.

G. Disposal at a surface facility shall occur only when an attendant is on duty. The facility shall be secured when no attendant is present. When loads can be monitored or otherwise isolated for inspection before disposal, no attendant is required

H. No produced water shall be received at the facility from motor vehicles unless the transporter has a valid Form C-133 Authorization to Move Produced Water, on file with the Division

I. To protect migratory birds, all tanks exceeding 16 feet in diameter, and exposed pits and ponds shall be screened, netted or covered. Upon written application by the operator, an exception to screening, netting or covering of a facility may be granted by the district supervisor upon a showing that an alternative method will protect migratory birds or that the facility is not hazardous to migratory birds.

J. Additional requirements or restrictions may be imposed by written finding by the Division, including but not limited to the following:

1. An operator with a history of failure to comply with Division rules, regulations, and orders, or
2. Site suitability limitations.

(I-SECONDARY OR OTHER ENHANCED RECOVERY, PRESSURE MAINTENANCE, SALT WATER DISPOSAL, AND UNDERGROUND STORAGE - Cont'd.)

K. The operator shall notify the Division of cessation of operations. Upon cessation of disposal operations for six (6) consecutive months, the operator will complete cleanup of constructed facilities and restoration of the facility site within the following six (6) months, unless an extension of time is granted by the Director of the Division. Such closure shall be in accordance with the closure plan and any modifications approved by the Division Director and may include removal or demolition of buildings, removal of all tanks, vessels, equipment or hardware, containment and removal of fluids and chemicals, backfilling and grading of pits, removal of contaminated soil, aquifer restoration (if necessary) and reclamation of the general facility site. Prior to release of the bond covering the facility, a representative of the Division will inspect the site to determine that restoration is adequate.

L. Upon showing of proper cause, the Director of the Division may order immediate cessation of any surface waste disposal operation. The cessation will remain in effect until withdrawn, or until an order is issued after notice and hearing, when it appears that such cessation is necessary to prevent waste, to protect fresh water, to protect public safety, or to assure compliance with Division rules or orders.

J - OIL PURCHASING AND TRANSPORTING

RULE 801. ILLEGAL SALE PROHIBITED (As Amended by Order No. R-98-A, July 1, 1952.)

The sale or purchase or acquisition, or the transporting, refining, processing, or handling in any other way, or crude petroleum oil or from any product of crude petroleum produced in excess of the amount allowed by any status of this state, or by any rule, regulation, or order of the Division made thereunder, is prohibited.

RULE 802. RATABLE TAKE: COMMON PURCHASER (As Amended by Order No. R-98-A, July 1, 1952; Revised by O.C.C. June 1, 1968.)

(a) (Revised by O.C.C. June 1, 1968) Every person now engaged or hereafter engaging in the business of purchasing oil to be transported through pipelines shall be a common purchaser thereof, and shall without discrimination in favor of one producer as against another in the same field, purchase all oil tendered to it which has been lawfully produced in the vicinity of, or which may be reasonably reached by pipelines through which it is transporting oil, or the gathering branches thereof, or which may be delivered to the pipeline or gathering branches thereof by truck or otherwise, and shall fully perform all the duties of a common purchaser. If any common purchaser shall not have need for all such oil lawfully produced within a field, or if for any reason it shall be unable to purchase all such oil, then it shall purchase from each producer in a field ratably, taking and purchasing the same quantity of oil from each well to the extent that each well is capable of producing its ratable portions; provided, however, nothing herein contained shall be construed to require more than one pipeline connection for each producing well. In the event any such common purchaser of oil is likewise a producer or is affiliated with a producer, directly or indirectly, it is hereby expressly prohibited from discrimating in favor of its own production or in favor of the production of an affiliated producer as against that of others and the oil produced by such common purchaser or by the affiliate of such common purchaser shall be treated as that of any other producer, for the purposes of ratable taking.

(b) It shall be unlawful for any common purchaser to unjustly or unreasonably discriminate as to the relative quantities of oil purchased by it in various fields of the state; the question of the justice or reasonableness to be determined by the Division, taking into consideration the production and age of the wells in the respective fields and all other factors. It is the intent of this rule that all fields shall be allowed to produce and market a just and equitable share of the oil produced and marketed in the state, insofar as the same can be effected economically and without waste.

(c) In order to preclude premature abandonment, the common purchaser within its purchasing area is authorized and directed to make 100 percent purchases from units of settled production producing ten (10) barrels or less daily of crude petroleum in lieu of ratable purchases or takings. Provided, however, where such purchaser's takings are curtailed below ten (10) barrels per unit of crude petroleum daily, then such purchaser is authorized and directed to purchase daily equally from all such units within its purchasing area, regardless of their producing ability insofar as they are capable of producing.

RULE 803. PRODUCTION OF LIQUID HYDROCARBONS FROM GAS WELLS (As Amended by Order No. R-98-A, July 1, 1952; Order No. R-1081, December 1, 1957; Order No. R-2761, January 1, 1965.)

All liquid hydrocarbons produced incidental to the authorized production of gas from a well classified by the Division as a gas well shall, for all purposes, be legal production.

For purposes of this rule, all gas produced from a gas well shall be considered to be authorized production with the following exceptions:

(1) (As Amended by Order No. R-2761, January 1, 1965.) When the well is being produced without an approved Form C-104, designating the gas transporter and the oil or condensate transporter for said well.

(2) When the well has been directed to be shut-in by the Division.

(As Amended by Order No. R-2761, January 1, 1965.) In the event a gas well is directed to be shut-in by the Division, both the gas transporter and the oil transporter named on the well's Form C-104 shall be immediately notified of such fact.

RULE 804. DOCUMENTATION REQUIRED (As Added by Order No. R-6881, February 1, 1982.)

A. All off-lease transportation of crude oil or lease condensate by motor vehicle shall be pursuant to an approved Form C-104 and shall be accompanied by a run ticket or equivalent document. The documentation shall identify the name and address of the transporter, the name of the operator and of the lease or facility from which the oil was taken, the date of removal, the API gravity of the oil, the observed percentage of BS and W, the volume of oil or opening and closing tank gauges or meter readings, and the signature of the driver. The document shall provide space for recording of the lease number and for signature of the operator or his representative.

After August 1, 1982, all such transportation must be accompanied by documentation sufficient to verify the location of the tanks or facility from which the liquid was removed. The location may be shown on the run ticket or equivalent document or may be carried separately.

B. All off-lease transportation of liquids which may contain crude oil, lease condensate, sediment oil, or miscellaneous hydrocarbons shall be accompanied by a run ticket, work order, or equivalent document, i.e., Form C-117-A. The documentation shall identify the name and address of the transporter, the name of the operator and of the lease or facility from which the liquid was removed, the nature of the liquid removed including the observed percentage of liquid hydrocarbons, the volume or estimated volume of liquids, and the destination.

After August 1, 1982, all such transportation must be accompanied by documentation sufficient to verify the location of the tanks or facility from which the liquid was removed. The location may be shown on the run ticket or equivalent document or may be carried separately.

C. The documentation required under A. and B. above shall be carried in the vehicle during transportation and shall be produced for examination and inspection by any employee of the Division, any State Police officer, or any other law enforcement officer upon identification and request.

Except where the owner and the transporter are the same, one copy of such documentation shall be left at the facility from which the oil or other liquids were removed.

K - GAS PURCHASING AND TRANSPORTING

RULE 901. ILLEGAL SALE PROHIBITED

The sale, purchase or acquisition, or the transporting, refining, processing or handling in any other way, of natural gas in whole or in part (or of any product of natural gas so produced) produced in excess of the amount allowed by any statute of this state, or by any rule, regulation or order of the Division made thereunder, is prohibited.

APPENDIX C: REFERENCES AND SELECTED BIBLIOGRAPHY

APPENDIX C: REFERENCES AND SELECTED BIBLIOGRAPHY

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CRI

CONTROLLED RECOVERY INC.

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

May 14, 1992

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

Dear Mr. Anderson:

CRI has been handling waste oil sludges and soils on a case by case basis with analytical data submitted to the OCD for approval. CRI understands that sufficient data must be submitted that determines the material to be nonhazardous.

Would you please confirm that this is the accepted procedure? The reason for this request is to have documentation for our customers and other interested parties.

Sincerely,

Ken Marsh

STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

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

BRUCE KING
GOVERNOR

May 15, 1992

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

CERTIFIED MAIL
RETURN RECEIPT NO. P-670-683-592

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

RE: **Fluids from Underground Storage Tanks Remediations**
Controlled Recovery Inc. Disposal Facility
Lea County, New Mexico

Dear Mr. Marsh:

The Oil Conservation Division (OCD) has received your request, dated May 12, 1992, to accept fluids from underground storage tank (UST) remediation sites for disposal at your facility.

Because these materials are exempt from RCRA Subtitle C regulations, the OCD approves your request to accept fluids from UST sites. Prior to accepting any fluids, the OCD requires Controlled Recovery Inc. (CRI) to obtain a signed statement from the New Mexico Environment Department (NMED) verifiying that the fluids are from UST remediation sites that are exempt from RCRA Subtitle C regulations. CRI must obtain an individual statement from the NMED for each site where fluids are received from. The OCD requires CRI to maintain these records on file at the facility. Note that this approval is only for fluids from UST sites and does not apply to soils.

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

Sincerely,

Kathy M. Brown

Kathy M. Brown
Geologist

xc: Jerry Sexton, OCD Hobbs Office
Mike Williams, OCD Artesia Office
Chris Eustice, OCD Hobbs Office

CRI

CONTROLLED RECOVERY INC.

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

May 12, 1992

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

Mr. Anderson:

CRI proposes to accept fluids from underground storage tanks (UST) sites for remediation in our OCD approved facility. I understand that these materials are exempt from RCRA subtitle C regulations.

I am requesting clarification and determination from OCD if this is within our permit conditions.

Thank you for your time and consideration in this matter.

Sincerely,

Ken Marsh

KRM/baj

STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

April 30, 1992

BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

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

Mr. James F. Wright
Southwest Environmental Services
206 North Main
Midland, Texas 79701

Dear Mr. Wright:

The Oil Conservation Division (OCD) has received your request, dated April 8, 1992, for written authorization for the disposal of contaminated soils and liquids from the site at #25 Industrial Loop to the Controlled Recovery (CRI) disposal facility at Halfway, New Mexico. On March 6, 1992, CRI was given verbal approval to accept "contaminated soil and liquids that are being stored in Midland....". This approval was based on review of the analytical data included in the request.

CRI has authorization to accept the materials that were tested and approved on March 6, 1992. Authorization for you to remove, transport and dispose of the material must come from the appropriate Texas authorities.

If you have any questions please call me at (505) 827-5812.

Sincerely:

Roger C. Anderson
Acting Bureau Chief

xc: Chris Eustice-OCD Hobbs

CRI

CONTROLLED RECOVERY, INC.

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

April 27, 1992

Mr. Roger Anderson
Environmental Bureau
Oil Conservation Division
P.O. Box 2088
Santa Fe, NM 87504

RE: Underground Storage Tanks

Mr. Anderson:

We understand that CRI can accept liquids from UST sites and UST reclamation sites for reclaiming at CRI's Halfway Facility. Please confirm this by letter.

Sincerely,

Ken Marsh
President

KRM/baj

SOUTHWEST ENVIRONMENTAL SERVICES
206 NORTH MAIN
MIDLAND, TEXAS 79701
PHONE: 915/687-5500
FAX: 915/687-3358

TS-04/92-08
April 8, 1992

Mr. Roger Anderson
New Mexico Oil Conservation Division
310 Old Santa Fe Trail, Rm 206
Santa Fe, New Mexico 87501

Dear Roger,

My client, Community National Bank of Midland, Texas, has been approved by you (See enclosed letter) to dispose of contaminated soil and liquids at the CRI facility in Hobbs, New Mexico. Their attorneys would like a letter from you to the Community National Bank that states the contaminated soil and liquids from the site at #25 Industrial Loop, Midland, Texas, can be legally disposed at CRI. They believe that this letter is needed due to contractual restrictions placed on the Bank by CRI.

Please call if you have any questions or comments regarding this matter.

Yours truly,

James F. Wright, PhD

JFW:mp

Enclosure

cc: Bob Southerland, Community National Bank
Ken Marsh, CRI

CRI

CONTROLLED RECOVERY INC.

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

March 31, 1992

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

Mr. Anderson:

I have enclosed an example of a new form that we are considering using. We are hoping that it will cut down on both our time and yours as far as paperwork is concerned.

Here's how it will work:

I will send the completed form to you in duplicate with the respective analytical results. Once you review the analytical information, you will simply sign your name to both forms (if everything is o-kay) and return one to us in the self-addressed envelope. Easy enough!

If you have any recommendations, please call.

Sincerely,

Becky

Becky Johncox

DRAFT

Date

Mr. Roger Anderson
Environmental Bureau
Oil Conservation Division
P.O. Box 2088
Santa Fe, NM 87504

Mr. Anderson:

Enclosed please find analytical data for _____(company)_____ concerning _____(material)_____ located at_____(address)_____.

We are requesting approval to accept this material at our Halfway Disposal facility.

Sincerely,

Ken Marsh
President

KRM/baj

Enclosures

Your request is approved this _____day of _____, 1992.

Signature:_____
New Mexico Oil Conservation Division

CRI Treating Plant
4-1-97

CRI Treating Plant

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CRI Treating Plant

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CRI Treating Plant

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