NM1 - 60

GENERAL CORRESPONDENCE

YEAR(S):

1997 - 1998

CRI

CONTROLLED RECOVERY INC.

P.O. BOX 388, HOBBS, NM 88241
(505) 393-1079 • FAX (505) 393-3615

December 22, 1998

Mr. Roger Anderson
NMOCD
2040 South Pacheco
Santa Fe, NM 87504

RE: Lea Land

Dear Mr. Anderson:

I am writing in regards to the status of the Lea Land oilfield waste issue we have discussed previously.

Initially, I had a conversation with Wayne Price in September of 1998. The subject was addressed again in a letter to Mr. Donald Beardsley of the NMED, with copies sent to Chris Williams and yourself on October 7, 1998. Additionally, I mailed you a letter on December 2, 1998 further expressing my concerns.

Please advise me on the actions of the NMOCD concerning my complaint.

Sincerely,

Ken Marsh

CRI

CONTROLLED RECOVERY INC.

P.O. BOX 388, HOBBS, NM 88241
(505) 393-1079 • FAX (505) 393-3615

November 4, 1998

Roger Anderson
2040 South Pacheco
Santa Fe, New Mexico 87504

RE: R & S Services

Dear Mr. Anderson,

Controlled Recovery, Inc. held in isolation two drums of oil field waste at our halfway facility at the request of New Mexico Oil Conservation Division.

The two drums were picked up at our facility by Lotus, LLC. P.O. Box 1277 Andrews, Texas 79714 per instructions from R & S Services.

Sincerely,

K Marsh

Ken Marsh

CRI

CONTROLLED RECOVERY INC.

P.O. BOX 388, HOBBS, NM 88241
(505) 393-1079 • FAX (505) 393-3615

November 4, 1998

Martyne J. Kieling
New Mexico Oil Conservation Division
2040 South Pacheco
Santa Fe, New Mexico 87504

RE: Complaint concerning odors Controlled Recovery, Inc. facility

Dear Ms. Kieling,

Enclosed please find copy of my letter to Chris Williams (NMOCD Hobbs) of October 6, 1998 and attachments.

The generator has improved the process in their plant, and Controlled Recovery, Inc. is now mixing the stream with dry solids in our solid pit.

This was discussed with and agreed to by Chris Williams and Wayne Price as a test at our site last month and seems to have solved the problems.

I have discussed this with Mr. Jeff Campbell of Mississippi Potash and he seems satisfied with the result.

We plan to continue this method to confront the odor.

Please call if I may provide additional information.

Sincerely,

Ken Marsh

CRI
CONTROLLED RECOVERY INC.

P.O. BOX 388, HOBBS, NM 88241
(505) 393-1079 • FAX (505) 393-3615

October 6, 1998

Mr. Chris Williams
New Mexico Oil Conservation Division
P.O. Box 1980
Hobbs, New Mexico 88241

RE: Complaint concerning odors at Controlled Recovery, Inc. Halfway Facility

Dear Mr. Williams,

I am aware of the complaints you mention in your letter of October 6, 1998.

I have had phone and fax communication with Mr. Campbell of Mississippi Potash, Mr. Norman Driskell of the Safety Department of Martin Transport and Ms. Kristin Koblis of Duke Energy Field Services.

We have discussed the odor problem and possible solutions, which include treatment before transporting, treatment at Controlled Recovery, Inc., process change, and use of odor control chemicals.

We have also considered the health risks that could be associated with the odor and have exchanged various material data information.

Controlled Recovery, Inc. has conducted numerous H2S checks since this information was conveyed to us. There have been no levels to cause concern.

Controlled Recovery, Inc. personnel have not reported any symptoms similar to those mentioned in the Mississippi Potash letter.

We do not have any knowledge or experience that indicates a health hazard. We do however, agree at times there is a nuisance odor.

Controlled Recovery, Inc. will continue to work on a solution to the odor problem and be a good neighbor to the community.

We are in the process of trying different approaches to our handling of the suspected waste stream and will discuss the methods and the effectiveness of them with you in the near future.

Controlled Recovery, Inc. does not require or ask for any modification of our existing order, which you refer to as an operating permit.

Controlled Recovery, Inc. will be proactive in resolution of these complaints.

I am enclosing copies of the information I mention in the above paragraph.

Please call if I may provide additional information.

Sincerely,

Ken Marsh

NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

October 23, 1998

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

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

RE: Information Requested Regarding Pit Surface Inspections.

Dear Ms. Smith:

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

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

Sincerely,

Martyne J. Kieling
Environmental Geologist

Enclosure (s)

Spent Caustic

MATERIAL SAFETY DATA SHEET

SECTION I

MANUFACTURER'S NAME: Liquid Energy Corp. (Generator)
EMERGENCY TELEPHONE NO.: (800)424-9300 (CHEMTREC)
ADDRESS (Number, Street, City, State and ZIP Code): 2002 Timberloch Place The Woodlands, TX 77380
PRODUCT IDENTIFICATION: Spent Caustic
TRADE NAME AND SYNONYMS: Sodium Hydroxide, Spent
CAS NUMBER: 1310-73-2
EPA NUMBER: Not Applicable
FORMULA: HNaO
DOT CLASSIFICATION: Corrosive (UN 1824)

SECTION II - HAZARDOUS INGREDIENTS

% AND TLV OF EACH (if applicable)		
Water	90%	
Sodium Hydroxide	9%	ACGIH TLV:c1 2mg/m^3
Other	1%	

See attached analysis for trace contaminants.

SECTION III - PHYSICAL DATA

BOILING POINT (°F) Not Determined (ND)
SPECIFIC GRAVITY (H_2O=1) 1.114
VAPOR PRESSURE (mm Hg.) ND
PERCENT, VOLATILE BY VOLUME (%) 0
VAPOR DENSITY (AIR=1) ND
EVAPORATION RATE (=1) 0
SOLUBILITY IN WATER 100%
pH 12.95
APPEARANCE Amber Liquid
ODOR Mercaptan smell

SECTION IV - FIRE AND EXPLOSION HAZARD DATA

FLASH POINT (Method used) >140°F
AUTOIGNITION TEMPERATURE
FLAMMABLE LIMITS % BY VOLUME — LEL ND — UEL ND
EXTINGUISHING MEDIA: N/A
SPECIAL FIRE FIGHTING PROCEDURES: (HNaO) NFPA Hazard Ratings - Health - 3, Flammability - 0, Reactivity - 1
(Note - Reactivity for spent caustic is higher due to sulfur compounds)
UNUSUAL FIRE AND EXPLOSION HAZARDS: Firefighters should wear self-contained positive pressure breathing apparatus and avoid skin contact.
HAZARDOUS PRODUCTS OF COMBUSTION: Sulfides and Hydrogen Gas (with metals)

MetOst

(Continued --

SECTION V - HEALTH HAZARD DATA

THRESHOLD LIMIT VALUE (TLV) (As HNaO) | OSHA PEL-TWA 2 mg/m^3 | ACGIH TLV-CL 2 mg/m^3 | OTHER

EFFECTS OF OVEREXPOSURE
ACUTE: major potential hazard to skin and eyes
CHRONIC: None

EMERGENCY AND FIRST AID PROCEDURES
Inhalation - move to fresh air, if breathing stops, administer artifical respiration.
Skin - remove clothing and wash skin with water for at least 15 minutes.
Eyes - wash with water for 15 minutes thoroughly. Ingestion - give water, do not induce vomiting.

SECTION VI - REACTIVITY DATA

STABILITY
UNSTABLE
STABLE Stable
CONDITIONS TO AVOID: mixture with water, acid or incompatible materials can cause splattering.

INCOMPATABILITY (Materials to avoid): Chlorinated and flourinated hydrocarbons, acetaldehyde, acrolein, aluminum, maleic anhydrid

HAZARDOUS DECOMPOSITION PRODUCTS: will not decompose

HAZARDOUS POLYMERIZATION
OCCURS
DOES NOT OCCUR: Does not occur
CONDITIONS TO AVOID: contains sulfides and can generate harmful vapors

SECTION VII - SPILL OR LEAK PROCEDURES

STEPS TO BE TAKEN IN CASE MATERIAL IS RELEASED OR SPILLED
Cleanup personnel must wear proper protective equipment. Contain spilled material and prevent run-off. Neutralize with water or hydrochloric acid. Reportable quantity (RQ) is 1000 lb. for sodium hydroxide. Notify NRC (800)424-8802 for spills >RQ.

WASTE DISPOSAL METHOD (Ingure conformity with local disposal regulations)
Recovered liquids may be sent to a permitted waste management facility. Since this spent caustic is RCRA - exempt, it is not a hazardous waste. The material comes from the sweetening process in the Dagger Draw gas processing facility.

SECTION VIII - PERSONAL PROTECTION INFORMATION

RESPIRATORY PROTECTION (Specify type)
Use NIOSH/MSHA high-efficiency particulate filter with full facepiece or SCBA.

VENTILATION
LOCAL EXHAUST: as necessary to remain below 2 mg/m^3 at all times.
MECHANICAL (General)
SPECIAL
OTHER

PROTECTIVE GLOVES: Neoprene, PVC or rubber gloves
EYE PROTECTION: Chemical goggles and faceshield

OTHER PROTECTIVE EQUIPMENT
PVC rain suit, rubber boots w/pant legs ever boots.

SECTION IX - SPECIAL PRECAUTIONS

PRECAUTIONS TO BE TAKEN IN HANDLING AND STORING
Avoid all contact with skin. Do not add water to caustic.

OTHER PRECAUTIONS

SECTION X - ISSUANCE DATE

DATE OF ISSUE: MTH. 3 DAY 7 YR. 95
REVIEWED BY:
TITLE: Manager, Environmental & Safety
NEW X REVISED SUPERSEDES: MTH. DAY YR.

TRACE Contaminates Based on Analysis of Spent Caustic

Sodium Sulfate	26 ppm
Sodium Chlorate	19 ppm
Aluminum	10 mg/l
Calcium	74 mg/l
Copper	27 mg/l
Cadmium	1 mg/l
Cobalt	113 mg/l
Iron	28 mg/l
Lead	0.1 mg/l
Magnesium	382 mg/l
Manganese	0.4 mg/l
Molybdenum	<5.0 mg/l
Nickel	2 mg/l
Potassium	104 mg/l
Sodium	1400 mg/l
Silver	2 mg/l
Silicon	51 mg/l
Zinc	604 mg/l
Methyl Mercaptan	79 ppm
Ethyl Mercaptan	259 ppm
2 - Propyl Mercaptan	24 ppm
1 - Propyl Mercaptan	182 ppm
Methyl Disulfide	14 ppm
2 - Butyl Mercaptan	463 ppm
Methyl Propyl Sulfide	6 ppm
1 - Butyl Mercaptan	19 ppm
Sulfur Compounds	55 ppm
C_5 + hydrocarbon	58 ppm

CRI
CONTROLLED RECOVERY INC.

P.O. BOX 388, HOBBS, NM 88241
(505) 393-1079 • FAX (505) 393-3615

October 7, 1998

Mr. Donald Beardsley
New Mexico Environment Department
Solid Waste Bureau
P.O. Box 26110
Santa Fe, New Mexico 87502

RE: Lea Land, Inc. Landfill Lea County, New Mexico

Dear Mr. Beardsley,

I was a participant in the hearing on this permit application in Hobbs, New Mexico on December11, 1995. I have a copy of the transcript of that hearing, and see on page sixty-three line, twenty-five item number eight of condition with respect to permit issuance, that no petroleum waste or other substance regulated by the New Mexico Oil Conservation Division is to be disposed of in the proposed landfill. This subject is also contained in Exhibit One on page fourteen.

I had a conversation today with members of the New Mexico Oil Conservation Division and I have reason to believe that Lea Land has or intends to accept this type of waste.

I request this issue be investigated and the appropriate actions taken forthwith.

Please call if I may provide additional information.

Sincerely,

Ken Marsh

cc: Chris Williams
New Mexico Oil Conservation Division
District I Supervisor
P.O. Box 1980
Hobbs, New Mexico 88240-1980

cc: Roger Anderson
Environmental Bureau Chief
Oil Conservation Division
2040 South Pacheco
Santa Fe, New Mexico 87504

NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
DISTRICT I HOBBS
PO BOX 1980, Hobbs, NM 88241
(505) 393-6161
FAX (505) 393-0720

Jennifer A. Salisbury
CABINET SECRETARY

Inter-Office *Memo*

September 12, 1998

To: Lori Wrotenbery & Roger Anderson

From: Wayne Price-Pet. Engr. (District I)

Re: Complaints concerning Odors from CRI.

Dear: Lori & Roger:

Chris has ask me to forward both of you complaint letters from various parties concerning the odors from Controlled Recovery Inc. (CRI). I have investigated and these odors are very strong and repulsive as far away as one mile up and down the highway. I have attempted over three months ago to obtain information from Mr. Marsh CRI concerning this waste stream, but CRI has not responded to my request.

After reviewing the MSDS, which was obtained by Mississippi Potash from CRI, it appears this waste (Spend Caustic & Mercaptan) is a health hazard. It is has a health ranking of 3, and a reactivity ranking of 1, on a scale of 0-4 with 4 being the highest. According to Jeff Campbell MPI's Environmental Coordinator, he has researched the NM Air Quality regulations and this waste and the mercaptan constituents is also on the Toxic Pollutant list.

Since this facility is permitted under NMOCD Rule 711 in which public health issues are part of the application requirements, 711.B.(1) (m), I therefore recommend we set up a meeting with CRI to resolve this issue.

cc: Chris Williams-District I Supervisor

Price, Wayne

From: Price, Wayne
Sent: Thursday, September 10, 1998 1:26 PM
To: 'Roger Anderson'
Cc: 'Chris Williams'
Subject: CRI Nuisance odors

Dear Roger:

The District office received a complaint from the Mississippi Potash Company Mr. Jeff Campbell (505-234-3881). Mr, Campbell informed us that they had to evacuate part of their mine area due to the strong smell from CRI. He indicated it was drawn into one of the inlet air shafts and some of his workers became ill.

Per your request please find attached copies of reports made by the NM State Police and a copy of a fax sent to us from the NMED AQB back in the summer of this year.

I meet Mr. Marsh and the NMED AQB person (Mr. Bill Huber) on site at CRI. The smell was coming from the water side disposal ponds and Mr. Marsh indicated it was a Mercaptans waste received from a gas plant near Carlsbad.

Mr. Huber indicated since this was an OCD permitted facility he though that the responsibility lies with OCD. He indicated this would be classified as a Nuisance odor and they do not have a regulation for this unless if it would be hazardous and harmful to the public.

The odor was quite strong and repulsive at the source and would burn your eyes and irritate mucus membranes.

I ask Mr. Marsh to send in a report to OCD to include where he was receiving this waste, it's make-up, and any MSDS information.

As of this date OCD has not received this information. Mr. Marsh's indicated that this problem was not under our regulatory authority, but would follow-up on this issue and assist us in solving this problem.


CRI-Complaint1.tif.tiff


CRI-Complaint2.tif.tiff


CRI-Complaint3.tif.tiff

SEND TO OIL CONSERVATION OFFICE AUTH/SGT LEAL

NEW MEXICO STATE POLICE
DISTRICT THREE
CALLS FOR SERVICE FORM

ATTN. Wayne Price

DATE: 050298 TIME: 2054 CASE NR. 00230HS98
REPORTING PARTY: LOVINGTON SO CALL BACK NR
NATURE OF CALL: 10-44 10-45 DOMESTIC OTHER STRONG ODOR
LOCATION OF CALL: HALFWAY BAR, ~~LOVING~~ US 62-180
DETAILS: STRONG SMELL POSS NAT GAS SEE DESK LOG

WEAPONS INVOLVED: YES NO UNKN ✓ SHOTS FIRED: YES NO UNKN ✓
HOW REPORTED: PHONE ✓ 10-12 911 OFFICER OTHER
OFFICER ASSIGNED MASSIS ASSISTING OFFICER/AGENCY
SUPERVISOR(S) AGENT
10-55 FIRE WRECKER OMI CATTLE INSPECTOR STATE COMM OTHER

REPORT TAKEN: YES NO ✓ UNABLE TO LOCATE
CALL RECEIVED BY: CASE

NEW MEXICO STATE POLICE

DISTRICT THREE

CALLS FOR SERVICE FORM

DATE: 05/29/98 TIME: 2327 CASE NR.: 0040/HS98

REPORTING PARTY: Jeanie McKane CALL BACK NR. 887-7260

NATURE OF CALL: 10-44___10-45___DOMESTIC___OTHER ✓

LOCATION OF CALL 1/2 Way Bar

DETAILS Bad [redacted] smell made her throat hurt

WEAPONS INVOLVED: YES___NO ✓UNKN___ SHOTS FIRED: YES___NO ✓UNKN___

HOW REPORTED: PHONE ✓10-12___911___OFFICER___OTHER

OFFICER ASSIGNED ASSISTING OFFICER/AGENCY

SUPERVISOR(S) Leal AGENT

10-55___FIRE___WRECKER___OMI___CATTLE INSPECTOR___STATE COMM___OTHER

REPORT TAKEN: YES___NO ✓UNABLE TO LOCATE___

CALL RECEIVED BY: Lyn

Officer Mannis advise he ✓ into it on 1½ week ago. No health hazard.

State of New Mexico
ENVIRONMENT DEPARTMENT
District IV
1914 W. Second St.
Roswell, New Mexico 88201
(505) 624-6046

GARY E. JOHNSON
GOVERNOR

MARK E. WEIDLER
SECRETARY

EDGAR T. THORNTON, III
DEPUTY SECRETARY

FAX TRANSMITTAL

DATE: 6/3/98 TIME: 3:50 PAGE: 1 OF 1
(INCLUDES COVER PG)

PLEASE DELIVER THE FOLLOWING PAGES:

TO: Wayne Price, Env. Eng

LOCATION: OCD Hobbs

TELEPHONE NUMBER: 393-6161 FAX NUMBER: 393-0720

FROM: Bill Huber AQB
NMED DISTRICT 4
ROSWELL NM 88201

TELEPHONE NUMBER: (505) 624-6046 FAX NUMBER: (505) 624-2023

****

COMMENTS: Complaint on CRI at Halfway (Continued on p. #2)
Bar from lady that lives in Bar. Smells.
Are there any hazardous materials in
the vapors?

Mississippi Potash, Inc.

We Make Things Grow®

September 11, 1998

Mr. Chris Williams
District Supervisor
Environmental Bureau
Oil & Conservation Division
New Mexico Minerals and Natural Resources

Re: Controlled Recovery, Inc., Emissions

Dear Chris:

Mississippi Potash, Inc., (MPI) owns mine sites and process plants near Controlled Recovery, Inc., (CRI) facility located on the south side of highway 62/180 approximately 45 miles west of Hobbs, New Mexico.

In the recent past, MPI received complaints from its employees who operate trucks that haul ore from MPI's West Plant to MPI's North Plant. These truck driver complaints described a fowl odor near the North Plant and when encountering this odor, the truck drivers experience headache and nausea. This odor is similar to odor encountered along the north and westerly boundaries of CRI's facility, which emanates from CRI.

On Thursday September 10, 1998, Glen Moore MPI's personnel director, received a number of complaints from the underground mine personnel at the East mine. The East mine is located approximately one mile west of the CRI facility. The complaints were consistent, in that, a number of mine personnel experience headache, nausea and had to evacuate their work area. Additionally, these employees lost their appetite and did not eat during their shift. According to these complaints this episode occurred on September 9 & 10, 1998 during the night shift. The odor penetrated the mine up to two miles. These written complaints are attached to this letter. Verbally, these employees expressed to me that at different times the odor is more concentrated than others and seems to have increased to a higher level over the past couple of months.

Surface personnel at the East Plant have complained at different times about the odor over the past year and a half. Anyone can pass the CRI facility early in the morning on any given day and experience the fowl odor. This odor is very nauseating.

P.O. Box 101 • 1996 Potash Mines Road • Carlsbad, New Mexico 88220
Phone (505) 887-5591 • FAX (505) 887-0705

According to 20NMAC 2.72 Subparts 402, a facility that has toxic emissions above the pound per hour limit established by New Mexico Environment Improvement Board and listed in subpart 502 must obtain a construction permit from the New Mexico Environment Department Air Quality Bureau. To my knowledge CRI has not quantified emissions to determine whether or not they should obtain a permit.

MPI contends the emissions from CRI poses a substantial threat to the health of MPI employees and a hazard to the environment. Please address this problem as soon as possible. In addition to a health hazard, no faciltiy should be allowed emissions with such a repulsive smell.

Respectfully,

Jeff Campbell

Jeff Campbell,
MPI Environmental Coordinator

9-8-98
9-9-98

on these Day were working graveyards. Ordor was So Bad Around Shop. Area's All the way to mouth of 193. So Bad. Diesel Mechanic was Complaining of Head Achis Nausea So was maint foreman & Shifter. So Bad Ruin our appetite

Edward L Dennis Sr

9-11-98

9-8-98
9-9-98

On the dates above the odor was so bad underground in the office and shop areas. Shop/Diesel Mechanic complained of headaches and nasaua. Shifters could not stay in their offices very long and couldn't ~~eat~~ eat their dinner. Smell has been found as far as 2 miles in

Truman B McCarty
Barbara A Doughty

Controlled Recovery, Inc.
P.O. Box 369 Hobbs, NM 88241
Phone: (505)393-1079 Fax: (505)393-3615

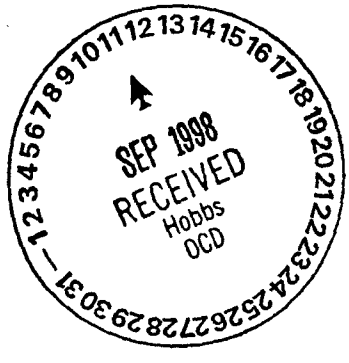
CRI

Fax

To:	Jeff Campbell	**From:**	Ken Marsh
Fax:	(505)887-0929	**Pages:**	4, including cover
Phone:		**Date:**	09/10/98
Re:		**CC:**	

☐ **Urgent** ☐ **For Review** ☐ **Please Comment** ☐ **Please Reply** ☐ **Please Recycle**

- **Comments:** If you have any questions or if I can be of further assistance, please feel free to give me a call at the office.



Spent Caustic

MATERIAL SAFETY DATA SHEET

SECTION I

MANUFACTURER'S NAME: Liquid Energy Corp. (Generator)
EMERGENCY TELEPHONE NO.: (800)424-9300 (CHEMTREC)
ADDRESS (Number, Street, City, State and ZIP Code): 2002 Timberloch Place The Woodlands, TX 77380
PRODUCT IDENTIFICATION: Spent Caustic
TRADE NAME AND SYNONYMS: Sodium Hydroxide, Spent
CAS NUMBER: 1310-73-2
EPA NUMBER: Not Applicable
FORMULA: HNaO
DOT CLASSIFICATION: Corrosive (UN 1824)

SECTION II - HAZARDOUS INGREDIENTS

% AND TLV OF EACH (if applicable)		
Water	90%	
Sodium Hydroxide	9%	ACGIH TLV:cl 2mg/m^3
Other	1%	

See attached analysis for trace contaminants.

SECTION III - PHYSICAL DATA

BOILING POINT (°F)	Not Determined (ND)	SPECIFIC GRAVITY (H_2O=1)	1.114
VAPOR PRESSURE (mm Hg.)	ND	PERCENT, VOLATILE BY VOLUME (%)	0
VAPOR DENSITY (AIR=1)	ND	EVAPORATION RATE (=1)	0
SOLUBILITY IN WATER	100%	pH	12.95
APPEARANCE	Amber Liquid	ODOR	Mercaptan smell

SECTION IV - FIRE AND EXPLOSION HAZARD DATA

FLASH POINT (Method used)	AUTOIGNITION TEMPERATURE	FLAMMABLE LIMITS % BY VOLUME	LEL	UEL
>140°F			ND	ND

EXTINGUISHING MEDIA: N/A

SPECIAL FIRE FIGHTING PROCEDURES (HNaO): NFPA Hazard Ratings - Health - 3, Flammability - 0, Reactivity - 1
(Note - Reactivity for spent caustic is higher due to sulfur compounds)

UNUSUAL FIRE AND EXPLOSION HAZARDS: Firefighters should wear self-contained positive pressure breathing apparatus and avoid skin contact.

HAZARDOUS PRODUCTS OF COMBUSTION: Sulfides and Hydrogen Gas (with metals)

MatCat

SECTION V - HEALTH HAZARD DATA

THRESHOLD LIMIT VALUE (TLV) (As $HNaO$)
OSHA PEL-TWA 2 mg/m^3
ACGIH TLV-CL 2 mg/m^3
OTHER

EFFECTS OF OVEREXPOSURE
ACUTE major potential hazard to skin and eyes
CHRONIC None

EMERGENCY AND FIRST AID PROCEDURES
Inhalation - move to fresh air, if breathing stops, administer artifical respiration.

Skin - remove clothing and wash skin with water for at least 15 minutes.

Eyes - wash with water for 15 minutes thoroughly. Ingestion - give water, do not induce vomiting.

SECTION VI - REACTIVITY DATA

STABILITY
UNSTABLE
STABLE Stable
CONDITIONS TO AVOID mixture with water, acid or incompatible materials can cause splattering.

INCOMPATABILITY (Materials to avoid) Chlorinated and flourinated hydrocarbons, acetaldehyde, acrolein, aluminum, malaic anhydrid

HAZARDOUS DECOMPOSITION PRODUCTS will not decompose

HAZARDOUS POLYMERIZATION
OCCURS
DOES NOT OCCUR Does not occur
CONDITIONS TO AVOID contains sulfides and can generate harmful vapors

SECTION VII - SPILL OR LEAK PROCEDURES

STEPS TO BE TAKEN IN CASE MATERIAL IS RELEASED OR SPILLED
Cleanup personnel must wear proper protective equipment. Contain spilled material and prevent run-off. Neutralize with water or hydrochloric acid. Reportable quantity (RQ) is 1000 lb. for sodium hydroxide. Notify NRC (800)424-8802 for spills >RQ.

WASTE DISPOSAL METHOD (Ensure conformity with local disposal regulations)

Recovered liquids may be sent to a permitted waste management facility. Since this spent caustic is RCRA - exempt, it is not a hazardous waste. The material comes from the sweetening process in the Dagger Draw gas processing facility.

SECTION VIII - PERSONAL PROTECTION INFORMATION

RESPIRATORY PROTECTION (Specify type)
Use NIOSH/MSHA high-efficiency particulate filter with full facepiece or SCBA.

VENTILATION
LOCAL EXHAUST as necessary to remain below 2 mg/m^3 at all times.
MECHANICAL (General)
SPECIAL
OTHER

PROTECTIVE GLOVES Neoprene, PVC or rubber gloves
EYE PROTECTION Chemical goggles and faceshield

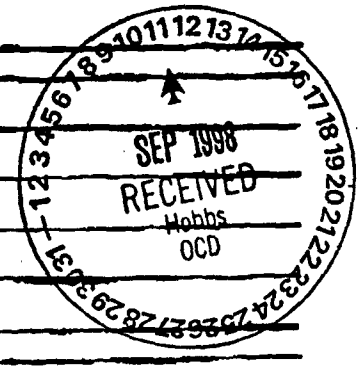
OTHER PROTECTIVE EQUIPMENT

PVC rain suit, rubber boots w/pant legs over boots.

SECTION IX - SPECIAL PRECAUTIONS

PRECAUTIONS TO BE TAKEN IN HANDLING AND STORING
Avoid all contact with skin. Do not add water to caustic.

OTHER PRECAUTIONS



SECTION X - ISSUANCE DATE

DATE OF ISSUE: MTH. 3 DAY 7 YR. 95

NEW X REVISED SUPERSEDES: MTH. DAY YR.

REVIEWED BY:
TITLE: Manager, Environmental & Safety

TRACE Contaminates Based on Analysis of Spent Caustic

20 NMAC 2.72 502 TOXIC AIR POLLUTANTS & EMISSIONS NMED

Sodium Sulfate	26 ppm		
Sodium Chlorate	19 ppm		
Aluminum	10 mg/l		
Calcium	74 mg/l		
Copper	27 mg/l		
Cadmium	1 mg/l		
Cobalt	113 mg/l		
Iron	28 mg/l		
Lead	0.1 mg/l		
Magnesium	382 mg/l		
Manganese	0.4 mg/l		
Molybdenum	<5.0 mg/l		
Nickel	2 mg/l		
Potassium	104 mg/l		
Sodium	1400 mg/l		
Silver	2 mg/l		
Silicon	51 mg/l		
Zinc	604 mg/l	OEL mg/m3	Lb/hr
Methyl Mercaptan METHANETHIOL	79 ppm	1.0	0.0967
Ethyl Mercaptan	259 ppm	1.0	0.0667
2 - Propyl Mercaptan	24 ppm		
1 - Propyl Mercaptan	182 ppm		
Methyl Disulfide	14 ppm		
2 - Butyl Mercaptan	463 ppm	1.5	0.10
Methyl Propyl Sulfide	6 ppm		
1 - Butyl Mercaptan	19 ppm	1.5	0.10
Sulfur Compounds	55 ppm		
C_6 + hydrocarbon	58 ppm		

IDLH 150ppm

AMERICAN COUNCIL GOVERNMENTAL INDUSTRIAL HYGIENISTS (ACGIH) NIOSH
8hr TWA
CEILING 0.5ppm (1mg/m3 15min)

0.5ppm

0.5ppm

Chemical name, structure/formula, CAS and RTECS Nos., and DOT ID and guide Nos.	Synonyms, trade names, and conversion factors	Exposure limits (TWA unless noted otherwise)	IDLH	Physical description	Chemical and physical properties: MW, BP, SOL, Fl.P, IP, Sp, Gr, flammability	Chemical and physical properties: VP, FRZ, UEL, LEL	Incompatibilities and reactivities	Measurement method (See Table 1)
Ethyl ether $C_2H_5OC_2H_5$ 60-29-7 KI5775000 1155 26	Diethyl ether, Diethyl oxide, Ether, Ethyl oxide, Solvent ether 1 ppm = 3.08 mg/m³	NIOSH See Appendix D OSHA† 400 ppm (1200 mg/m³)	1900 ppm [LEL]	Colorless liquid with a pungent, sweetish odor. [Note: A gas above 94°F.]	MW: 74.1 BP: 94°F Sol: 8% Fl.P: -49°F IP: 9.53 eV Sp.Gr: 0.71 Class IA Flammable Liquid	VP: 440 mm FRZ: -177°F UEL: 36.0% LEL: 1.9%	Strong oxidizers, halogens, sulfur, sulfur compounds [Note: Tends to form explosive peroxides under influence of air and light.]	Char; Ethyl acetate; GC/FID; III [#1610]
Ethyl formate CH_3CH_2OCHO 109-94-4 LQ8400000 1190 26	Ethyl ester of formic acid, Ethyl methanoate 1 ppm = 3.08 mg/m³	NIOSH/OSHA 100 ppm (300 mg/m³)	1500 ppm	Colorless liquid with a fruity odor.	MW: 74.1 BP: 130°F Sol(64°F): 9% Fl.P: -4°F IP: 10.61 eV Sp.Gr: 0.92 Class IB Flammable Liquid	VP: 200 mm FRZ: -113°F UEL: 16.0% LEL: 2.8%	Nitrates; strong oxidizers, alkalis & acids [Note: Decomposes slowly in water to form ethyl alcohol and formic acid.]	Char; CS_2; GC/FID; III [#1452]
Ethylidene norbornene **C_9H_{12}** **16219-75-3** **RB9450000**	**ENB,** **5-Ethylidenebicyclo(2.2.1)-hept-2-ene,** **5-Ethylidene-2-norbornene** **[Note: Due to its reactivity, ENB may be stabilized with tert-butyl catechol.]** **1 ppm = 5.00 mg/m³**	**NIOSH** **C 5 ppm** **(25 mg/m³)** **OSHA†** **none**	**N.D.**	**Colorless to white liquid with a turpentine-like odor.**	**MW: 120.2** **BP: 298°F** **Sol: ?** **Fl.P(oc): 101°F** **IP: ?** **Sp.Gr: 0.90** **Class II Combustible Liquid**	**VP: 4 mm** **FRZ: -112°F** **UEL: ?** **LEL: ?**	**Oxygen** **[Note: ENB should be stored in a nitrogen atmosphere since it reacts with oxygen.]**	**None available**
Ethyl mercaptan CH_3CH_2SH 75-08-1 K19625000 2363 27	Ethanethiol, Ethyl sulfhydrate, Mercaptoethane 1 ppm = 2.58 mg/m³	NIOSH C 0.5 ppm (1.3 mg/m³) [15-min] OSHA† C 10 ppm (25 mg/m³)	500 ppm	Colorless liquid with a strong, skunk-like odor. [Note: A gas above 95°F.]	MW: 62.1 BP: 95°F Sol: 0.7% Fl.P: -55°F IP: 9.29 eV Sp.Gr: 0.84 Class IA Flammable Liquid	VP: 442 mm FRZ: -228°F UEL: 18.0% LEL: 2.8%	Strong oxidizers [Note: Reacts violently with calcium hypochlorite.]	Filter*; HCl/DCE; GC/FPD; III [#2542]

Chemical name, structure/formula, CAS and RTECS Nos., and DOT ID and guide Nos.	Synonyms, trade names, and conversion factors	Exposure limits (TWA unless noted otherwise)	IDLH	Physical description	Chemical and physical properties		Incompatibilities and reactivities
					MW, BP, SOL Fl.P, IP, Sp, Gr, flammability	VP, FRZ UEL, LEL	
Methyl mercaptan CH_3SH 74-93-1 PB4375000 1064 13	Mercaptomethane, Methanethiol, Methyl sulfhydrate 1 ppm = 2.00 mg/m³	NIOSH C 0.5 ppm (1 mg/m³) [15-min] OSHA† C 10 ppm (20 mg/m³)	150 ppm	Colorless gas with a disagreeable odor like garlic or rotten cabbage. [Note: A liquid below 43°F. Shipped as a liquefied compressed gas.]	MW: 48.1 BP: 43°F Sol: 2% Fl.P: NA (Gas) (oc) 0°F (Liq) IP: 9.44 eV RGasD: 1.66 Sp.Gr: 0.90 (Liquid at 32°F) Flammable Gas Class IA Flammable Liquid	VP: 1.7 atm FRZ: -186°F UEL: 21.8% LEL: 3.9%	Strong oxidize blea[illegible], cop alum[illegible]m, nic copper alloys
Methyl methacrylate $CH_2=C(CH_3)COOCH_3$ 80-62-6 OZ5075000 1247 26 (inhibited)	Methacrylate monomer, Methyl ester of methacrylic acid, Methyl-2-methyl-2-propenoate 1 ppm = 4.16 mg/m³	NIOSH/OSHA 100 ppm (410 mg/m³)	1000 ppm	Colorless liquid with an acrid, fruity odor.	MW: 100.1 BP: 214°F Sol: 1.5% Fl.P(oc): 50°F IP: 9.70 eV Sp.Gr: 0.94 Class IB Flammable Liquid	VP: 29 mm FRZ: -54°F UEL: 8.2% LEL: 1.7%	Nitrates, oxidiz peroxides, str alkalis, moistu [Note: May po if subjected heat, oxidize ultraviolet li Usually cont inhibitor suc hydroquinor
Methyl parathion $(CH_3O)_2P(S)OC_6H_4NO_2$ 298-00-0 TG0175000 2783 55	Azophos®; O,O-Dimethyl-O-p-nitrophenylphosphorothioate; Parathion methyl 1 ppm = 4.16 mg/m³	NIOSH 0.2 mg/m³ [skin] OSHA† none	N.D.	White to tan, crystalline solid or powder with a pungent, garlic-like odor. [pesticide] [Note: The commercial product in xylene is a tan liquid.]	MW: 263.2 BP: 289°F Sol(77°F): 0.006% Fl.P: ? IP: ? Sp.Gr: 1.36 Combustible Solid	VP: 0.00001 mm MLT: 99°F UEL: ? LEL: ?	Strong oxidize water [Note: Explosi w[illegible]este 12[illegible]]
Methyl silicate $(CH_3O)_4Si$ 681-84-5 VV9800000 2606 57	Methyl orthosilicate, Tetramethoxysilane, Tetramethyl ester of silicic acid, Tetramethyl silicate 1 ppm = 6.37 mg/m³	NIOSH 1 ppm (6 mg/m³) OSHA† none	N.D.	Clear, colorless liquid. [Note: A solid below 28°F.]	MW: 152.3 BP: 250°F Sol: Soluble Fl.P: 205°F IP: ? Sp.Gr: 1.02 Class IIIB Combustible Liquid	VP(77°F): 12 mm FRZ: 28°F UEL: ? LEL: ?	Oxidizers; he fluorides of rh molybdenum

Wrotenbery, Lori

From: Williams, Chris
Sent: Friday, July 24, 1998 9:51 AM
To: Wrotenbery, Lori
Subject: Training Schools

Ken Marsh called this morning and wanted to know if a training school could be developed for Service Co's, Landfarms etc. on waste issues. I told him I would discuss it with you. I think what he is pushing for is definite rules and regs on the classification of "what is defined as a service company and the type of waste that can be disposed of in landfarms. This might be a good time to open discussions on the C-138 process with industry, which would probably add another day. I told him that it could not be added to the training session we are holding here August 5th & 6th. Please think about the possibility of doing this, I think it is needed. Thanks Chris

New 711 & G138 training -

DISPOSAL OF OIL FIELD "NON-EXEMPT" WASTE

IN NEW MEXICO

FOR

Controlled Recovery Inc. (CRI) Disposal Facility
Permit #R-9166

Feb. 15, 1996

BY: WAYNE PRICE
NMOCD ENVIRONMENTAL ENGINEER

III. NEW MEXICO OIL CONSERVATION DIVISION'S PROCEDURE FOR ACCEPTING "NON-EXEMPT" WASTE.

The NMOCD has instituted the following procedure to be used by generators of "non-exempt" waste.

1. The generator should contact one of the approved disposal facilities listed in the appendix.

2. The operator of the disposal facility will then require certain information from the generator in order to properly fill out the "REQUEST FOR APPROVAL TO ACCEPT SOLID WASTE" form.

3. Typically if it is the first request from a generator to dispose of waste, then the operator of the disposal will require the generator to supply a complete description of the process generating the waste, other words a waste profile will have to be supplied.

An analysis of the waste stream will be required. This should include full TCLP testing of the waste stream. It should include as a minimum the following:

A. RCI...Reactivity, Corrosivity, and Ignitability

B. TC ..Toxicity Characteristics
   1. Volatiles.
   2. Semi-volatiles.
   3. TCLP metals.

C. Typically herbicides and pesticides do not have to be run.

D. All of the above requirements shall be per EPA SW-846 procedures. This will be discussed in the next section in order so the generator of the waste will understand what NMOCD is looking for.

The generator will also be required to certify that the waste stream does not contain any RCRA "listed" hazardous waste. This can be accomplished by using the form included in this document called "CERTIFICATE OF WASTE STATUS FOR NON-EXEMPT WASTE MATERIAL". The NMOCD does allow other versions of this form.

4. Once all of the above has been completed, then the operator of the disposal facility submits this paper work to the local NMOCD District office. At this time the district reviews all of the submitted material.

   If everything thing is in order then this submittal is forwarded on to our Santa Fe Environmental Bureau for final approval. If approved, then it is forwarded back to the district and the district will notify and forward on to the disposal operator. Please note the turn around time for this procedure is approximately seven days. Generators should allow for this time so as not to let their tanks or sumps overfill.

   The disposal operator then makes arrangements with the generator to transport the waste to it's facility. At this time the NMOCD does not require manifesting, however we recommend it for waste tracking purposes. There are requirements placed on the transporter by the operator of the disposal facility which is required under its permit.

5. Steps one through four is the normal procedure to be used every time a generator request to dispose of waste. Please note there are no blanket approvals for "non-exempt" waste. Each shipment of waste must be handled on a case-by-case basis. However, there can be multiple loads approved on one request, in other words it requires more than one truck to haul the waste.

6. The NMOCD does allow a generator to use the same analytical work for a particular waste to be good for a period of one year. In this case, we require that the generator submit with his request a "WASTE STREAM CERTIFICATION FORM" stating that the waste stream has not changed from the last time the analytical work was performed.

7. Additional paper work for out-of-state generators may be required. For example, generators located in the state of Texas usually are ask to supply their Texas registration and waste code numbers.

Controlled Recovery, Inc.
P.O. Box 369 Hobbs, NM 88241
Phone: (505)393-1079 Fax: (505)393-3615

CRI

Fax

To:	Roger Anderson	**From:**	Ken Marsh
Fax:	(505)827-8177	**Pages:**	4
Phone:	(505)393-1079	**Date:**	01/23/98
Re:		**CC:**	

☐ **Urgent** ☐ **For Review** ☐ **Please Comment** ☐ **Please Reply** ☐ **Please Recycle**

• **Comments:** Faxing per your request. If I can be of further assistance please feel free to give me a call that the office.

CRI

CONTROLLED RECOVERY INC.

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

August 22, 1997

Martyne J. Kieling
New Mexico Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505

Re: Controlled Recovery, Inc.
S/2 N/2 and the N/2 S/2 of Sec. 27, Twn. 20 S, Rng. 32 E, NMPM
Lea County, New Mexico
Order No. R 9166

Dear Ms. Keiling,

I am responding to your letter of June 27, 1997 in reference to the above inspection.

1.) Empty Drums will be stored in an area isolated from other materials and active disposal and treatment operations. Estimated completion date December 1997.

2.) No response necessary.

3.) Tanks will be labeled and bermed as necessary. Estimated completion Date December 1997.

4.) OCD Rule 711 C. 8 provides for an exception for a facility. This exception has been requested and granted. See attached.

5.) Fuel tanks that do not have containment will be bermed. There is no ground water to be protected at the site. Estimated completion date December 1997.

6.) Tanks will be labeled. Estimated completion date December 1997.

7.) The tank at the wash out area is inside a disposal pit. The tank is not buried – one end is open for inspection. The tank is cleaned as needed approximately every sixty days and any damage would be observed in the cleaning operation – any leaks would flow into the approved disposal pit.

8.) Any underground lines will be pressure tested prior to being placed in service.

9.) No response needed.

10.) See item # 1.

11.) No response needed

12.) No response needed.

13.) No response needed.

14.) No response needed.

15.) CRI is not required to file a C137 as CRI is not permitting a new facility or modifying the existing facility approved by order No. R1966. CRI will be responsive to all requests for information from the OCD, as has been our past policy.

A.) Controlled Recovery, Inc.
Ken Marsh President
Johnny Cope Secretary
P.O. Box 369
Hobbs, New Mexico 88241

B.) No response required.

C.) No response required.

D.) CRI will furnish updated site information. Estimated completion date December 1997.

E.) No response required.

F.) CRI performs inspection tour every business day and has numerous employees on site that are required to report any spills or releases. Any spills, releases or cleanups that require reporting to the OCD will be done within OCD's requirements.

G.) CRI requires exempt and non-exempt waste certification, C138 for non-exempt waste, C117 as required, facility employees are trained in acceptance procedures, OCD Rule 711 and company policy. All shipment documents are reviewed by two employees in our business office one of whom is the compliance officer. CRI has been briefed by Wayne Price (OCD Hobbs) on these procedures and communicates regularly with Mr. Price concerning waste shipments. Please see 15 (F).

H.) CRI employees wear H2S monitors when in areas that H2S may be present. No employees are allowed into tanks without confined entry training with all the necessary equipment. Customers, drivers, and service personnel are not allowed to enter their own truck tanks without the proper equipment and training. Employees undergo H2S training course with approved instructors. CRI conducts safety meetings. CRI has H2S plan in company handbook. (copy enclosed)

I.) A closure plan is attached.

J.) No response is required.

L.) I certify that the above information is true, accurate, and complete to the best of my knowledge.

Sincerely,

Ken Marsh

CRI

CONTROLLED RECOVERY INC.

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

Item 1 closure plan

1.) Lock gate, post closed and no trespassing signs.

2.) Remove fluids from tanks to evaporation ponds or drying pits, drain all lines.

3.) Allow all fluids to evaporate and solids dry.

4.) Remove all contaminated residue from pits, tanks, and ponds to landfill.
Cap landfill with 18" cap with drainage design to flow away from landfill area.

Cost (1.)	$30.00	$30.00
(2.)	Vacuum truck 20 hours @ $61.00 /hr	$1220.00
(3.)	See attached bid Mid Tex Construction Co.	$23200.00
(4.)	Roustabout crew and dump truck to remove solids from tanks to landfill. Five days at $875.00 per day.	$4375.00
	Total	**$28825.00**

This closure plan will protect public health and the environment, as required by Rule 711. The remaining facilities and equipment can be used by the landowners for other purposes.

MID-TEX CONSTRUCTION COMPANY

P. O. BOX 3047 • PHONE 381-2710

ODESSA, TEXAS 79760

August 15,1997

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

Dear Mr. Marsh,

Per your request, I visited the Controlled Recovery, Inc. facility and offer the following assumption and estimates for closure. All pit residue will be stirred and dried to a state suitable for transportation by dump truck. I estimate that 200 cubic yards of material will be removed from each of the 12 surface inpoundments. After each impoundment has been cleaned, all berm soil will be pushed in and graded for proper drainage.

The large pit on the West Side will have the residue and contaminated soil transported to the landfill. The storage pit at the treating plant will have the residue hauled to the landfill and the berm pushed in and graded for proper drainage.

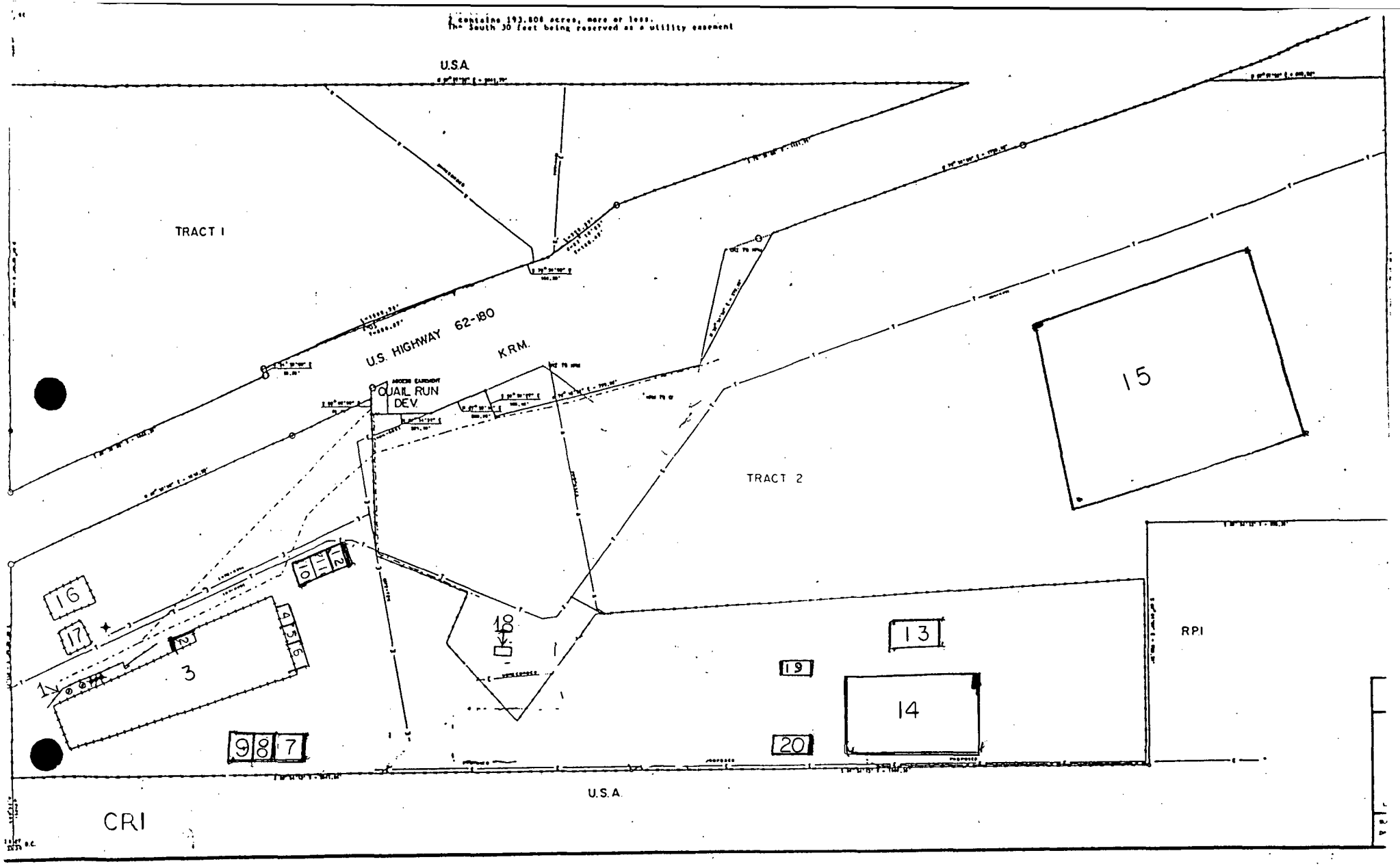
The landfill will be capped with 18" of virgin soil and graded for proper drainage.

Cost using current pricing would be as follows:

A.)	12 surface inpoundments	
	Stabilize residue	$6000.00
	Transport to land fill	$4800.00
	Closure	$6000.00
B.)	West Side pit	
	Stabilize residue	$800.00
	Transport to land fill	$1200.00
C.)	Storage pit treatment plant	
	Stabilize residue	$800.00
	Transport to landfill	$1200.00
	Closure	$400.00

MID-TEX CONSTRUCTION COMPANY
P. O. BOX 3047 • PHONE 381-2710
ODESSA, TEXAS 79760

D.)	Landfill Cap with soil and graded for Proper drainage	$2000.00
Total		$23200.00


containing 193.808 acres, more or less.
The South 30 feet being reserved as a utility easement
U.S.A.
TRACT 1
U.S. HIGHWAY 62-180
K.R.M.
QUAIL RUN DEV.
TRACT 2
15
16
17
3
1
2
4
5
6
10
11
12
18
13
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14
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9
8
7
RPI
U.S.A.
CRI

25.0 Hydrogen Sulfide Safety (H_2S)

25.1 Hydrogen Sulfide (H_2S) is a highly toxic and colorless gas. In concentrations as low as 1000 ppm, or 1/10 of 1%, it can cause unconsciousness, breathing to stop, and death in a few minutes. Even low concentrations can affect the eyes and the respiratory system.

25.1.1 When the amount of H_2S gas absorbed into the blood system exceeds that which the blood system can oxygenize, systemic poisoning occurs, creating an effect on the central nervous system. Labored respiration occurs shortly and respiratory paralysis will follow immediately at concentrations of 700 ppm and above. Death will occur by asphyxiation unless the exposed person is removed immediately to fresh air and breathing is stimulated by artificial resuscitation.

25.2 There are many hazards associated with H_2S. In addition to asphyxiation, exposures to H_2S may result in eye disorders, heart disorders, and nerve disorders.

25.2.1 Symptoms of low level exposure may include one or more of the following, increasing with length of exposure:

25.2.1.1 Fatigue.

25.2.1.2 Irritation to Eyes.

25.2.1.3 Headache.

25.2.1.4 Dizziness.

25.2.1.5 Excitement.

25.2.1.6 Coughing.

25.2.1.7 Drowsiness.

25.2.1.8 Nausea.

25.2.1.9 Sensation of pain in nose, throat, and chest.

25.2.2 Another characteristic of H_2S is its offensive odor of rotten eggs. However, H_2S rapidly deadens your sense of smell, so odor is a very unreliable means of detection. Due to its rapid effects, H_2S is considered one of the most dangerous industrial gases.

25.3 H_2S is found in a variety of industries. However, CRI is concerned foremost with operations associated with services provided for the oil & gas industry. H_2S gas may be found in many facets of production, including but not limited to, well heads, storage tanks, pipelines, treating equipment, and even low lying areas such as pits or cellars.

25.4 The characteristic properties of H_2S are:

25.4.1 Odor. Very offensive, commonly referred to as the odor of rotten eggs.

25.4.2 Color. H_2S is colorless.

25.4.3 Flammability. H_2S is highly flammable and burns with a blue flame.

25.4.4 Explosive Limits. 4.3% to 46% by volume in air. H_2S forms explosive mixtures with oxygen.

25.4.5 Vapor Density is 1.189 (air = 1). H_2S is heavier than air and will settle in low lying areas unless disbursed.

25.4.6 Solubility. H_2S is water soluble.

25.4.7 Corrosive. H_2S is highly corrosive to certain metals.

25.4.8 Ignition Temperature. 500 degrees F.

25.4.9 Boiling Temperature. 76 degrees F.

25.4.10 When burned, H_2S burns with a blue flame and produces another poisonous gas, Sulfur dioxide (SO_2). Sulfur dioxide is toxic, very irritating to eyes and lungs, and can also cause serious injury or death.

25.5 The effects of H_2S depend on the following factors:

Duration: The length of time an individual is exposed.

Frequency: How often an individual has been exposed.

Intensity: The dosage or concentration of exposure.

Individual Susceptibility: The individual's physiological make-up.

25.5.1 Symptoms of H_2S exposure vary considerably due to an individuals physiological make-up. Studies indicate that some people are more susceptible than others to exposure at the same levels of exposure. Factors that may effect susceptibility are but not limited to the following: previous exposure, some types of health problems, alcoholism or psychiatric problems. Some individuals' previous exposure may increase their susceptibility rather than build up a tolerance to H_2S. Health problems reducing tolerance might be such problems as a perforated ear drum, emphysema, angina pectoris, myocardial infarction of progressive or severe hypertension, diabetes, Grand Mal epilepsy, eye infections, or anemia. A perforated ear drum would allow air passage into the respiratory tract through the Eustachian tube. Alcoholics and individuals who have consumed alcohol within 24 hours of exposure and persons having psychiatric problems are at risk at any level of H_2S exposure.

25.5.1.1 The following table indicates normal effects on humans at specified concentration levels. Persons with the above mentioned factors may be more quickly or more intensely affected by exposure to levels as listed.

Amount of H_2S	Effect
10 ppm	Unpleasant odor, safe for eight hour exposures.
100 ppm	Kills sense of smell in three to five minutes. May cause eyes and throat to sting.
200 ppm	Kills sense of smell rapidly. Stings eyes and throat.
500 ppm	Dizziness, loss of reasoning ability, breathing paralyzed within 30 minutes,
	artificial respiration required at once.
1000 ppm	Unconsciousness at once, followed by death within minutes

25.6 Areas where H_2S may be present or suspected shall be periodically tested to determine employee exposure to H_2S. Testing should be repeated when a change occurs that could have an effect on H_2S concentrations.

25.6.1 No CRI employee shall enter an area where H_2S levels are or may reasonably be expected to be greater than 10 ppm by volume in air, without satisfying the requirements established in this section and approval from management.

25.7 Training shall be provided for each employee required to work in environments that may be or suspected to be an H_2S containing environment. Training will be given prior to assignment and shall consist of the following:

25.7.1 Hazards and characteristics of both H_2S and SO_2.

25.7.2 Toxicity and properties of H_2S and SO_2.

25.7.3 H_2S detection devices and their use.

25.7.4 Respiratory Protection. Its use and limitations.

25.7.5 Exposure levels an symptoms of exposure.

25.7.6 First Aid and equipment of rescue.

25.7.7 The "Buddy System" and emergency procedures including rescue and evacuation procedures.

25.7.8 H_2S alarms and contingency plans.

25.7.9 Site specific planning development

25.7.10 Training shall be documented and maintained for permanent record.

25.7.11 Refresher courses shall be conducted annually.

25.8 Protective breathing equipment (respirators) are required in an environment exceeding 10 ppm H_2S content. Two common types suitable for use in H_2S environments are the self contained breathing apparatus (SCBA) and supplied air or airline respirator.

25.8.1 Personnel required to use respirator protection devices shall be examined by a physician to determine the individuals physical ability to perform work while wearing a respirator. (See Respirator Program Section 8 of this manual.)

25.8.2 Respirators require a "facial seal" to be effective. This following is a list of items that could prevent a respirator mask from sealing.

25.8.2.1 Beard or long facial hair.

25.8.2.2 Long or bushy sideburns.

25.8.2.3 Hair down on forehead.

25.8.2.4 Eyeglass temples protruding past seal on mask.

25.8.2.5 Facial scars.

25.8.2.6 See Respirator Program Section 8 of this manual for additional information and fit testing instructions.

25.9 Detection devices and alarms are essential instrumentation for H_2S operations. There are a variety of detection devices available for use. However, two main types are commonly used, mechanical detectors and electronic detectors.

25.9.1 Testing shall be performed in areas designated as H_2S areas or areas suspected to contain H_2S and incoming tank tracks prior to the acceptance of each load. Air supplied full-face or self-contained breathing apparatus may be required for respiratory protection when performing testing as determined by management.

25.9.2 Anytime a situation requires the use of a hand held detection device. Respiratory protection must be available for immediate use if needed.

25.9.3 Detection alarm systems are installed on many permanent sites where a continuous possibility of encountering H_2S is possible. These electronic detection units continuously monitor the area in which the sensor heads are located, whether stationary or portable. It is important to find out what the alarms and settings are for each permanent system. Regardless of the cause of the alarm, you should treat every alarm as real until proven otherwise.

25.10 Wind direction consciousness is important at all times. Because H_2S is heavier than air, you should remain upwind from a source of H_2S. In the event of an alarm, you should move upwind, or crosswind away from the source and uphill if possible. Unless dispersed, H_2S will remain concentrated, so you must avoid low lying areas.

25.10.1 You should be familiar with wind socks and wind direction indicator locations and use them to maintain an upwind position.

25.11 Briefing areas and escape routes should be set up according to wind direction. a minimum of two briefing areas are required at least 250 feet away from well heads. At least one briefing area should be upwind at all times. Briefing areas shall have a sign prominently displayed and visible from anywhere on the site. Briefing areas are numbered and are to be used as refill stations for SCBAs. All personnel shall go to the briefing area upwind, as indicated by wind direction devices, in the event of an alarm.

25.12 Condition signs are commonly used to communicate the current conditions at most well sites containing H_2S. They will generally be colored flags displayed on a large sign and consist of three different colors to indicate the condition stage.

Stage #1	Green Flag	Normal Conditions.
Stage #2	Yellow Flag	There is a possibility of encountering H_2S or it has already been encountered in small quantities (1 ppm to 20 ppm).

Stage #3	Red Flag	Extreme Danger. Special operations are being done or there is a real possibility of encountering H_2S in harmful quantities (over 20 ppm).

25.12.1 Do not approach an H_2S location without proper authorization and a breathing apparatus while the red flag is displayed.

25.13 Escape and rescue should be the first consideration when arriving on a H_2S site. You should first note the location of windsocks, H_2S alarms, briefing areas, and escape routes. In addition, check in with the safety supervisor or proper company representative and be assigned a "buddy".

25.13.1 The procedures to be followed during your activity on location are:

25.13.1.1 Always know where your "buddy" is and make certain he knows where you are.

25.13.1.2 Always have your assigned breathing apparatus readily accessible and ready for use.

25.13.1.3 Should alarms sound, don breathing apparatus and go immediately to the "safe" upwind briefing area.

25.13.1.4 Stay constantly aware of wind direction.

25.13.1.5 Before you attempt to assist someone else, make positively sure that you are adequately protected yourself.

25.13.1.6 Should a rescue be required, you should attempt to drag the victim by grabbing his shirt collar and supporting the head. If clothing is unsuitable as a handhold, the victims arms may be stretch above the head, crossing the wrists, and use the arms to drag the victim. Be certain to support the victim's head.

25.13.1.6.1 Rescue by lifeline is another method were several people from a clear area can pull the victim out while a person wearing SCBA equipment supports the victim's head.

25.14 Contingency planning should be performed and available to all personnel. Some items covered in contingency plans are listed below:

25.14.1 General Information and Physiological response to H_2S and SO_2 exposure.

25.14.2 Safety Procedures, Equipment, Training and Smoking Rules.

25.14.3 Procedures for operating conditions.

25.14.3.1 Normal operations

25.14.3.2 Potential Danger.

25.14.3.3 Extreme Danger

25.14.4 The responsibility of personnel for each operating condition.

25.14.5 Designation of "Safe" briefing areas.

25.14.6 Designation of escape routes.

25.14.7 Evacuation plan including alarm system explanation.

25.14.8 Agencies to be notified in the event of an emergency. Includes definitions of emergencies at varying degrees.

25.14.9 A list of all residents, their location and phone numbers within a two mile radius of exposure.

25.14.10 A layout of rig, location and its proximity to local maps and topography sketch.

25.15 All personnel should read and become familiar with the contingency plan and be prepared to follow its procedures during an actual release of H_2S.

25.16 Each individual assigned to work in a H_2S area, as a portion of this necessary training should be trained in first aid and CPR. Each individual should review first aid and CPR guidelines and procedures at the start of each operation.

MID-TEX CONSTRUCTION COMPANY
P. O. BOX 3047 • PHONE 381-2710
ODESSA, TEXAS 79760

August 15,1997

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

Dear Mr. Marsh,

Per your request, I visited the Controlled Recovery, Inc. facility and offer the following assumption and estimates for closure. All pit residue will be stirred and dried to a state suitable for transportation by dump truck. I estimate that 200 cubic yards of material will be removed from each of the 12 surface inpoundments. After each impoundment has been cleaned, all berm soil will be pushed in and graded for proper drainage.

The large pit on the West Side will have the residue and contaminated soil transported to the landfill. The storage pit at the treating plant will have the residue hauled to the landfill and the berm pushed in and graded for proper drainage.

The landfill will be capped with 18" of virgin soil and graded for proper drainage.

Cost using current pricing would be as follows:

A.)	12 surface inpoundments	
	Stabilize residue	$6000.00
	Transport to land fill	$4800.00
	Closure	$6000.00
B.)	West Side pit	
	Stabilize residue	$800.00
	Transport to land fill	$1200.00
C.)	Storage pit treatment plant	
	Stabilize residue	$800.00
	Transport to landfill	$1200.00
	Closure	$400.00

MID-TEX CONSTRUCTION COMPANY
P. O. BOX 3047 • PHONE 381-2710
ODESSA, TEXAS 79760

D.)	**Landfill** **Cap with soil and graded for** **Proper drainage**	**$2000.00**
Total		**$23200.00**

369-3704

CRI

CONTROLLED RECOVERY INC.

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

April 7, 1997

Mr. Jerry Sexton
District Supervisor
State of New Mexico
Oil Conservation Division
P.O. Box 1980
Hobbs, New Mexico 88241

Dear Mr. Sexton,

N.M.O.C.D. Rule 711 Section C.8 provides for an exception to the requirements that tanks, pits and ponds exceeding sixteen feet in diameter be covered, screened or netted.

Controlled Recovery, Inc. is requesting that you issue this exception to CRI's facility located in Section 27 Township 20 South Range 23 east NMPM, Lea County permitted under order R-9166 April 27, 1997.

CRI's facility has night security lights, twenty-four hour truck traffic, is adjacent to US Highway 62-180 and County Road C-29. Machinery on site generates noise and movement. There are two dogs on site at all times. There are four full time employees assigned to facility operations.

In six years of operations there have been no incidents harmful to migratory birds at the facility. CRI's facility has been visited and inspected by U.S. Fish and Wildlife Services. Mr. Nicholas E. Chavez has been at the facility in the past 120 days and reported no problems or concerns. CRI also utilizes flags in some locations.

These alternate methods are more than adequate to protect migratory birds and clearly this facility is not hazardous to migratory birds.

Rule 711 provides that the NMOCD District Supervisor may grant the exception, which CRI now requests.

Sincerely,

Ken Marsh

Ken Marsh

The above request is granted this 14 day of April 1997.

Jerry Sexton

Jerry Sexton
District Supervisor
New Mexico Oil Conservation Division

Price, Wayne

From: Price, Wayne
Sent: Wednesday, March 11, 1998 11:10 AM
To: Martyne Kieling
Cc: Chris Williams; Roger Anderson
Subject: Field trip CRI

Dear Martyne;

I had an opportunity to visit CRI the other day concerning the Dowell gel material. I took some picture of the landfill and will forward them to you for your files.

NMOCD: ID#. 831317 By: W Price #3
Date/Time: Feb 26, 1998 3pm
Site/Co. CRI-Landfill OCD 711 facility
Location: Landfill east of Treat Plant.
Subject: Dowell waste gel isolated for sampling. Picture looking East.

NMOCD: ID#. 831317 By: W Price #2
Date/Time: Feb 26, 1998 3pm
Site/Co. CRI-Landfill OCD 711 facility
Location: Landfill east of Treat Plant.
Subject: Dowell waste gel isolated
for sampling. Picture looking NE.

NMOCD: ID#. 831317 By: W Price #4
Date/Time: Feb 26, 1998 3pm
Site/Co. CRI-Landfill OCD 711 facility
Location: Landfill east of Treat Plant.
Subject: West side of landfill looking
North to NE>

NMOCD: ID#. 831317 By: W Price #5
Date/Time: Feb 26, 1998 3pm
Site/Co. CRI-Landfill OCD 711 facility
Location: Landfill east of Treat Plant.
Subject: West side of landfill looking ENE.

NMOCD: ID#. 831317 By: W Price #6
Date/Time: Feb 26, 1998 3pm
Site/Co. CRI-Landfill OCD 711 facility
Location: Landfill east of Treat Plant.
Subject: NW corner of landfill.

NMOCD: ID#. 831317 By: W Price #7
Date/Time: Feb 26, 1998 3pm
Site/Co. CRI-Landfill OCD 711 facility
Location: Landfill east of Treat Plant.
Subject: SW corner of landfill.

NMOCD: ID#. 831317 By: W Price #8
Date/Time: Feb 26, 1998 3pm
Site/Co. CRI-Landfill OCD 711 facility
Location: Landfill east of Treat Plant.
Subject: Far NW corner of landfarm.
Picture looking NW.

NMOCD: ID#. 831317 By: W Price #9
Date/Time: Feb 26, 1998 3pm
Site/Co. CRI-Landfill OCD 711 facility
Location: Landfill east of Treat Plant.
Subject: Liquid unlined pit. Located just south and adjacent to landfill.

LOOKING EAST

NMOCD: ID#. 831317 By: W Price #10
Date/Time: Feb 26, 1998 3pm
Site/Co. CRI-Landfill OCD 711 facility
Location: Landfill east of Treat Plant.
Subject: Liquid unlined pit. Looking NW
Bkgd shows landfill.

NMOCD: ID#. 831317 By: W Price #11
Date/Time: Feb 26, 1998 3pm
Site/Co. CRI-Landfill OCD 711 facility
Location: Landfill east of Treat Plant.
Subject: Liquid unlined pit. Looking
west. approx. 50 yds from landfill.

NMOCD: ID#. 831317 By: W Price #12
Date/Time: Feb 26, 1998 3pm
Site/Co. CRI-Landfill OCD 711 facility
Location: Landfill east of Treat Plant.
Subject: SE corner of landfill looking
NW. Waste with free liquid near edge.

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.

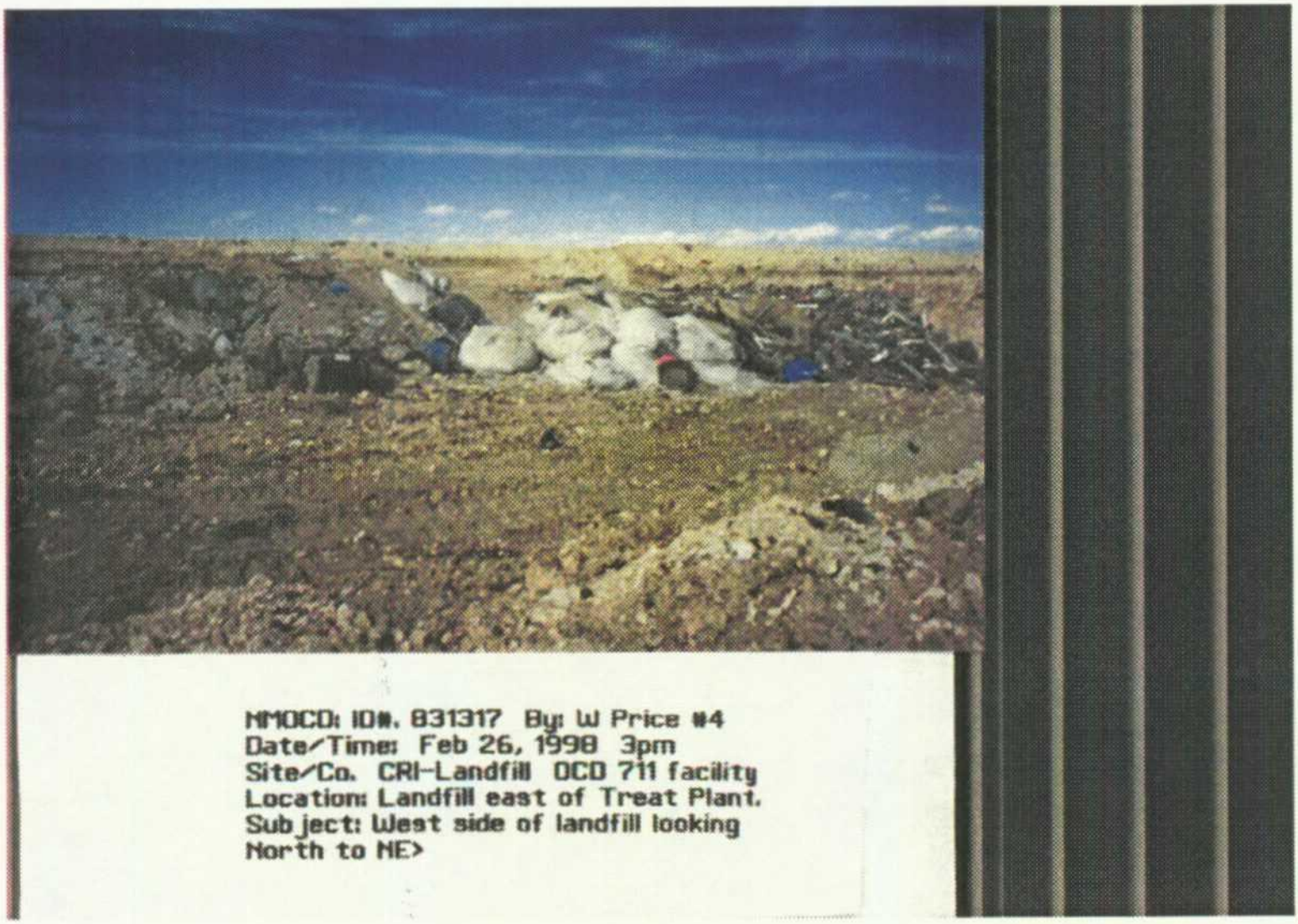
Any C-138 requesting authorization to dispose of empty drum(s) must be accompanied with the same "Generators Statement". In addition, the drums must be oil field waste, this is not authorization or procedure to dispose of any non-oil field drums .

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

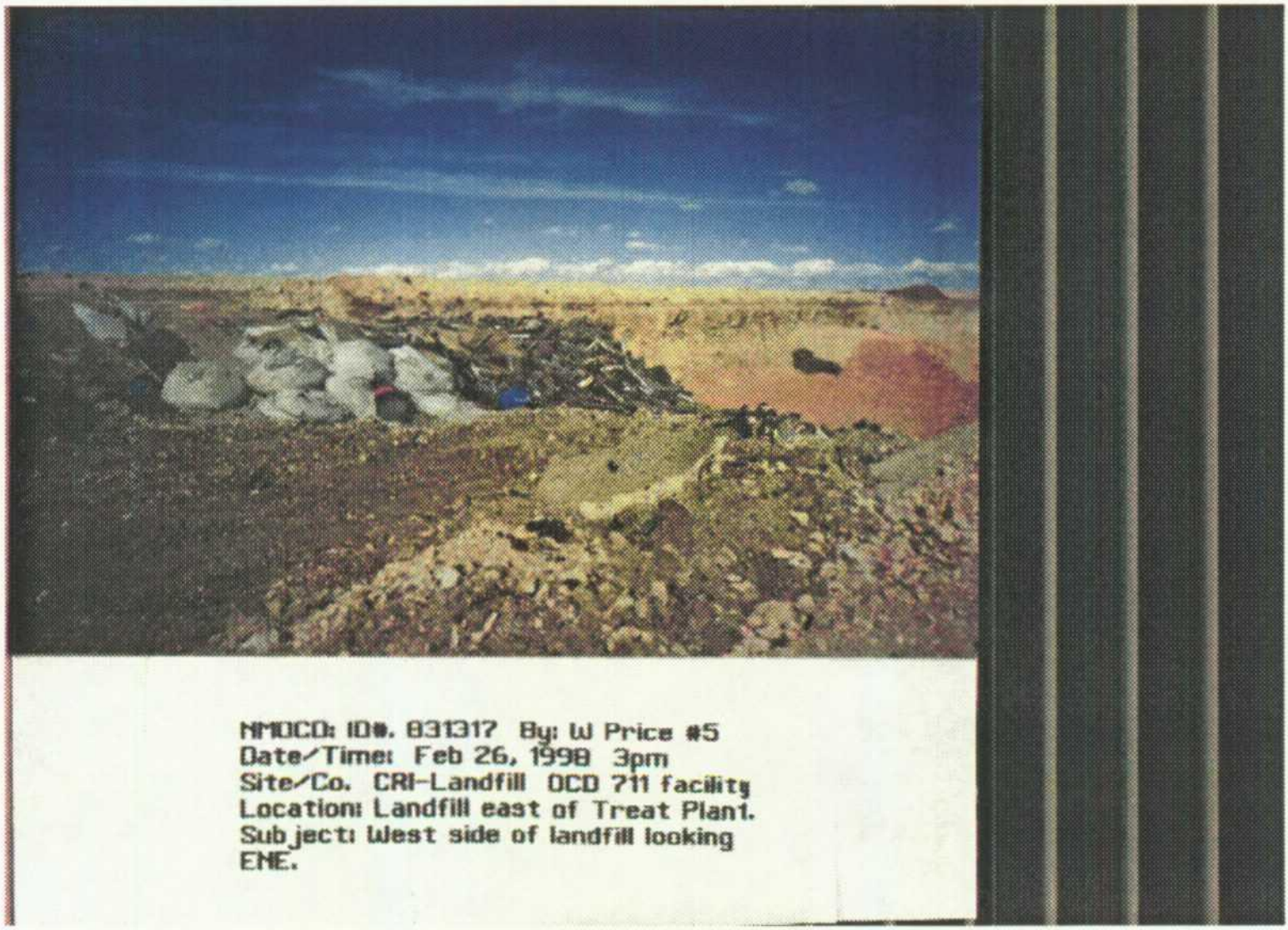
Sincerely,

Roger C. Anderson, Chief
Environmental Bureau

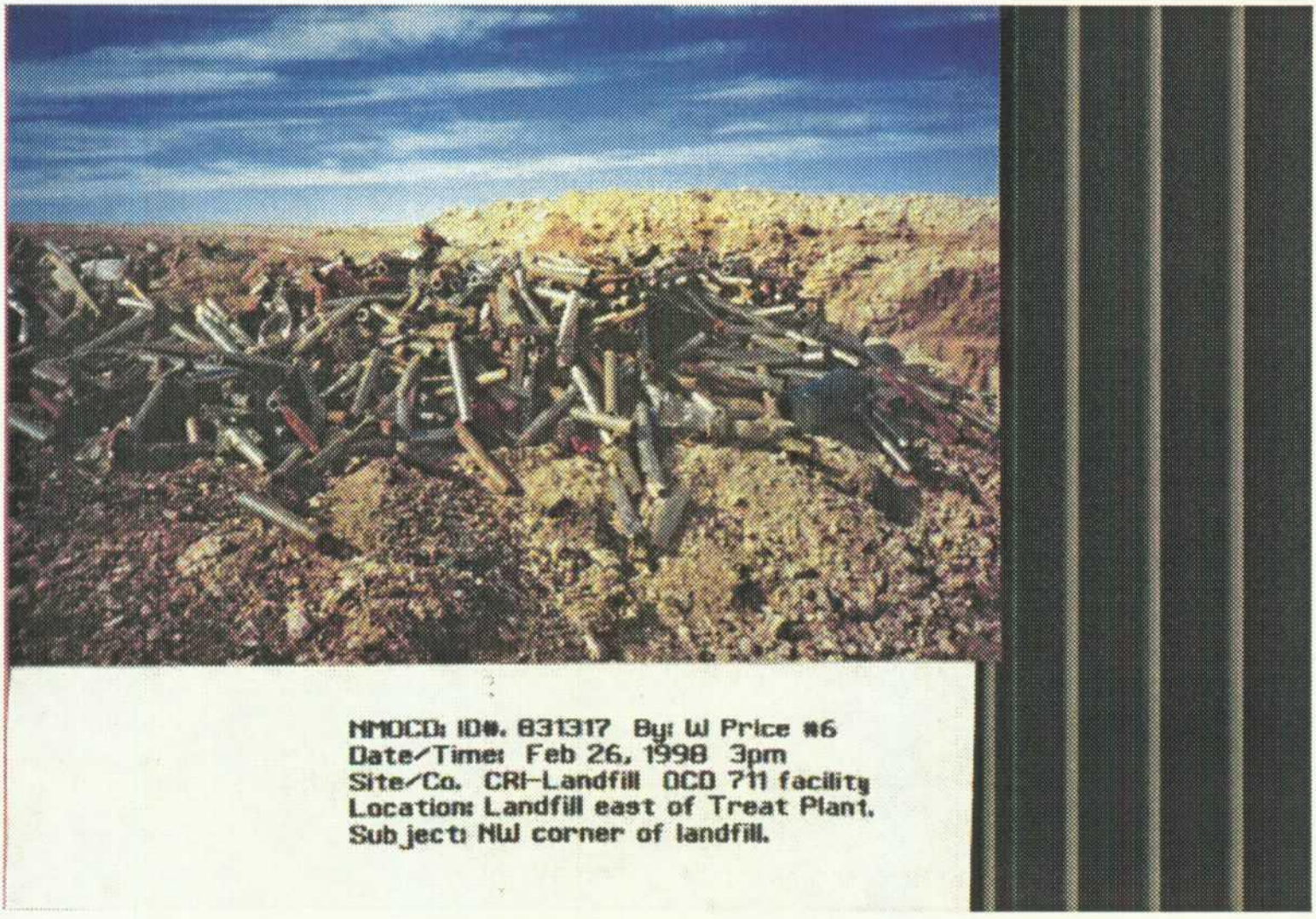
xc: OCD Artesia Office
OCD Hobbs Office
OCD Aztec Office



NMOCD: ID#. 831317 By: W Price #4
Date/Time: Feb 26, 1998 3pm
Site/Co. CRI-Landfill OCD 711 facility
Location: Landfill east of Treat Plant.
Subject: West side of landfill looking
North to NE>

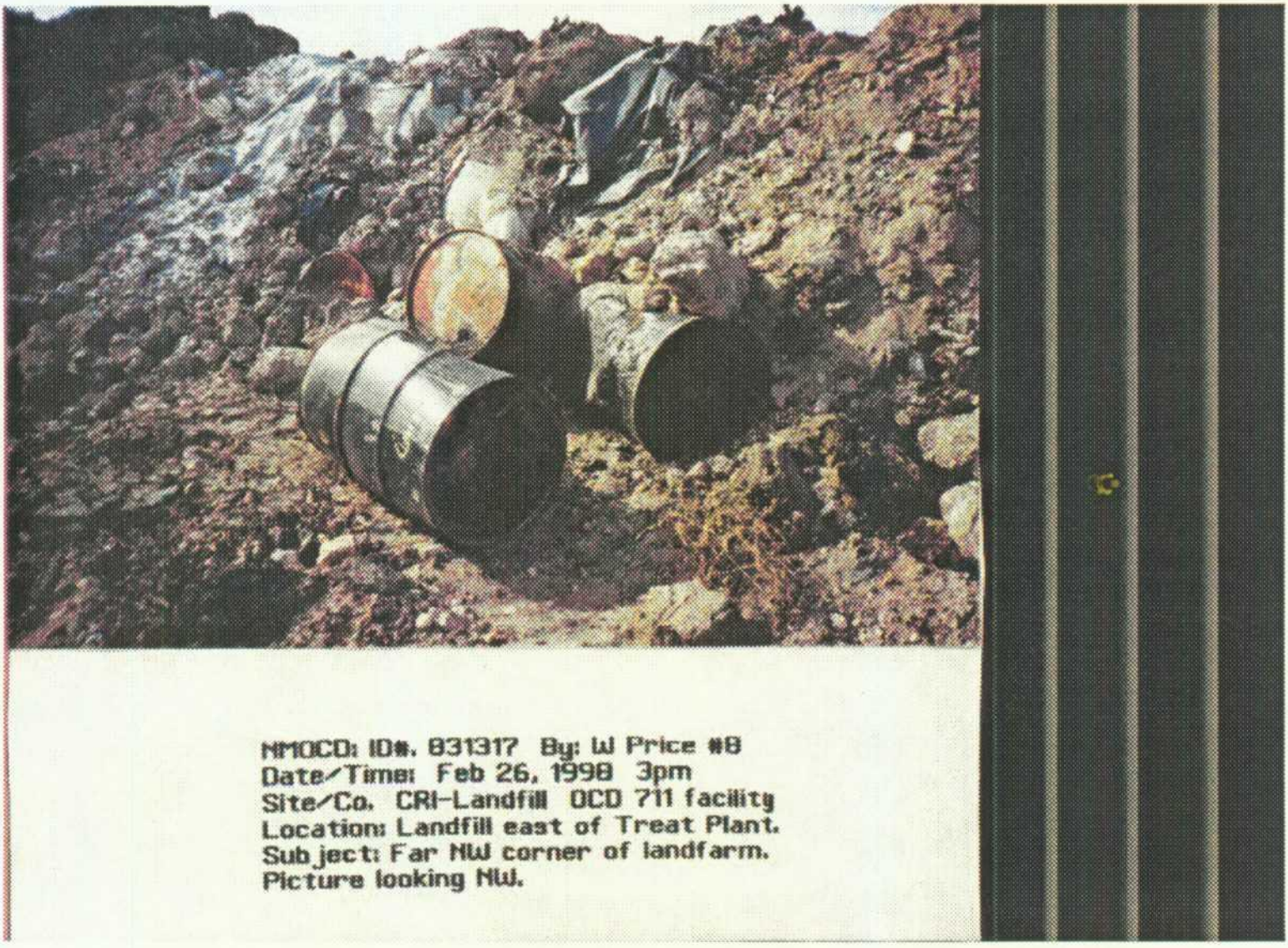


NMOCD: ID#. 831317 By: W Price #5
Date/Time: Feb 26, 1998 3pm
Site/Co. CRI-Landfill OCD 711 facility
Location: Landfill east of Treat Plant.
Subject: West side of landfill looking
ENE.

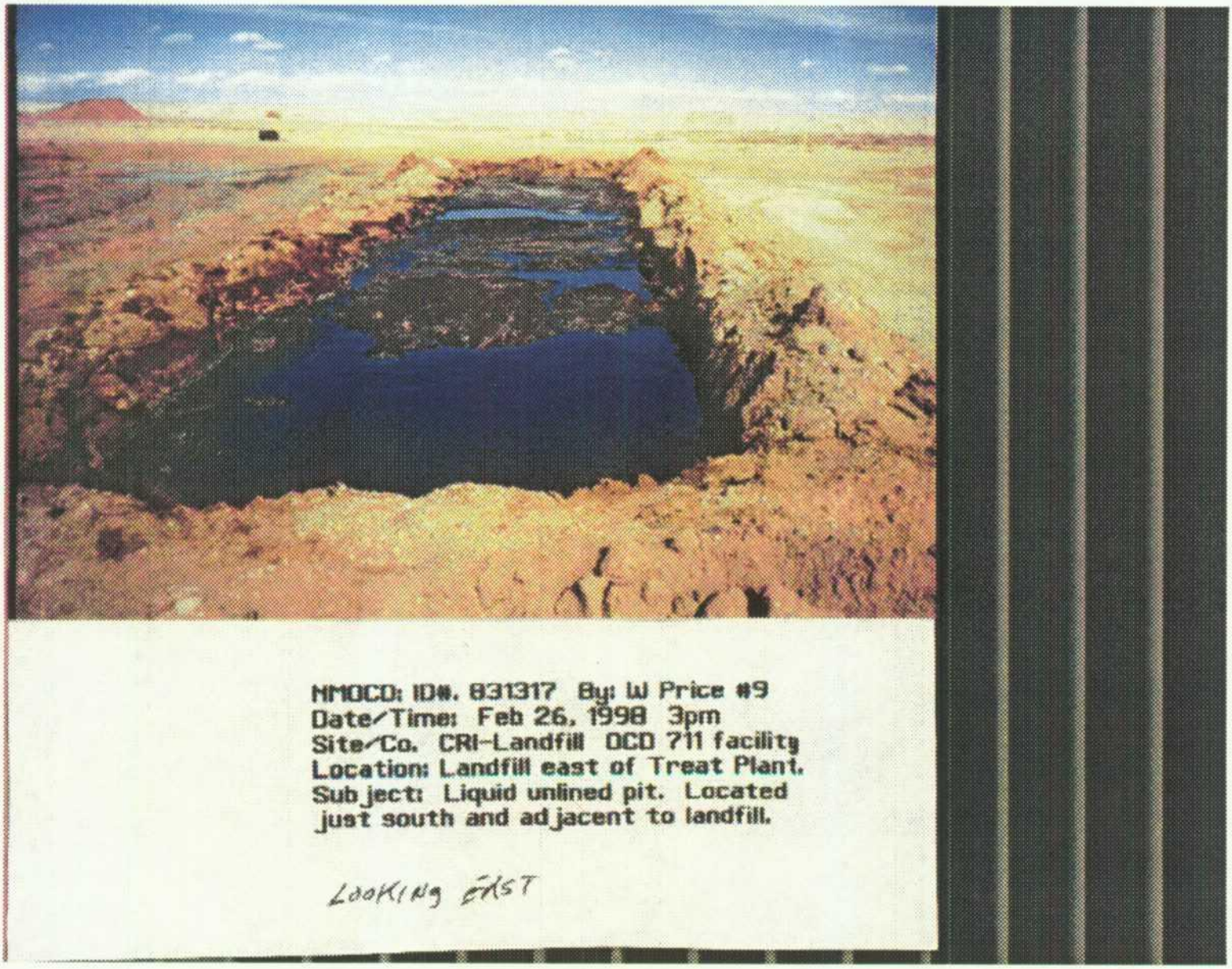


NMOCD: ID#. 831317 By: W Price #6
Date/Time: Feb 26, 1998 3pm
Site/Co. CRI-Landfill OCD 711 facility
Location: Landfill east of Treat Plant.
Subject: NW corner of landfill.

NMOCD: ID#. 831317 By: W Price #7
Date/Time: Feb 26, 1998 3pm
Site/Co. CRI-Landfill OCD 711 facility
Location: Landfill east of Treat Plant.
Subject: SW corner of landfill.



NMOCD: ID#. 831317 By: W Price #8
Date/Time: Feb 26, 1998 3pm
Site/Co. CRI-Landfill OCD 711 facility
Location: Landfill east of Treat Plant.
Subject: Far NW corner of landfarm.
Picture looking NW.



NMOCD: ID#. 831317 By: W Price #9
Date/Time: Feb 26, 1998 3pm
Site/Co. CRI-Landfill OCD 711 facility
Location: Landfill east of Treat Plant.
Subject: Liquid unlined pit. Located just south and adjacent to landfill.

Looking EAST

NMOCD: ID#. 831317 By: W Price #10
Date/Time: Feb 26, 1998 3pm
Site/Co. CRI-Landfill OCD 711 facility
Location: Landfill east of Treat Plant.
Subject: Liquid unlined pit. Looking NW
Bkgd shows landfill.

NMOCD: ID#. 831317 By: W Price #11
Date/Time: Feb 26, 1998 3pm
Site/Co. CRI-Landfill OCD 711 facility
Location: Landfill east of Treat Plant.
Subject: Liquid unlined pit. Looking
west. approx. 50 yds from landfill.

NMOCD: ID#. 831317 By: W Price #12
Date/Time: Feb 26, 1998 3pm
Site/Co. CRI-Landfill OCD 711 facility
Location: Landfill east of Treat Plant.
Subject: SE corner of landfill looking
NW. Waste with free liquid near edge.

CRI

CONTROLLED RECOVERY INC.

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

April 3, 1998

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

Re: C138 Navajo Artesia Facility dated March 30, 1998 # 03-018

Dear Mr. Price,

Controlled Recovery, Inc. has resubmitted the above referenced C138 with the item number nine circled.

This C138 was signed by Billie Charo, who is an employee of Controlled Recovery, Inc.

Your letter addressed to me concerning this matter is a very nicely done case of bureaucratic hand spanking, evidently for some of my past comments, association with industry related personnel, or actions, and points out my incompetence to Controlled Recovery, Inc.'s clients.

You and I have had discussions about the failure of the C138 to conform to Rule 711.

Line item number nine seems to be more for Oil Conservation Division use than the receiving facility. The three items in number nine are statements not choices or selections, furthermore all three are incorrect and do not conform to Rule 711. I suggest it is New Mexico Oil Conservation Division's duty to circle number nine not Controlled Recovery, Inc.

The C138 is required only for non-exempt, non-hazardous oilfield waste, please see Section C of Rule 711. It would have not been submitted were it an exempt waste.

The C138 was attached to a letter from Navajo Refining detailing the origin and process generating the waste and a certificate of waste status of **non-exempt waste material** as well as acceptable documentation to determine that the waste is non-hazardous. Item number one indicates non-exempt waste.

You have approved C138's in the past that did not have line number nine circled, as has NMOCD Santa Fe. I assumed this was because inclusion of the above referenced documents clearly indicates the status of the material and your recognition of the inconsistencies of form C138.

All exempt oil field wastes do not require a certificate of waste from the generator. All requests for approval to accept non-exempt wastes are not required to be accompanied by "necessary chemical analysis". Rule 711 does not require that all transporters must certify the wastes delivered are only those consigned for transport, our company policy requires this certification.

Perhaps a detailed review of Rule 711 would be helpful to you in your diligent effort to regulate the industry.

You mention time and effort caused by our failure to circle item number nine. You could have solved all this with a phone call or approving the C138 as you have in the past.

The C138 indicates that the original plus one copy be submitted to the appropriate district office. This is not required by Rule 711 and Controlled Recovery, Inc. has never submitted a copy. I point this out so that you may use this as a reason to reject any future C138's.

I applaud you for your vigilance but not for your vengeance.

You have your job, as does Controlled Recovery, Inc. We both have been professional in our approaches to our responsibilities in the past, consequently I am unable to understand the reason for this action. Please remember that good communication and relationships benefit NMOCD and the industry you regulate.

Sincerely,

Ken Marsh

Cc:

Lori Wrotenbery	Director NMOCD
Chris Williams	District Supervisor NMOCD
Martyne Kieling	Environmental Bureau Santa Fe
Roger Anderson	Environmental Bureau Chief Santa Fe
Darrell Moore	Navajo Refining Artesia

NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

DISTRICT I Hobbs
PO BOX 1980
Hobbs, NM 88241-1981
(505) 393-6161

Jennifer A. Salisbury
CABINET SECRETARY

April 2, 1998

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

Re: C-138 Navajo Refining Artesia Facility dated 3/30/98, #03-018

Dear Mr. Marsh:

Please find enclosed the above referenced C-138s returned for the following error and/or errors:

*** These documents were deficient in line item #9. There was no circled selection.

The NMOCD is once again requesting that CRI perform a more detail critical review of these type submittals to prevent and/or decrease these type of errors which cost the NMOCD extra man-hours and also increases the overall approval process for you and your client.

The NMOCD would appreciate any assistance you may provide in this manner and if you require any further information or assistance please do not hesitate to call (505-393-6161) or write this office.

Sincerely Yours,

Wayne Price-Environmental Engineer

cc: Chris Williams-NMOCD District I Supervisor
Martyne Kieling-Environmental Bureau, Santa Fe, NM
Roger Anderson-Environmental Bureau Chief, Santa Fe, NM
Darrell Moore-Navajo Refining Artesia

attachments- returned C-138

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

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

Form C-1
Originated 8/1

Submit Orig
Plus 1 C
to appropr
District O

REQUEST FOR APPROVAL TO ACCEPT SOLID WASTE

1. RCRA Exempt: ☐ Non-Exempt: ☒	4. Generator Navajo Refining
Verbal Approval Received: Yes ☐ No ☐	5. Originating Site Artesia Facility
2. Management Facility Destination Controlled Recovery, Inc.	6. Transporter Sweatt
3. Address of Facility Operator P.O. Box 369 Hobbs	8. State New Mexico
7. Location of Material (Street Address or ULSTR) 501 E Main Artesia	New Mexico

9. Circle One:

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

B. All requests for approval to accept non-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 for the Navajo Refining Artesia facility. The material was generated by by the excavation of soil to construct a tail gas unit. I have included a certificate of waste and a chain of custody.

APR 1998
Received
Hobbs
OCD

03-018

Estimated Volume 300 yards cy Known Volume (to be entered by the operator at the end of the haul) _____ cy

SIGNATURE: _____ TITLE: Environmental Compliance Manager DATE: 03/30/98
Waste Management Facility Authorized Agent

TYPE OR PRINT NAME: Billie Charo TELEPHONE NO. (505)393-1079

(This space for State Use)

APPROVED BY: _____ TITLE: _____ DATE: _____

APPROVED BY: _____ TITLE: _____ DATE: _____

CRI

CONTROLLED RECOVERY INC.

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

April 3, 1998

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

Re: C138 BJ Services Artesia Facility dated March 31, 1998 03-017

Dear Mr. Price,

I have circled line item number 9 and resubmitted the C138.

As per my letter concerning this same problem with our 03-018, your action is unwarranted and not consistent with past practices of New Mexico Oil Conservation Division.

Sincerely,

Ken Marsh

cc: Lori Wortenbery Director NMOCD
Chris Williams District Supervisor NMOCD
Martyene Kieling Environmental Bureau Santa Fe
Roger Anderson Environmental Bureau Chief Santa Fe

NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
DISTRICT I Hobbs
PO BOX 1980
Hobbs, NM 88241-1981
(505) 393-6161

Jennifer A. Salisbury
CABINET SECRETARY

April 2, 1998

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

Re: C-138 BJ Services Artesia Facility dated 3/30/98,# 03-017

Dear Mr. Marsh:

Please find enclosed the above referenced C-138s returned for the following error and/or errors:

*** These documents were deficient in line item #9. There was no circled selection.

The NMOCD is once again requesting that CRI perform a more detail critical review of these type submittals to prevent and/or decrease these type of errors which cost the NMOCD extra man-hours and also increases the overall approval process for you and your client.

The NMOCD would appreciate any assistance you may provide in this manner and if you require any further information or assistance please do not hesitate to call (505-393-6161) or write this office.

Sincerely Yours,

Wayne Price

Wayne Price-Environmental Engineer

cc: Chris Williams-NMOCD District I Supervisor
Martyne Kieling-Environmental Bureau, Santa Fe, NM
Roger Anderson-Environmental Bureau Chief, Santa Fe, NM

attachments- returned C-138

CRI

CONTROLLED RECOVERY INC.

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

February 20, 1998

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

Re: Araho Pit & Pit one mile North of Eunice on Deck Property

Dear Mr. Price,

I asked for the status (exempt vs. non-exempt) of these pits. You indicated in your letter of February 11, 1998 that you "at this time" did not know the status of these pits and that "you might want to contact the generator concerning this issue".

When will you know the status of these pits? Does the generator make the determination of exempt vs. non-exempt?

Thank you for your help.

Sincerely,

Ken Marsh

Ken Marsh

Att: MARLYNE HILLIARD - NMOCD S.F.
PER OUR TELEPHONE
DISCUSSION I AM FORWARDING
THIS MP to S.F.

CC: CHRIS WILLIAMS
KEN MARSH

NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OFFICE OF THE SECRETARY
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-5950

Jennifer A. Salisbury
CABINET SECRETARY

February 11, 1998

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

Re: Letter dated Feb 04, 1998, Araho pit & pit one mile north of Eunice on Deck property.

Dear Mr. Marsh:

The New Mexico Oil Conservation Division (NMOCD) District I office is open between 8 am-12, and 1pm-4pm every Monday-Friday, except Holidays. Please feel free to visit our office located at 1000 W. Broadway, as records me be reviewed and copied. We ask that you not remove records from the building.

We look forward to you visiting the NMOCD. The records you are seeking probably will be located in the Well file room concerning plugged wells.

Please note you ask a question concerning the pit statuses as exempt or non-exempt of these pits. At this time I do not know the status of these pits. You might want to contact the generator concerning this issue.

As to your question concerning the ownership of the pit located one mile north of Eunice, I would like to refer you to our Environmental Bureau concerning this issue, as I do not know the owner or the liable party at this time.

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

Sincerely Yours,

Wayne Price-Environmental Engineer

cc: Chris Williams-NMOCD District I Supervisor
Martyne Kieling-Environmental Bureau, Santa Fe, NM

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

February 4, 1998

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

Re: Araho pit near Lovington and pit one mile north of Eunice on Deck property

Dear Mr. Price,

Please give me a determination on these pit statuses as exempt or non-exempt as applies to New Mexico Oil Conservation Division rules for disposal or land farming.

You have indicated to me that the owner of the Eunice pit is unknown. What effort has the OCD made to determine ownership and liability? In regard to the Araho site, is the well bore plugged to NMOCD requirements?

Thanks in advance for you help.

Sincerely,

K Marsh

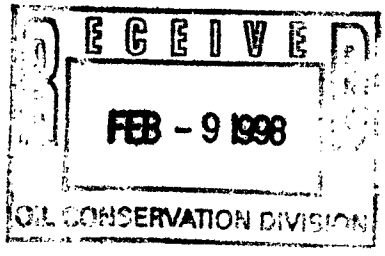
Ken Marsh

CRI

CONTROLLED RECOVERY INC.

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

February 5, 1998



Martyne J. Kieling
New Mexico Oil Conservation Division
2040 South Pacheco
Santa Fe, New Mexico 87504

Re: Controlled Recovery, Inc. Order No. R9166

Dear Ms. Kieling,

Enclosed please find plot of Controlled Recovery, Inc. facility with attachments.

Please contact me if I may be of further assistance.

Sincerely,

Ken Marsh

CRI

CONTROLLED RECOVERY INC.

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

1 SWD

2 Jet Pit

3 Solids Pit

4, 5, 6, 7, 8, 9, 10, 11, and 12 Evaporation areas

13 Storage Pond above ground

14 Treating Plant See attachment

15 Solids Pit

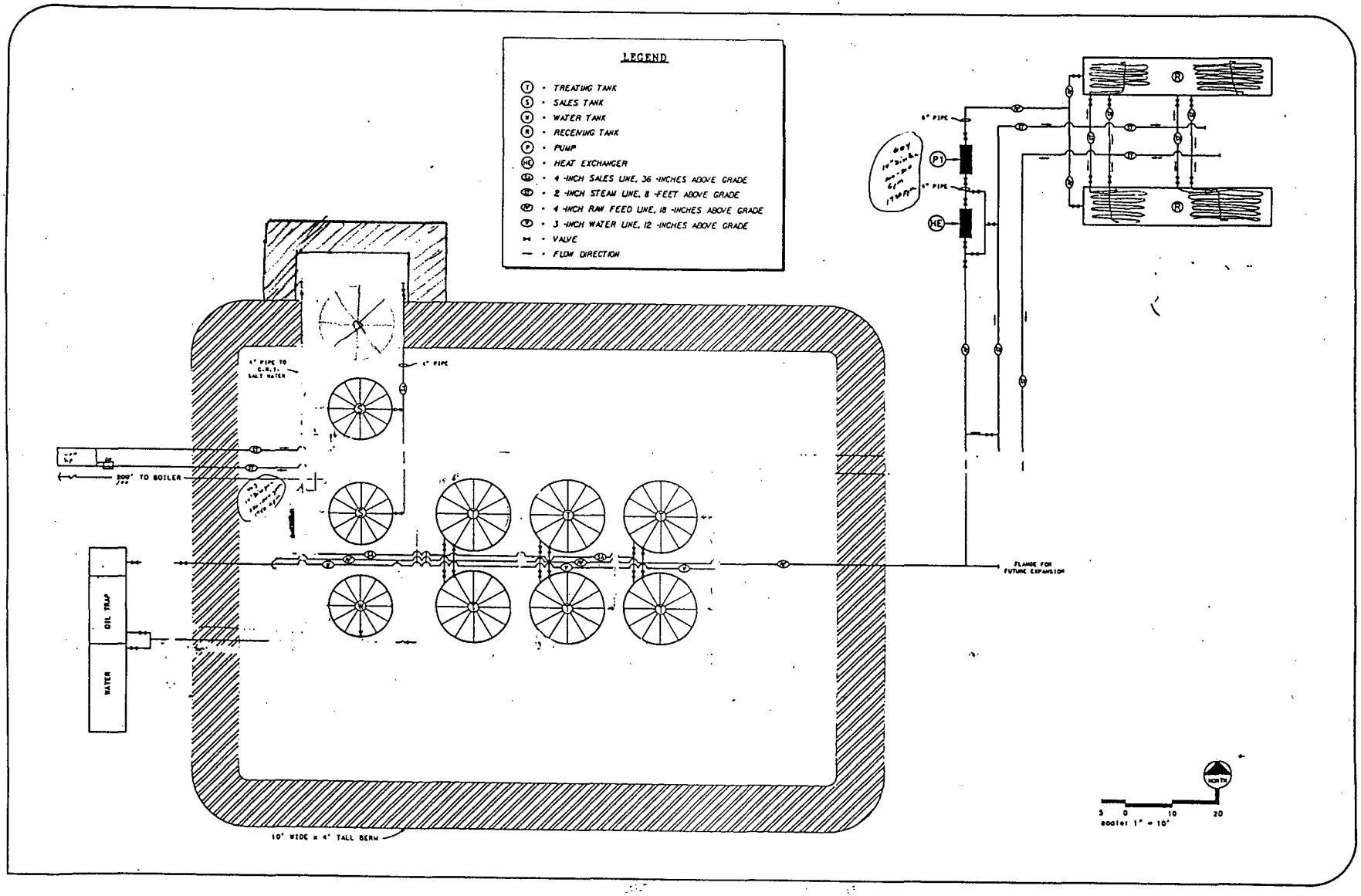
16 Storage

17 Storage

18 Security

19 Laboratory & Office

20 Boiler



CONTROLLED RECOVERY, INC.
HOBBS, - NEW MEXICO

SITE PLAN AND EQUIPMENT LAYOUT

Transocean Environmental, Inc.
3400 Hollywood Blvd.
Hollywood, Florida 33020

PROJECT NUMBER

SHEET 1

, containing 193.808 acres, more or less.
The South 30 feet being reserved as a utility easement

U.S.A.

TRACT 1

U.S. HIGHWAY 62-180

K.R.M.

ACCESS EASEMENT

QUAIL RUN DEV.

TRACT 2

15

16

17

1 2 3 4 5 6

10 11 12

10

1

13

19

14

20

9 8 7

RPI

U.S.A.

CRI

CRI

CONTROLLED RECOVERY INC.

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

February 4, 1998

Martyne J. Kieling
New Mexico Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87504

Dear Mrs. Kieling,

Controlled Recovery, Inc. has received inquires from our clients regarding burial of oil field waste on the location at the well site as well as using contaminated soil for use as berms or on roads.

Please help me to understand the OCD position on this subject and with regard to the status of exempt or non-exempt material.

Thanks in advance for your help.

Sincerely,

Ken Marsh

NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OFFICE OF THE SECRETARY
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-5950

Jennifer A. Salisbury
CABINET SECRETARY

February 11, 1998

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

Re: Letter dated Feb 04, 1998, Stevans & Tull Pit inquiry.

Dear Mr. Marsh:

The New Mexico Oil Conservation Division (NMOCD) District I office is open between 8 am-12, and 1pm-4pm every Monday-Friday, except Holidays. Please feel free to visit our office located at 1000 W. Broadway, as records me be reviewed and copied. We ask that you not remove records from the building.

We look forward to you visiting the NMOCD. The records you are seeking probably will be located in the Environmental files.

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

Sincerely Yours,

Wayne Price-Environmental Engineer

cc: Chris Williams-NMOCD District I Supervisor
Martyne Kieling-Environmental Bureau, Santa Fe, NM

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

February 4, 1998

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

Re: Stevens & Tull Disposal Pit

Dear Mr. Price,

Please advise me of the status of New Mexico Oil Conservation Division investigation in to this matter.

Sincerely,

Ken Marsh

Gary Wink

RECEIVED

FEB 18 1998

Environmental Bureau
Oil Conservation Division

MEMO

TO: Accusation file

FROM: Jerrie Moore, Environmental Specialist

Date: January 30, 1998

Subject: Inspection of CRI facility.

On January 28, 1998 while in the Hobbs area Wm. Floyd, Program Manager telephoned me on the cell phone to report that an anonymous call had been received in Santa Fe reporting the dumping of liquid NORM at the CRI site between Hobbs and Carlsbad. The caller was identified as being from Texas.

Mr. Floyd had contacted OCD about the situation and I called Gary Wink, Field Representative II, from the Hobbs office of OCD to arrange a time to meet me at the site. Mr. Floyd also faxed a notice to Ken Marsh, owner of the CRI facility that I would be doing some sampling.

At approximately 1:30 PM on the 29th I surveyed those areas of the CRI facility that Mr. Marsh indicated might be the areas in question by the caller. The caller was supposed to have seen the dumping from the highway. My surveys were done on the landfill site to the southeast end of the CRI site and in the UST remediation area to the north side of the highway. I surveyed using a Ludlum model 3 microR meter.

In the landfill area the highest reading I recorded was 32 microR/hr. Most of the other readings I got were close to background readings, 10 microR/hr. This reading is below the regulatory limit that would indicate NORM being present.

In the UST area, which was fairly extensive, I surveyed where it appeared that liquids might have been dumped in the last few days. In this area I got no readings above background. Mr. Marsh and the supervisor of the site did say that a tanker had dumped some petroleum/water mixture at the site just recently.

It is my conclusion based on the information I have that there is no NORM contaminated soils that were surveyed and that what the caller saw was the tanking dumping the liquid on the ground in the north UST site.

STATE OF NEW MEXICO
NEW MEXICO
ENVIRONMENT DEPARTMENT

JERRIE L. MOORE
RADIATION SPECIALIST
RADIATION LICENSING AND REGISTRATION SECTION

4131 MONTGOMERY, NE
ALBUQUERQUE, NM 87109

TELEPHONE:
(505) 841-9471 (OFFICE)
(505) 836-1710 (HOME)
(505) 884-9254 (FAX)

"LEA"
EDDY
R.33 E.
R.32 E.
R.31 E.
R.30 E.
©1990 Shearer Publishing

ATT: CHRIS WILLIAMS
MARTANE KELLIS

CRI

CONTROLLED RECOVERY INC.

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

January 22, 1998

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

Dear Mr. Price,

Controlled Recovery, Inc. has at your request sampled and tested two pits in Lea County.

Results:

Araho pit near Lovington owned by Dorothy Runnels

Top sample 50% dirt 35% water 10% plug
Bottom sample 50% dirt 45% water 5% plug

Pit one mile North of Eunice on Deck Property – Owner Unknown

Top sample 40% dirt no other shakeout results
Bottom sample 100% dirt

Our conclusion is that there is no economic value from hydrocarbon recovery at either site.

Sincerely,

Ken Marsh

1/20/98 KKMO - ART

Arabo

#1

50% dirt
35% Water
10% Plug

95% Total

#2

50% dirt
45% H2O
5% Plug

100% Total

Top Eunice

40% dirt
— H2O
— Plug

40% Total

Under Eunice

100% Dirt
— H2O
— Plug

100% total

PROBLEM OIL PIT INSPECTION CHECKLIST

Site Number (State-Year-Waypoint):

CRI

Checklists Completed (circle those that apply):

A B C

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

6/12/97 ---Reproduced by US EPA Region VI with permission 9/19/97

PROBLEM OIL PIT INSPECTION CHECKLIST

SECTION ONE: Site Information

Site Name and Waypoint: CRI Controled Recovery Inc.

Lease # and Operator: Ken Marsh General Mgr.

Site Location Section/Township/Range: _____

GPS Coordinates Obtained During Aerial Survey: _____

GPS Coordinates Obtained During Site Inspection: _____

Site Address: 37 mi. E. Hobb on 62/180 P.O Box 369 Hobbs.

City/County/State/Zip: Hobbs NM 88241

USFWS Case ID #: _____

EPA Facility ID # and/or NMOCD ID #'s: OCD- R9166

Contact Name/Affiliation/Phone: Ken marsh - 505-391-1079

Contact Address (if different from site address): _____

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

SECTION TWO: Inspection Information

Inspection date and time: 9/22/97 9:15 A.M.

Describe weather conditions (including estimated temperature): cloudy some rain 60°F.

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

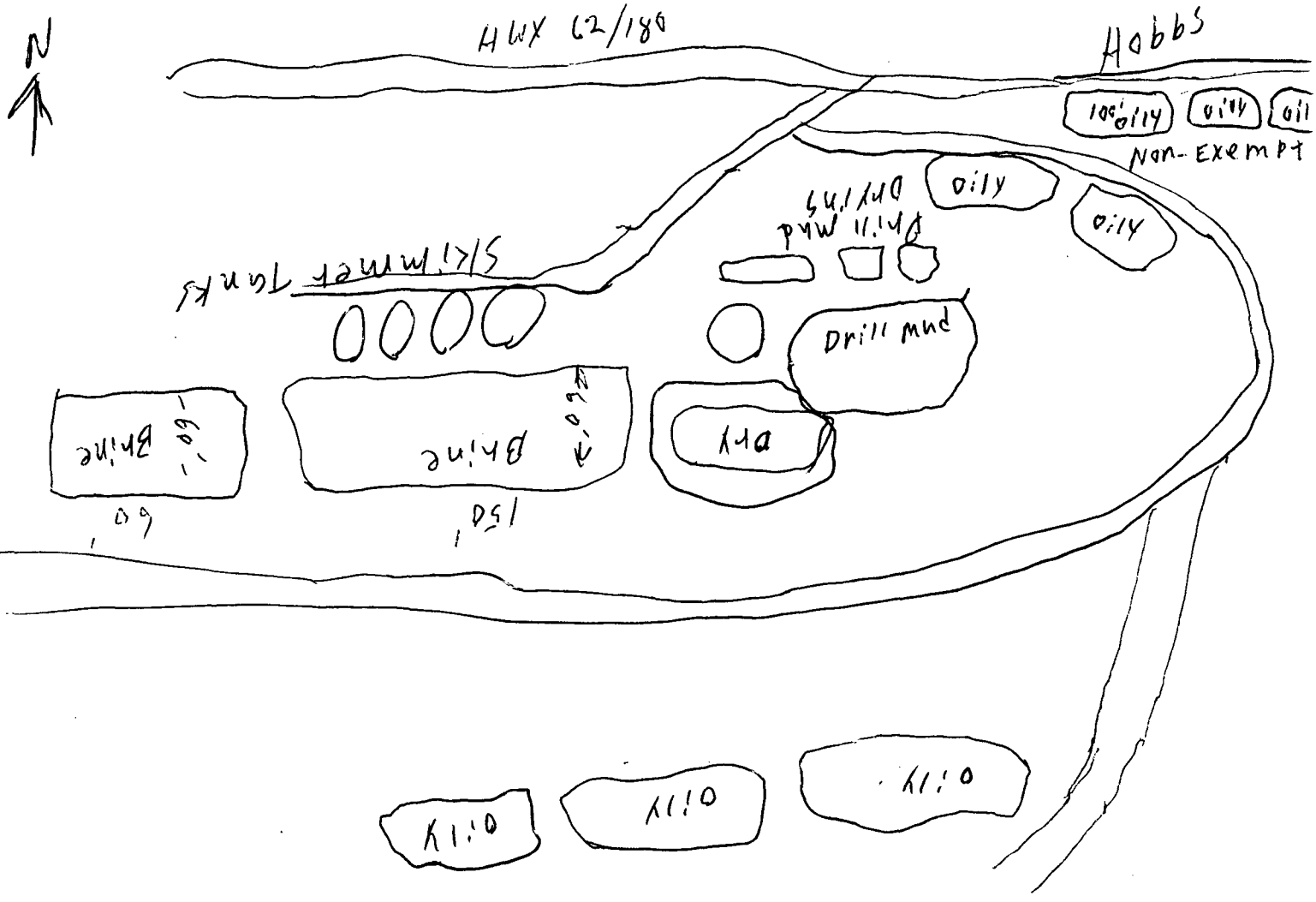
Inspection Team:

Inspector 1	Wayne Price	Agency/Program:	NMOCD	Phone:	
Inspector 2	Nick Chaves	Agency/Program:	U.S. F&W	Phone:	
Inspector 3	Greg Pashia	Agency/Program:	US. EPA	Phone:	
Inspector 4		Agency/Program:		Phone:	
Inspector 5		Agency/Program:		Phone:	
Inspector 6		Agency/Program:		Phone:	

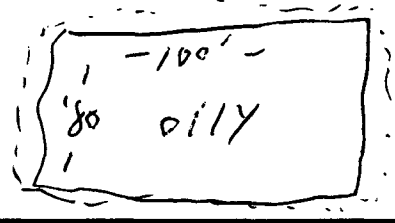
SECTION THREE: Sketch of Site/Layout

Site Number and Name : CRI

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



Due East of above sketch approx. ½ mi.



Netted on top
sides open
4' high net supports

oily oily metn Boxes

SECTION FOUR: General Observations

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

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

2. Are pits, ponds, tanks, sumps, or other devices which may accumulate oil covered with netting or are there any other wildlife exclusionary or deterrent devices in use (covers, flagging, etc.) ? Yes X No___
   Flagging

3. Are there any dead or oiled birds or other wildlife on or near the site or any indication of oiled birds/wildlife previously at or near the site (oily tracks, etc.) ? Yes___ No X

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

1. Is there a discharge (either ongoing or one-time) from a pit, pond, tank, or other device at the site ? Yes X No___
   leaking pond on south side.

2. Is there indication of any past or potential future discharge from a pit, pond, tank, or other device at the site (soil staining, fresh dirt or gravel used as cover, 2 ft or less freeboard maintained, eroded berms, etc.) ? Yes___ No___

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

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

Tanks are on Sketch.

2 Retangular tanks to recoveh oil on far East part of site

CHECKLIST "A" - PITS

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

8 pits identified to contain oily waste. Pits were usually 30'by 30' in size. Lots of strong oil odor. material looked asphaltic to liquid oily material

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

Netting on East pond. Netting is supported by 4' high metal poles around permitted disposal area. Lined pit.

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

None

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

Freeboard adequate.

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

Permitted by OCD

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

adequate secondary containment around all tanks

CHECKLIST "B" - DISCHARGES AND SPILLS

1. Indicate whether or not the site has a NPDES permit and, if so, indicate the permit number and whether or not the number is posted on site: No NPDES

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

   No discharge

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

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

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

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

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

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

CHECKLIST "C" - TANKS AND CONTAINERS

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

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

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

CONTINUATION SHEET (identify Section and/or Checklist continued)

PHOTO LOG

Site Number: CRI

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

Photographer: Wallace O'Rear

Photo Number	Subject CRI
RIE02	Two pits located on the North East portion of facility
RIE03	Drilling Muds pit
RIE04	Pits on the southeast portion of facility
RIE05	Photo of pits looking southeast
RIE06	Photo of exempt waste pit
RIE07	Photo of our footprints after walking through the depression filled up with oily substance
RIE08	Pits on the Northeast portion of facility. Facility personnel indicated that the pit held non-exempt waste
RIE09	Eastern most pit which contains non-exempt waste.
RIE10	Netted pond about ½ mile from other pits. The pit is also lined
RIE11	Close-up of lined netted pit
RIE12	Photo of pit that is netted
RIE13	Drums located next to netted pit
RIE14	Heater units located across from the netted pit

NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

June 27, 1997

CERTIFIED MAIL
RETURN RECEIPT NO. P-326-936-283

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

RE: Treating Plant Inspection
Controlled Recovery Inc.
S/2 N/2 and the N/2 S/2 of Sec. 27, Twn. 20 S, Rng. 32 E, NMPM
Lee County, New Mexico

Dear Mr. Marsh:

The New Mexico Oil Conservation Division (OCD), inspected Controlled Recovery Inc. (CRI) treating plant located in the S/2 N/2 and the N/2 S/2 of Sec. 27, Twn. 20 S, Rng. 32 E, NMPM, Lee County, New Mexico, on April 1, 1997.

Overall the OCD found CRI to have good security, facility postings and a well maintained yard. The OCD inspection and current file review of CRI indicates some permit deficiencies. Attachment 1 lists the permit deficiencies found at CRI during the inspection and the new Rule 711 requirements that are not on file. Attachment 2 contains photographs taken during the inspection. CRI shall provide OCD with a detailed description of how the corrections will be made and a time table of when each of the corrections will be completed. A response is required by CRI to these deficiencies by August 27, 1997.

Pursuant to Order R-10411-B the OCD General Rule 711 has been revised. The OCD is currently in the process of re-permitting all surface waste management facilities under the new Rule 711. CRI treating plant is included under the new Rule 711. A copy of Order R-10411-B along with the new bond forms were given to you (Ken Marsh) during the OCD inspection on March 31, 1997. A permit application, Form C-137 (attachment 3), shall be filed with the OCD according to the instructions in Attachment 1, Section 15.

Please be advised that the bonding requirements have changed under the new Rule 711. The bonded amount will be based upon the estimated closure costs that the State of New Mexico would incur if a third party contractor were to remediate the facility (see Rule 711.B.1.(i)). CRI must

have a new bond in place for the approved estimated closure amount prior to receiving a new waste management facility permit.

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

Sincerely,

Martyne J. Kieling
Environmental Geologist

Attachments
xc: Hobbs OCD Office

INSPECTION REPORT
APRIL 1, 1997
CONTROLLED RECOVERY INC.
(S/2 N/2 and the N/2 S/2 of Sec. 27, Twn. 20 S, Rng. 32 E)
LEE COUNTY, NEW MEXICO

1. Drum Storage: All drums containing materials other than fresh water must be stored on an impermeable pad with curbing. All empty drums should be stored on their sides with the bungs in and lined up on a horizontal plane. Chemicals in other containers such as sacks or buckets should also be stored on an impermeable pad and curb type containment.

   Empty drums and/or drums containing fluids were located at the facility (see picture 15).

   All drums and chemical containers should be clearly labeled to identify their contents and other emergency information necessary if they were to rupture, spill or ignite.

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

   Good yard maintenance practices were evident in the process areas, tank piping and valve areas near the evaporation pond showed evidence of recent cleanup of contaminated soils. Solids in landfill area were all disposed of with in the pit boundary (see picture 19).

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

   The above ground tanks at the west end of the facility have proper berming with sufficient volume (see picture 5). The treatment facility tanks at the eastern end of the facility had a sufficient size berm but the berm was breached and needs repairing (see picture 16). The unlabeled tank (see picture 6) should be properly labeled as a water tank or bermed.

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

Some of the exposed pits at this facility contained oil and were not not properly covered, some pits have netting but it has collapsed into the ponds (see pictures 1, 2, 3, 4, 9, 10, 11, 12, 13 and 14). CRI's approved permit application for exception to division Order R-8952 for protection of migratory birds is for the large production water pits. The permit (H-76) requires CRI to remove oil from ponds with in 24 hours.

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

   The fuel saddle tank did not have the proper pad and curb containment (See picture 15).

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

   The above ground tanks and drums are not labeled as to their contents or the hazards of the contents (see pictures 5, 6, 15 and 16).

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

   Below grade tanks at the truck wash out areas did not have secondary containment (see pictures 6, 7, 8, and 17). All pre-existing sumps and below grade tanks must demonstrate integrity on an annual basis.

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

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

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

There were very few spills evident at the facility. The facility tanks were all fairly clear of over toping stains (see pictures 5 and 16). Small spills located at valve areas have been cleaned up and raked. Overall yard maintenance of spill prevention/cleanup was good. The landfill area was properly maintained, all solids were disposed of withing the pit area (see picture 19).

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

There was very little trash at this facility, with the exception of the empty unmarked drum area (see picture 15).

11. Spill Reporting: All spills/releases shall be reported pursuant to OCD Rule 116 and WQCC 1203 to the appropriate OCD District Office.

There were no spills evident at this facility.

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

Facility has a perimeter fence and locking gate.

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

Facility has a clearly labeled sign posted within view.

14. Odors:

Strong Mercaptan odors were present at the facility during inspection.

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

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

Please submit with C-137 application.

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

This is already on file with the OCD.

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

This is already on file with the OCD.

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

Some of this is already on file. However, the OCD is lacking a complete map that locates and labels all of CRI's pits, ponds and tanks (above and below grade). Attached is a copy of what we have in the file please submit updated facility maps to reflect any changes that have been made.

(e) A plan for management of approved wastes;

This is already on file with the OCD.

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

Please submit with C-137 application.

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

Please submit with C-137 application.

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

Please submit with C-137 application.

(i) A closure Plan including a cost estimate sufficient to close the facility to protect

public health and the environment; said estimate to be based upon the use of equipment normally available to a third party contractor;

Please submit with C-137 application.

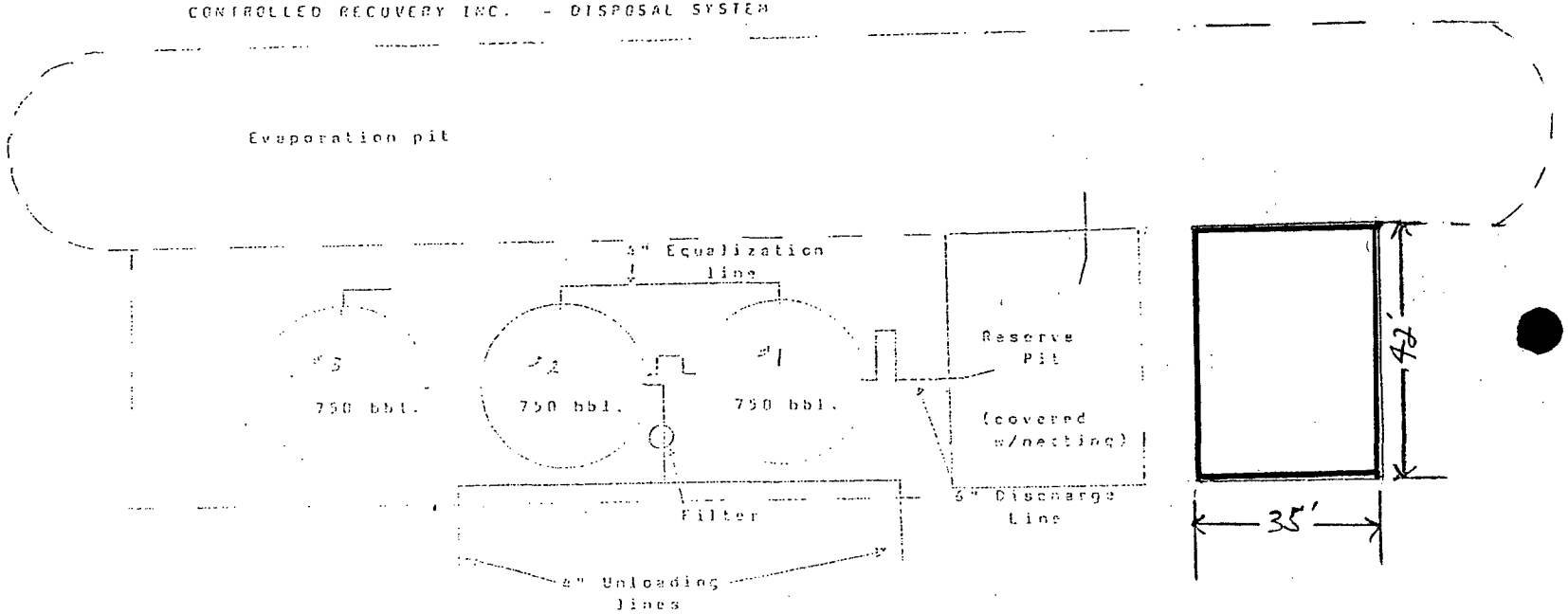
(j) Geological/hydrological evidence, including depth to and quality of groundwater beneath the site, demonstrating that disposal of oil field wastes will not adversely impact fresh water;

This is already on file with the OCD.

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

Please submit with C-137 application.

CONTROLLED RECOVERY INC. - DISPOSAL SYSTEM



NOT DRAWN TO SCALE

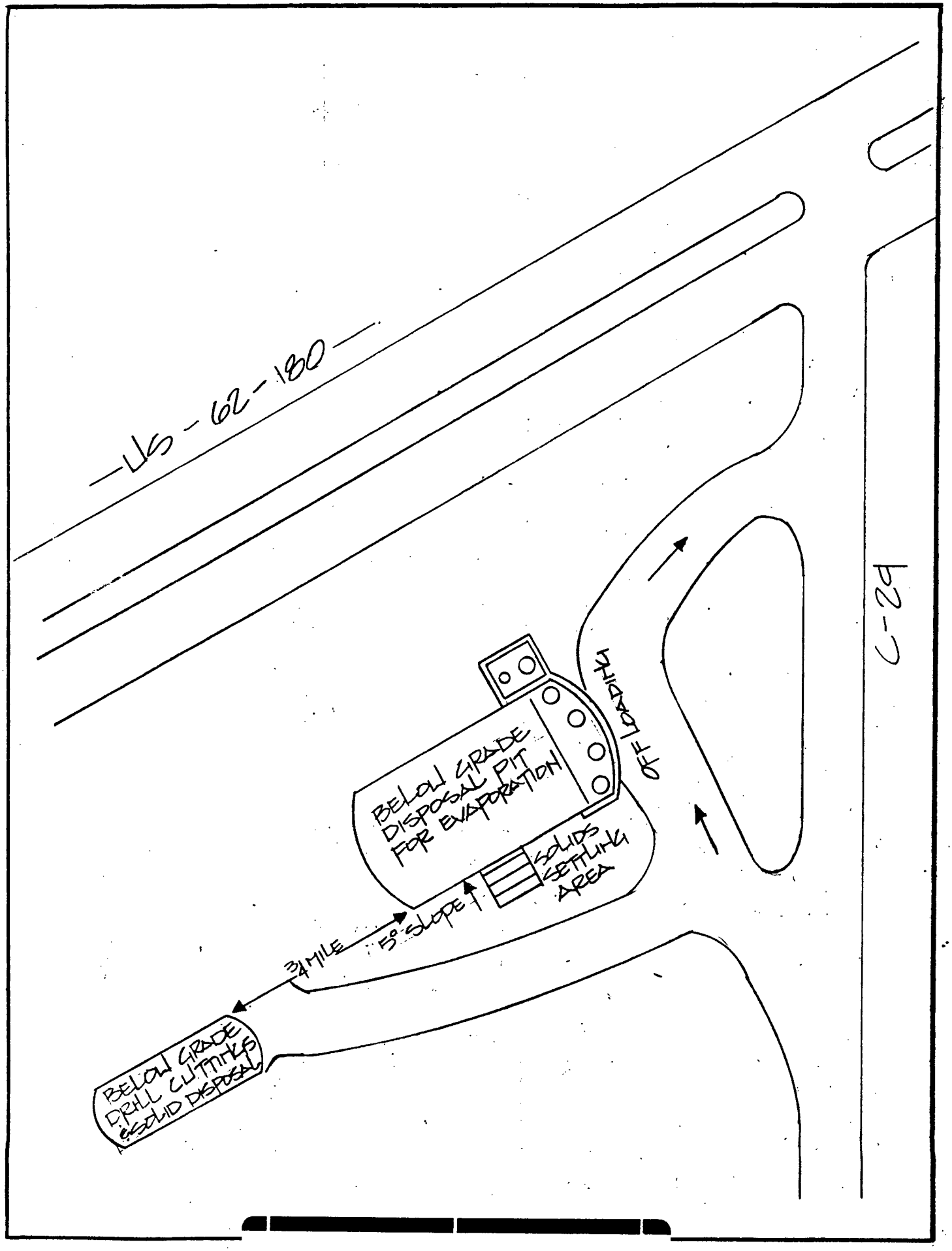
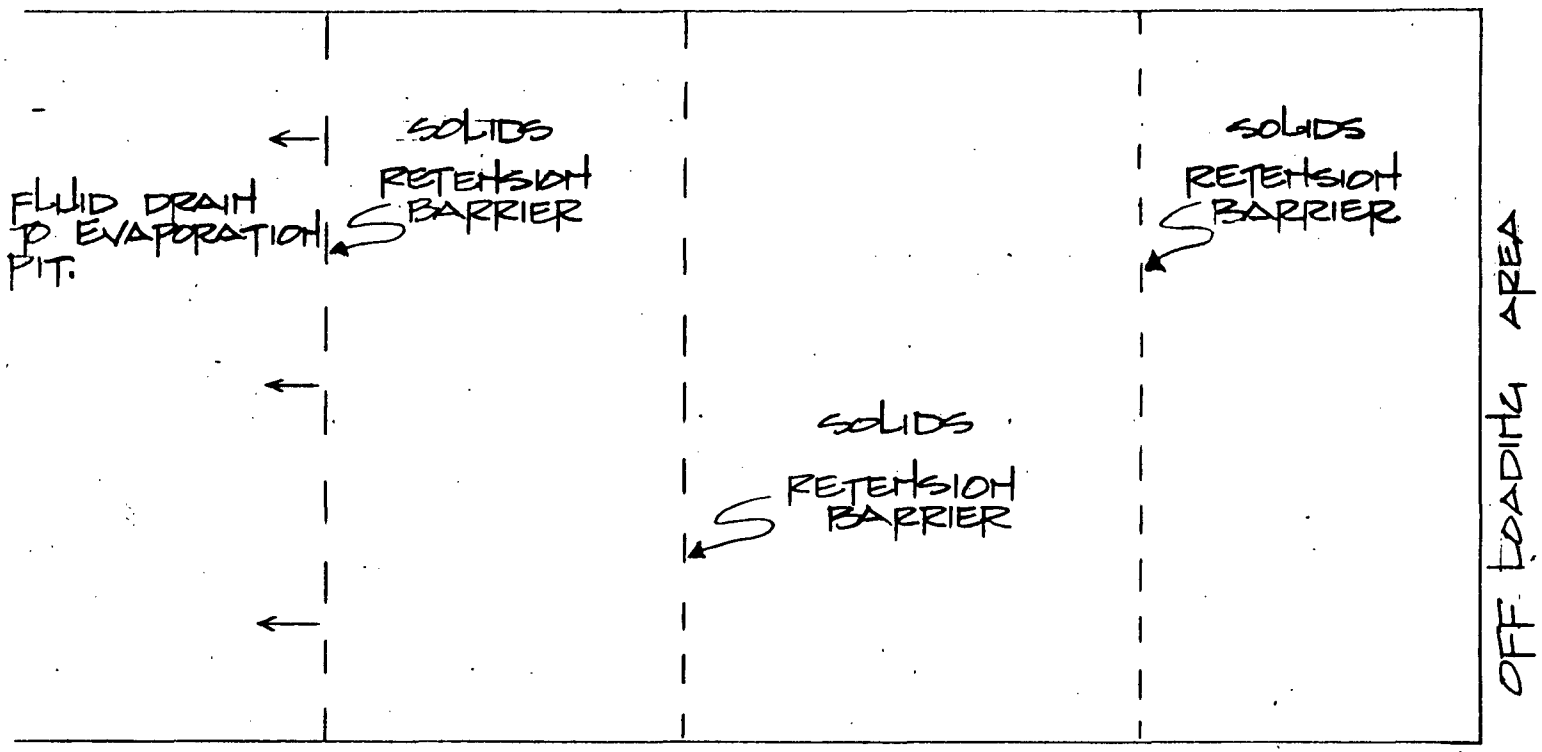
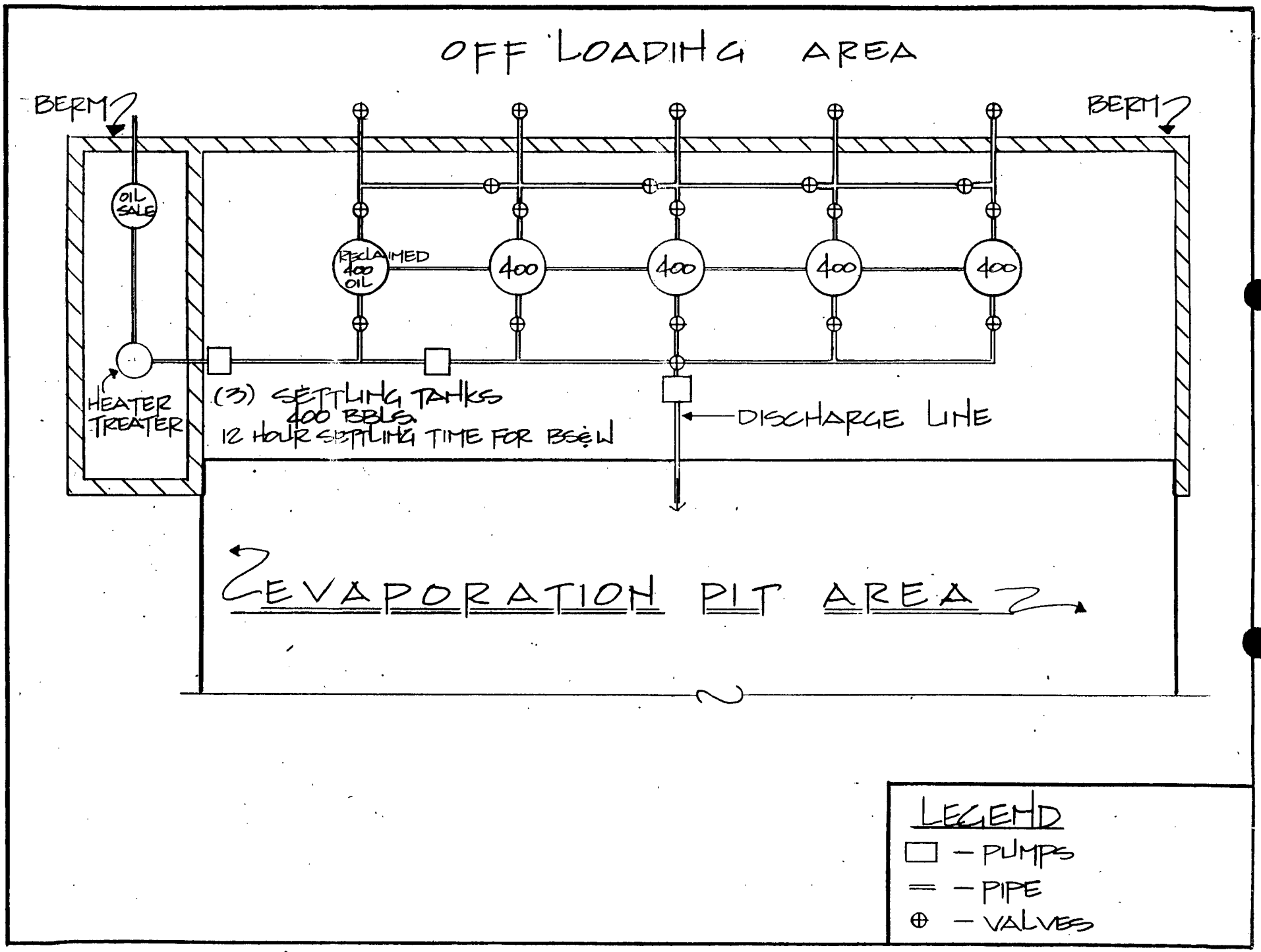

-US-62-180
C-24
BELOW GRADE DISPOSAL PIT FOR EVAPORATION
SOLIDS SETTLING AREA
OFF LOADING
5° SLOPE
¾ MILE
BELOW GRADE DRILL CUTTINGS & SOLID DISPOSAL

EXHIBIT "C"

SETTLING RAMP FOR DRILLING SOLIDS
INDUSTRY STANDARD DESIGN




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

CRI TREATING PLANT INSPECTION (PHOTOS BY OCD)

PHOTO NO. 1 DATE: 04/1/97

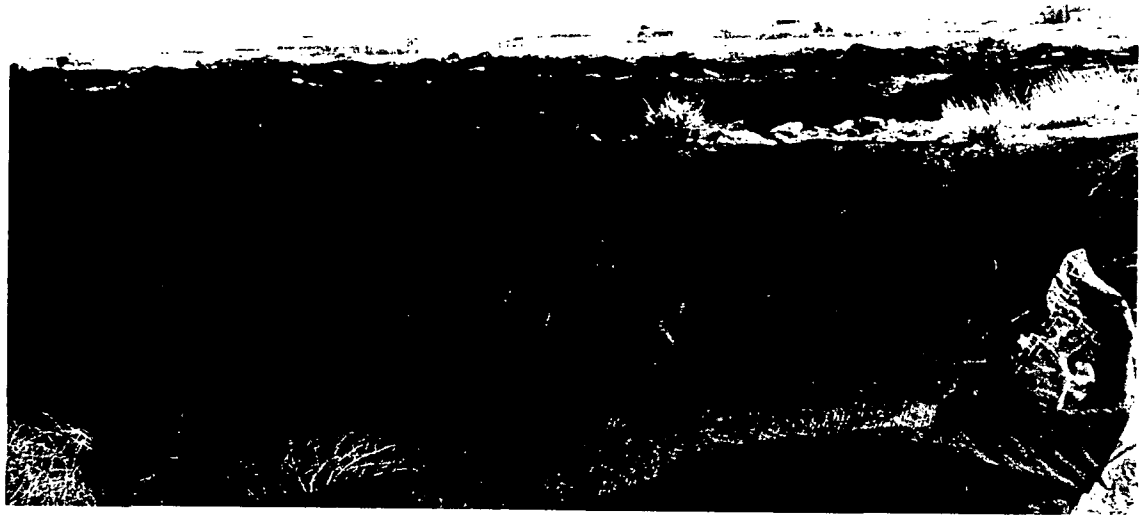


PHOTO NO. 2 DATE: 04/1/97

CRI TREATING PLANT INSPECTION (PHOTOS BY OCD)

PHOTO NO. 3 DATE: 04/1/97

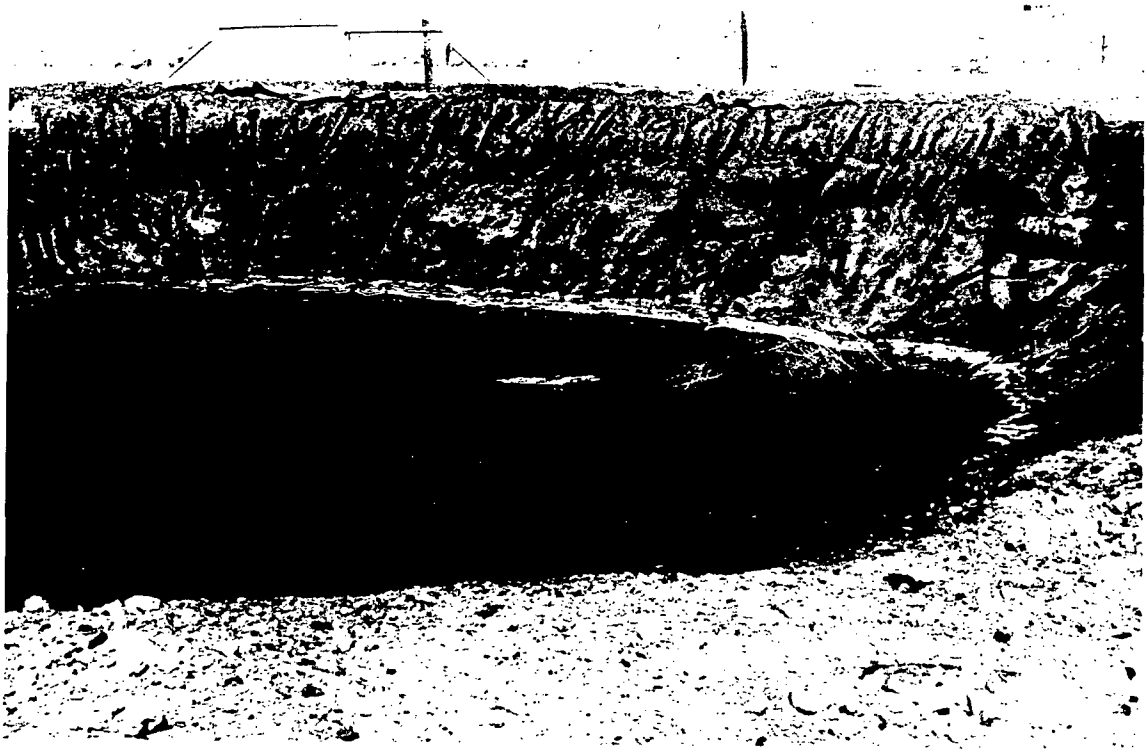


PHOTO NO. 4 DATE: 04/1/97

CRI TREATING PLANT INSPECTION (PHOTOS BY OCD)

PHOTO NO. 5 DATE: 04/1/97

PHOTO NO. 6 DATE: 04/1/97

CRI TREATING PLANT INSPECTION (PHOTOS BY OCD)

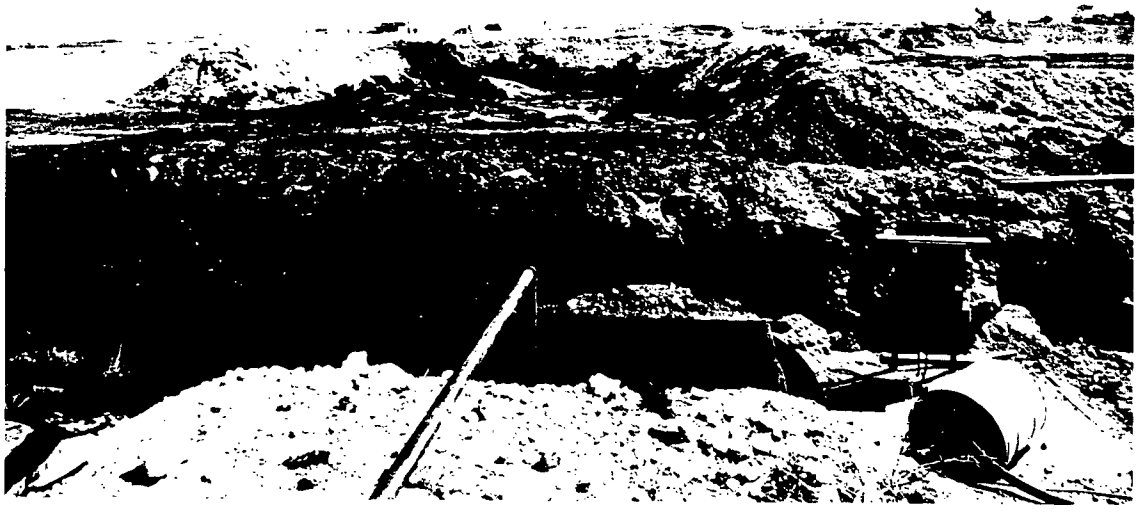


PHOTO NO. 7 DATE: 04/1/97

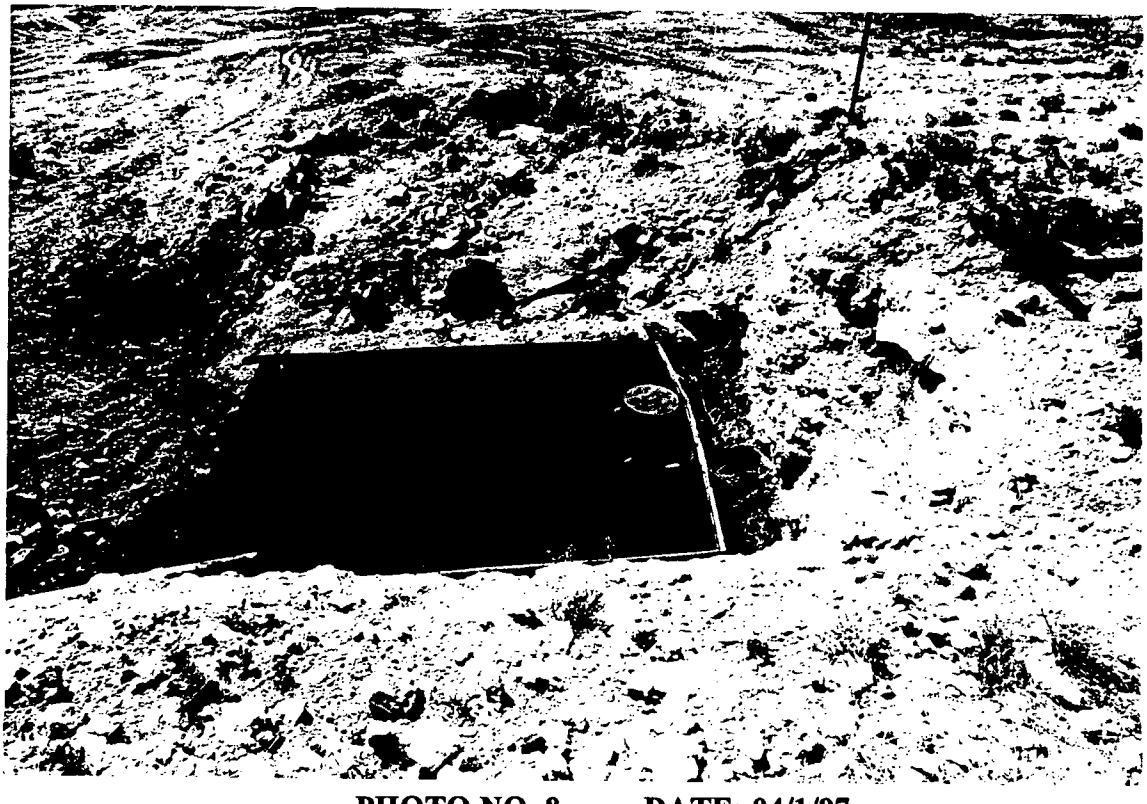


PHOTO NO. 8 DATE: 04/1/97

CRI TREATING PLANT INSPECTION (PHOTOS BY OCD)

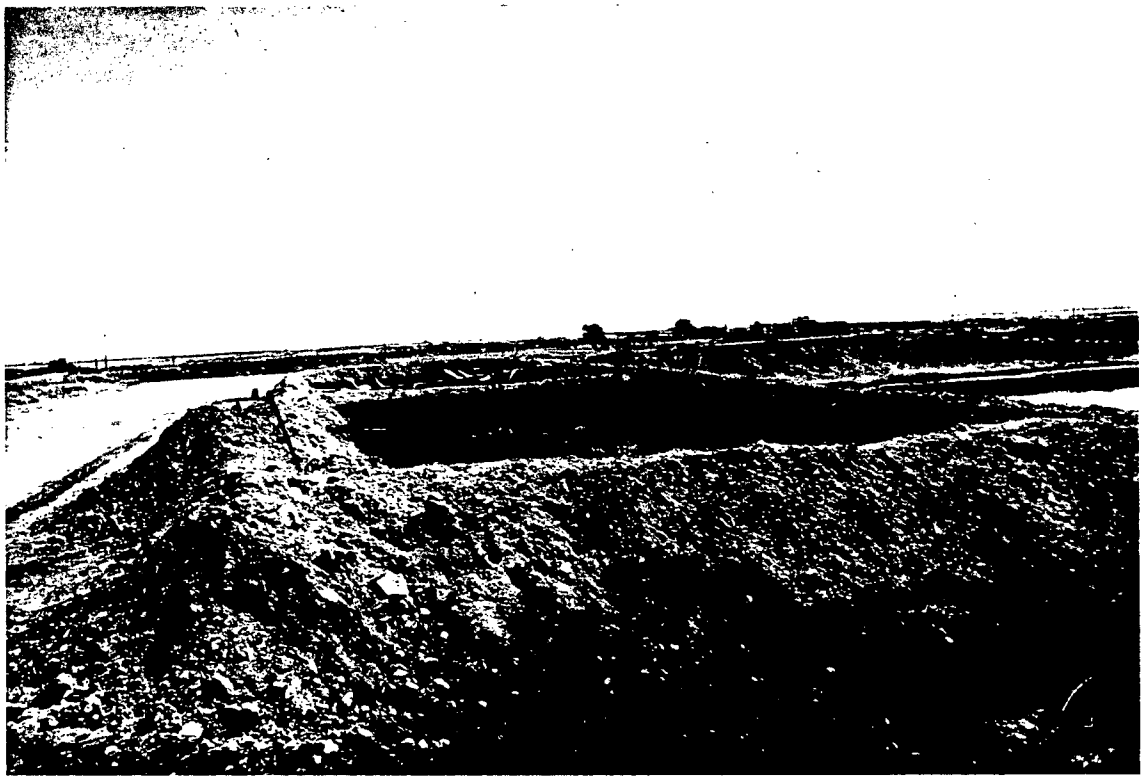


PHOTO NO. 9 DATE: 04/1/97

PHOTO NO. 10 DATE: 04/1/97

CRI TREATING PLANT INSPECTION (PHOTOS BY OCD)

PHOTO NO. 11 DATE: 04/1/97

PHOTO NO. 12 DATE: 04/1/97

CRI TREATING PLANT INSPECTION (PHOTOS BY OCD)

PHOTO NO. 13 DATE: 04/1/97

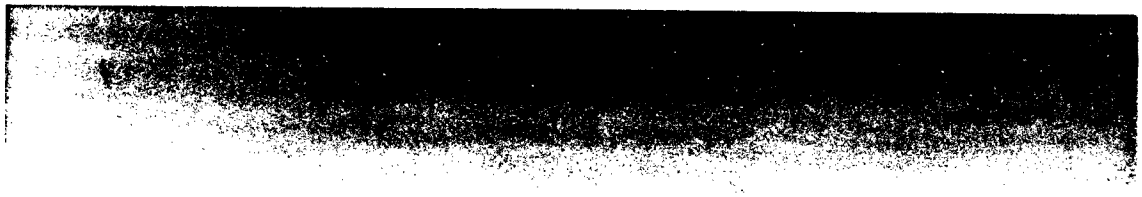


PHOTO NO. 14 DATE: 04/1/97

CRI TREATING PLANT INSPECTION (PHOTOS BY OCD)

PHOTO NO. 15 DATE: 04/1/97

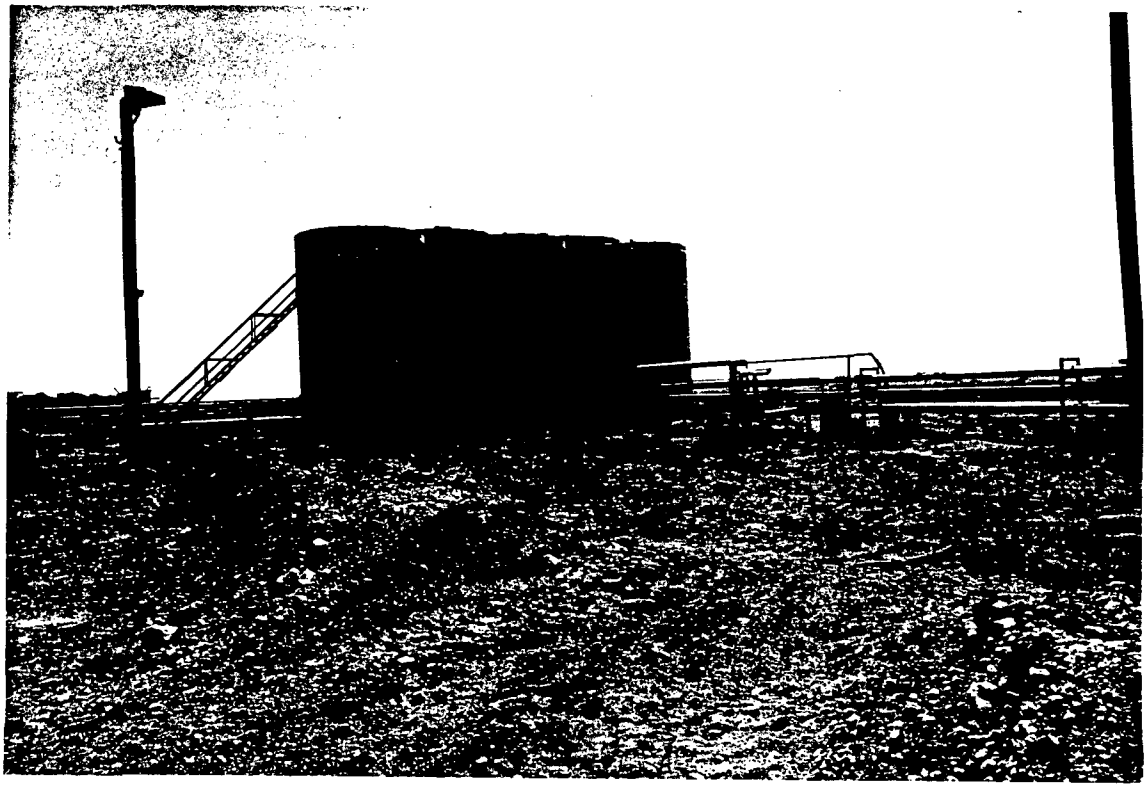


PHOTO NO. 16 DATE: 04/1/97

CRI TREATING PLANT INSPECTION (PHOTOS BY OCD)

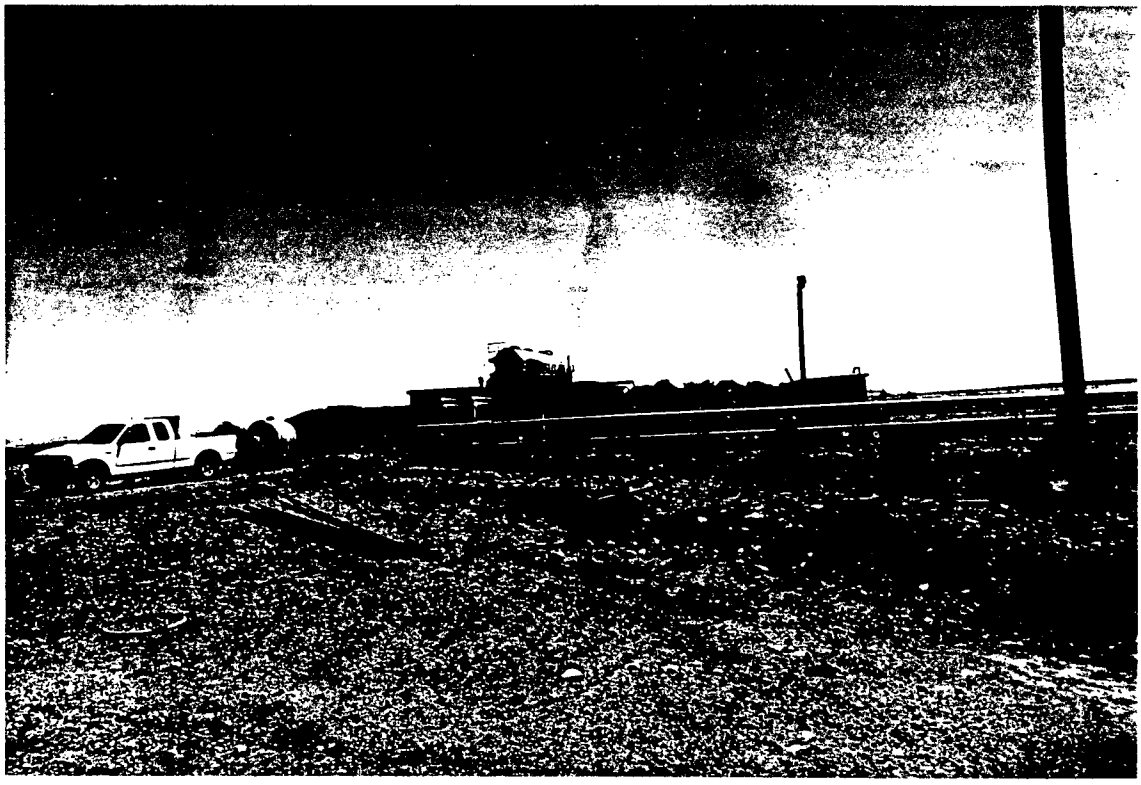


PHOTO NO. 17 DATE: 04/1/97

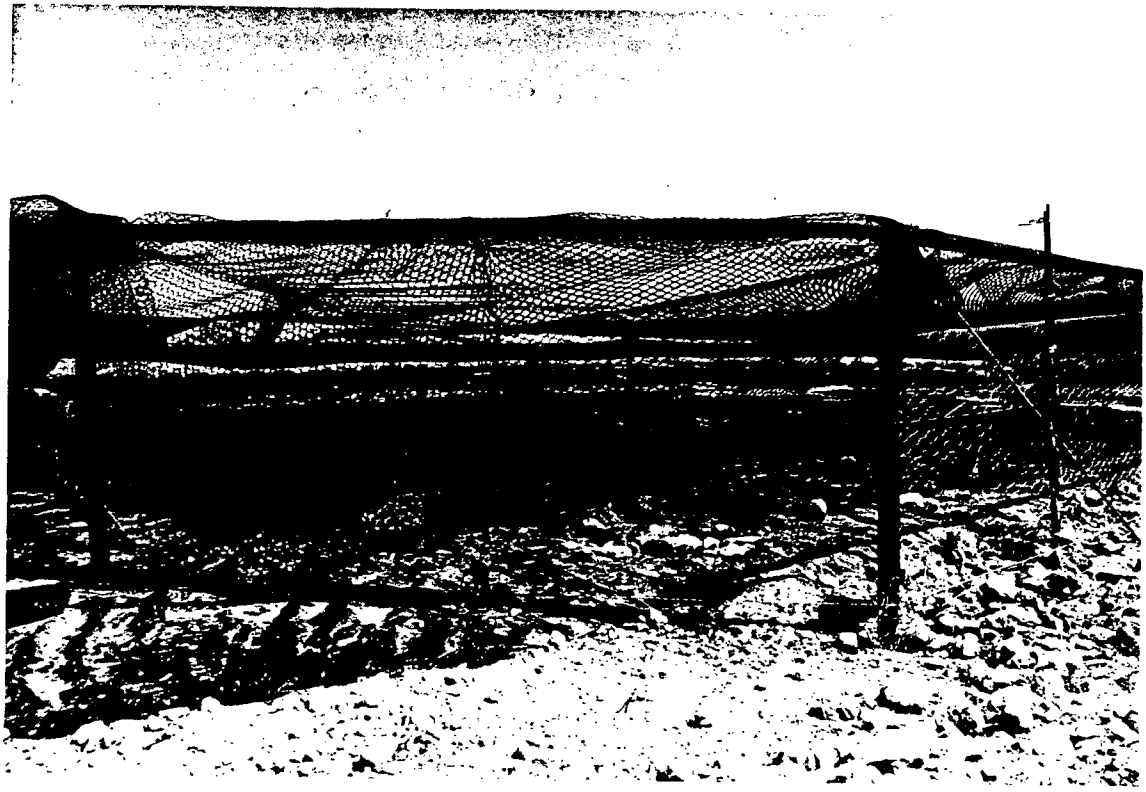


PHOTO NO. 18 DATE: 04/1/97

CRI TREATING PLANT INSPECTION (PHOTOS BY OCD)

PHOTO NO. 19 DATE: 04/1/97

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

MEMORANDUM OF MEETING OR CONVERSATION

☒ Telephone ☐ Personal	Time 8:30	Date August 4, 1997

Originating Party	Other Parties
Ken Marsh CRI	

Subject: Inspection Report Due Date Sept 27th

Discussion: Ken will be going in For Hip Sergery And is Expecting to be out and Have His IR Responce in in time. But He Might Be delayed if there are complications with the Sergery.

I Have Given Him Verbal approval that it will be ok tobe late with the IR

Conclusions or Agreements

Distribution

Signed Martyne Kelly

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

MEMORANDUM OF MEETING OR CONVERSATION

☒ Telephone ☐ Personal	Time 9:05	Date 7/24/97
Originating Party		**Other Parties**
wed. Martyne Kieling Returning Phill Franklin Call on Mondy		Ken Marsh CRT 505-393-1079

Subject

Questions on Inspection Report -

Discussion

Will Answer & Send in a Draft on Sections He Has Questions on.

Conclusions or Agreements

Secondary Containment on Tanks Explain what is in Place & what the Schedual For Checking the Bottoms of Below Grade Tanks is - Also Containment around Gass tank of your choosing -

Distribution

Signed Martyn

MEMORANDUM OF CONVERSATION

✓ TELEPHONE ____ PERSONAL TIME 8:50 DATE 6/23/97

ORIGINATING PARTY Billy Chavez CRI

OTHER PARTIES Martyne Kieling OCD

DISCUSSION

Baker Oil Tools - Last week - - - - - Sent in C-138
Hobbs. 60lb wastewater checked to verify that
it has Not come in yet - - -

CONCLUSIONS Not in yet wait For Mail.
Sent out 6/25/97 MJK Approved Both Baker oil Tools

MARTYNE KIELING Martyne J Kieling

C: FILE
DISTRICT OFFICE

CRI
CONTROLLED RECOVERY INC.

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

June 3, 1997

Mr. Roger Anderson
Oil Conservation Commission
Santa Fe District
2040 South Pacheco
Santa Fe, New Mexico 87505

Re: Proposed / Pending Oilfield Clean-up Projects

Dear Mr. Anderson,

Please accept this letter on behalf of CRI to offer its services to assist the State of New Mexico, Oil Conservation Commission with oilfield clean-ups at various locations under your jurisdiction.

CRI, as you know operates an Oil Conservation Division approved waste facility by authority of Permit #R9166 along with an Oil Conservation Division approved land farm operation in Lea County, New Mexico.

CRI can offer the following services to the Oil Conservation Division in support of your mission to accomplish efficient and cost effective procedures to rectify problems existing at the proposed clean-up locations: Site assessment and evaluations, excavation, loading, transportation, soil shredding machinery, thermal disorption units, site remediation and restoration, professional consultants (engineers, petroleum geologist, hydro geologist) plugging and abandonment services, centrifuge equipment and recycling of crude oil tank bottoms and pit sludges.

Enclosed herewith is a Statement of Qualification and other pertinent information for your file.

I urge you to seriously consider my offer to work with you and the other officials with the Oil Conservation Division to alleviate problems that can be solved to provide a clean and safe environment for the citizens of New Mexico.

I will be available to meet with you at your convenience to discuss this proposal.

Sincerely,

Ken Marsh
President CRI

Enclosures

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

Statement of Qualifications

CRI

CONTROLLED RECOVERY INC.

CRI

CONTROLLED RECOVERY INC.

Contents

P.O. Box 369 • Hobbs, New Mexico 88241 • (800) 658-6914 • (505) 393-1079 • Fax (505) 393-3615

CRI

CONTROLLED RECOVERY INC.

Introduction

Controlled Recovery, Inc. a New Mexico Corporation, has been serving West Texas and Southern New Mexico since 1991. CRI was formed for the purpose of providing the following services:

1. Remediation of Storage Tank Contaminated Soils and Liquids
2. Disposal of Materials Defined as RCRA Exempt
3. Reclamation /Recylcing of Sediment Oil

CRI HAS BEEN SERVING THE SOIL REMEDIATION AND DISPOSAL/RECYCLING NEEDS OF BUSINESS, GOVERNMENT AND INDUSTRY SINCE 1991.

CRI's officers and employees are available to assist it's customers as listed:

1. Coordinating regulatory approvals from the appropriate governmental agency for soil remediation and disposal. CRI regularly consults with
   A. State of Texas, Texas Natural Resource Conservation Commission (TNRCC)
   B. State of Texas, Railroad Commission (RRC)
   C. State of New Mexico, Environmental Department (ED)
   D. State of New Mexico, Oil Conservation Division (OCD)
2. Assist with proper preparation of transportation manifest.
3. Assist with all required forms that may be required from various regulatory agencies.
4. Assist with the hiring and management of any subcontractors required to successfully complete any remediation or disposal project, e.g., site assessment, testing and analysis, excavation, transportation, and disposal.

Controlled Recovery, Inc. has managed many environmental projects in West Texas and New Mexico at the customers request. CRI is a licensed general contractor in New Mexico operating under permit #GB98-13641. The State of Texas does not require a specific license to perform general contractor's services.

All subcontractors utilized at the job site are required to have all appropriate certifications and training as each project demands to satisfy all safety and health requirements.

General Information and Confidentiality Statement

Mission

CRI's goal is to exceed the requirements and standards with which we are charged, that our clients and the communities we serve receive the results they expect and deserve.

Policy

CRI will utilize the most current technologies for the planning and execution of our job requirements. We will be proactive in regulatory matters and stewards of the environment and public health. Our commitment is to provide the highest level of professional service in the industry.

Confidentiality

Confidentiality is paramount as a corporate policy for CRI. The CRI philosophy is to conduct its activities in accordance with compliance with all rules, regulations and laws with the highest ethical standards. Any use of a sub-contractor by CRI is made on that companies/ industries ability to provide quality services or materials for a project at the most reasonable price.

Information of a confidential or proprietary nature divulged by clients is held confidential by CRI unless and until disclosure is mandated by law or regulation, valid subpoena or other court order, or if such information otherwise becomes public knowledge.

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

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.

(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

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

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

NOV 1995

NOV 27 1995

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, 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

CRI

CONTROLLED RECOVERY INC.

Customer List

This list is representative for presentation and does not include all waste generators that have used the CRI facility. Listed alphabetically.

ARCO
Ashland Chemical
BJ Services
Baker Hughes
Bariod
Champion Technologies
City of Hobbs, Hobbs, New Mexico
City of Roswell, Roswell, New Mexico
Community National Bank
Conoco
County of Lea, Lovington, New Mexico
Dowell Schlumberger
Dresser Industries
El Paso Natural Gas Co.
Enron Oil & Gas Co.
ENSR Consulting Co.
Exxon Co.
Fina Oil & Chemical Co.
Gas Company of New Mexico
Geraghty & Miller
GPM Gas Corp.
Halliburton
Jones & Neuse Inc.
Kerr McGee Corp.
Koch Gathering Systems
LTV
MI Drilling Fluids
Marathon Oil Co.
Navajo Refining Co.
Norwest Bank
Oxy, USA
Pan Energy (Duke Power Co.)
Pfizer, Inc.
Phillips Petroleum, Co.
Philip Environmental Co.
Plains National Bank
Pride Refining Co.
Rexene Corp.
Samedan Oil Co.
Santa Fe Energy
Santa Fe Pacific Pipeline
Scurlock Permian Corp.
Shell Western Exploration & Production Co.
Shell Pipeline Co.
Smith International
State of New Mexico
Stevenson & Roach
Sweewater Corp.
Texaco
Tretolite/Petrolite Chemical Co.
Twin Mountain Construction
United States Department of Defense
United States Air Force
1. Cannon Air Force Base, Clovis, NM
2. Holloman Air Force Base, Alamagordo, NM
United States Department of Energy
1. WIPP Site, Carlsbad, New Mexico
United States Post Office, Midland, Texas
Unocal
Weatherford Enterra
Westinghouse Electric Co.
Yates Petroleum

P.O. Box 369 • Hobbs, New Mexico 88241 • (800) 658-6914 • (505) 393-1079 • Fax (505) 393-3615

ACORD. CERTIFICATE OF LIABILITY INSURANCE

CSR BB
CONTR-2

DATE (MM/DD/YY)
04/17/97

PRODUCER

LEAVELL INSURANCE, INC.
P.O. BOX 858
HOBBS, NM 88241

STEVE USLAN
Phone No. 505-393-2550 Fax No. 505-393-6539

INSURED

CONTROLLED RECOVERY, INC.
P.O. BOX 369
HOBBS NM 88241

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

COMPANIES AFFORDING COVERAGE

COMPANY A: United National Insurance Co.
COMPANY B: St. Paul Fire & Marine Ins.
COMPANY C: SOUTHWEST CASUALTY CO.
COMPANY D:

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS	
	GENERAL LIABILITY				GENERAL AGGREGATE	$ 2,000,000
A	[X] COMMERCIAL GENERAL LIABILITY	L-7115190	12/31/96	12/31/97	PRODUCTS - COMP/OP AGG	$ included
	[ ] CLAIMS MADE [X] OCCUR				PERSONAL & ADV INJURY	$ included
	OWNER'S & CONTRACTOR'S PROT				EACH OCCURRENCE	$ 1,000,000
A	[X] Pollution Liab	L-7115190 POLLUTION LIAB (CLAIMS MADE FORM)	12/31/96	12/31/97	FIRE DAMAGE (Any one fire)	$ N/A
					MED EXP (Any one person)	$ EXCLUDED
	AUTOMOBILE LIABILITY					
B	[X] ANY AUTO	CK08306724	12/31/96	12/31/97	COMBINED SINGLE LIMIT	$ 1,000,000
	ALL OWNED AUTOS				BODILY INJURY (Per person)	$
	SCHEDULED AUTOS				BODILY INJURY (Per accident)	$
	HIRED AUTOS				PROPERTY DAMAGE	$
	NON-OWNED AUTOS					
	GARAGE LIABILITY				AUTO ONLY - EA ACCIDENT	$
	ANY AUTO				OTHER THAN AUTO ONLY:	
					EACH ACCIDENT	$
					AGGREGATE	$
	EXCESS LIABILITY				EACH OCCURRENCE	$
	UMBRELLA FORM				AGGREGATE	$
	OTHER THAN UMBRELLA FORM					$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY				[X] WC STATUTORY LIMITS [ ] OTHER	
					EL EACH ACCIDENT	$ 100,000
C	THE PROPRIETOR/ PARTNERS/EXECUTIVE [ ] INCL	015838.101	12/31/96	12/31/97	EL DISEASE - POLICY LIMIT	$ 500,000
C	OFFICERS ARE: [ ] EXCL	015838.101	12/31/96	12/31/97	EL DISEASE - EA EMPLOYEE	$ 100,000
	OTHER					

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

CERTIFICATE HOLDER

SAMPLE1

SAMPLE

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE
STEVE USLAN

ACORD 25-S (1/95)

CRI

CONTROLLED RECOVERY INC.

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

June 9, 1997

Martyne J. Kieling
Oil Conservation Division
2040 South Pacheco
Santa Fe, New Mexico 87505

Dear Ms. Kieling,

Please accept my comments on the issue of your making the requirement that Texas Natural Resources Conservation Commission waste code documentation be included in our submittal of OCD Form C138 for approval of material from Texas.

OCD Rule 711C. 4. B indicates OCD form C138 accompanied by acceptable documentation to determine that the waste is non-hazardous shall be submitted to the appropriate district office.

The laboratory analysis and reports submitted with C138 are acceptable documentation. The certificate of waste status signed by the generator is also acceptable documentation.

The above documentation clearly conforms with the requirements of C. 4. B.

A manifest with TNRCC waste code determination or RCC documentation submitted at the time of shipment as is the case of in-state waste with a C117 is common practice.

CRI submitted to Wayne Price OCD Hobbs March 17, 1997 for his review CRI's proposed customer information packet which indicated that CRI's understanding of the process is the manifest would be required from our customers. Mr. Price has not yet offered his comments on our procedure.

In February 1996 Mr. Price addressed CRI employees on OCD waste procedures and furnished a booklet with Rules and Recommendations. Enclosed please find a copy of a page of the booklet. Item 7 uses "may" and "usually" which does not indicate that this is a requirement.

mjk 6/16/97

CRI is appreciative of the OCD's vigilant effort to protect our facility and the public, however the OCD is exceeding the authority given by Rule 711 in your requirement discussed above.

Sincerely,

Ken Marsh

Enclosures

KM/bc

cc: Bill Lemay
Roger Anderson
Chris Williams

4. Once all of the above has been completed, then the operator of the disposal facility submits this paper work to the local NMOCD District office. At this time the district reviews all of the submitted material.

   If everything thing is in order then this submittal is forwarded on to our Santa Fe Environmental Bureau for final approval. If approved, then it is forwarded back to the district and the district will notify and forward on to the disposal operator. Please note the turn around time for this procedure is approximately seven days. Generators should allow for this time so as not to let their tanks or sumps overfill.

   The disposal operator then makes arrangements with the generator to transport the waste to it's facility. At this time the NMOCD does not require manifesting, however we recommend it for waste tracking purposes. There are requirements placed on the transporter by the operator of the disposal facility which is required under its permit.

5. Steps one through four is the normal procedure to be used every time a generator request to dispose of waste. Please note there are no blanket approvals for "non-exempt" waste. Each shipment of waste must be handled on a case-by-case basis. However, there can be multiple loads approved on one request, in other words it requires more than one truck to haul the waste.

6. The NMOCD does allow a generator to use the same analytical work for a particular waste to be good for a period of one year. In this case, we require that the generator submit with his request a "WASTE STREAM CERTIFICATION FORM" stating that the waste stream has not changed from the last time the analytical work was performed.

7. Additional paper work for out-of-state generators may be required. For example, generators located in the state of Texas usually are ask to supply their Texas registration and waste code numbers.

C.RI

MEMORANDUM OF CONVERSATION

X TELEPHONE ____ PERSONAL TIME 9:00 DATE 6/4/97

ORIGINATING PARTY ~~Kent~~ Martyne Kieling OCD

OTHER PARTIES Ken Marsh CRI

Roger Anderson OCD

DISCUSSION Texas Waste Code / Ken Wanted to Know Where in the Permit He was Required to Have a Texas waste Code (Transport of Waste) will All C-138 That are For Waste From Texas to His Facility (CRI) ~~The T~~ It was explained to Him (Ken) That OCD Requires That Waste C-138 From other States be accompanied by Documentation So that We Know that the other State Knows that Waste is Being transported across their Border.

CONCLUSIONS Ken would Get the Texas Waste Codes Documents before applying For C-138 Approval. This Partuclar Case Delt with Weatherford · Watson Packer Sits in Texas.

MARTYNE KIELING Martyne J Kieling

C: FILE
DISTRICT OFFICE ____

CRI.

DATE: 6/3/97

To MARTYNE KELLINS
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

2 PAGES TOTAL

CONTROLLED RECOVERY, INC.
P.O. Box 369 Hobbs, New Mexico 88241

NON-EXEMPT NON-HAZARDOUS OIL FIELD WASTE

1. Documentation required by New Mexico Oil Conservation Division:
   - A. Non-exempt waste certificate
   - B. Field notes & Sample methods
   - C. Chain of custody
   - D. TCLP (Toxicity Characteristic Leaching Process)
     1. TCLP Metals
     2. TCLP Volatiles
     3. TCLP Semi-volatiles
   - E. RCI (Reactivity, Corrositivity, Ignitability)
   - F. Knowledge of process may replace D & E.
   - G. Texas waste will require manifest with Texas Natural Resource Conservation Commission waste code or Texas Railroad Commission documentation.
2. Procedure:
   - A. Submit documentation to CRI for approval.
   - B. CRI will submit the required C138 and information to the New Mexico Oil Conservation Division for their approval.
     *This process takes approximately seven days.
   - D. Upon receipt of the OCD's decision, CRI will notify the customer.
3. Acceptance of material:
   - A. Delivery dates must be arranged with the office in advance.
   - B. Transporter must complete and sign a delivery manifest at the facility.

CRI

MEMORANDUM OF CONVERSATION

X TELEPHONE ____ PERSONAL TIME 9:50 DATE 6-4-97

ORIGINATING PARTY Martyne Kieling

OTHER PARTIES Tim Gumm

DISCUSSION C-138 Sent up probably around the 5-10-97 (Need to check in Santa Fe)

Have Checked Files Mail & In Box This C-138 CRI / Weatherford Artesia Has Not made it to Santa Fe or is Lost. Tim was willing to Send What Copies He Had To Santa Fe.

CONCLUSIONS Check Files & Mail Again Still Not Here. Must Be Lost.

MARTYNE KIELING Martyne Kieling

C: FILE
DISTRICT OFFICE ____

GIANT
REFINING CO.

50 Road 4990
P.O. Box 159
Bloomfield, New Mexico 87413
505
632-8013

May 9, 1997

Roger Anderson
NMOCD
2040 South Pacheco
Santa Fe, New Mexico 87505

Denny Foust
NMOCD
1000 Rio Brazos Road
Aztec, New Mexico 87410

Re: Tank 27 sludge disposal

Gentlemen:

Giant Refining Company - Bloomfield submits a copy of the vacuum box and sludge distribution from the recent clean-out of Tank #27 at this facility.

If you require additional information, please contact me at (505) 632 8013.

Sincerely:

Lynn Shelton
Environmental Manager
Giant Refining Company - Bloomfield

TLS/tls

Enclosure

RECEIVED
MAY 14 1997
Environmental Bureau
Oil Conservation Division

GIANT REFINING COMPANY - BLOOMFIELD

DISTRIBUTION OF VACUUM BOXES AND TANK 27 SLUDGE

MAY, 1997

VACUUM BOX NUMBER	SHIPPING DATE	DESTINATION	AMOUNT (CU/YD)
309-3	4/28/97	CRI	15
325002	4/27/97	CRI	15
614-44	4/27/97	CRI	16
1614	4/25/97	CRI	16
1626	5/6/97	ENVIROTECH	16
V2676	5/1/97	CRI	16
V2638	5/6/97	ENVIROTECH	16
V2673	5/5/97	ENVIROTECH	16
V2555	5/2/97	CRI	16
1627	4/29/97	CRI	16
1612	5/6/97	ENVIROTECH	16
1611	5/5/97	ENVIROTECH	16
1524	5/6/97	ENVIROTECH	16
1642	5/6/97	ENVIROTECH	16
1608	5/6/97	ENVIROTECH	16
V2674	5/5/97	ENVIROTECH	16
V2520	5/2/97	CRI	15
2773	5/5/97	ENVIROTECH	15
3163	5/5/97	ENVIROTECH	16
4921	5/5/97	ENVIROTECH	16
3774	5/5/97	ENVIROTECH	16
1571	4/30/97	CRI (1/3 LOAD)	5
1614	5/6/97	ENVIROTECH	16

MEMORANDUM OF CONVERSATION

✓ TELEPHONE ____ PERSONAL TIME 2:30pm DATE 5/7/97

ORIGINATING PARTY Martyne Kieling

OTHER PARTIES Darrel Moore / Concerning Waste Headed TO CRI
Navajo Refining

DISCUSSION C-138 Analytical Needs to be original Copy of Chain of Custody So It can be read. Previous Samples Taken by Navajo Have Not been Chilled on Ice at all. I explained to Darrel Moore that From Now on Samples Should be on Ice and noted in the Preservitive Collom on the Chain of Custody. The two C-138's in question will be approved As is Asphalt 4/23/97 to CRI Approved 5/7/97 Tank Bottoms Tank 133 & 135 4/28/97 CRI Approved 5/7/97

CONCLUSIONS Darrel Said He will preserve on Ice From Now on. And Send original Chain of Custody with C-138 & Analytical's.

MARTYNE KIELING Martyne Kieling

C: FILE
DISTRICT OFFICE ____

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

March 25, 1997

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

Billie Charo-office Mgr.
Controlled Recovery, Inc. (CRI)
P.O. Box 369
Hobbs, NM 88241

Re: C-138 submittal dated 03/19/97 Navajo Refining pipeline filters generated from transporting refined products.

Dear Ms. Charo,

New Mexico Oil Conservation Division (NMOCD) has reviewed the above referenced submittal and **your request is hereby denied.**

Please note the NMOCD based the decision on the submitted documents and telephone conversations with the generator's representative Mr. Darrell Moore.

It is the NMOCD's understanding that ten to twenty percent of the pipeline filters could fail the TCLP test for arsenic. We also understood that these filters were to be disposed of as is into the CRI landfill. While 80 percent of the filters would be RCRA non-hazardous the other 20 percent would possibly be hazardous waste. These hazardous filters would retain their original state as a "used filter" when disposal occurred.

Therefore, the composite analysis performed in the laboratory does not appear to properly represent the actual waste stream.

Please note CRI's permit does not allow for this type of waste to be disposed of into your 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

attachments-1 C-138 submittal

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

April 7, 1997

Mr. Jerry Sexton
District Supervisor
State of New Mexico
Oil Conservation Division
P.O. Box 1980
Hobbs, New Mexico 88241

Dear Mr. Sexton,

N.M.O.C.D. Rule 711 Section C.8 provides for an exception to the requirements that tanks, pits and ponds exceeding sixteen feet in diameter be covered, screened or netted.

Controlled Recovery, Inc. is requesting that you issue this exception to CRI's facility located in Section 27 Township 20 South Range 23 east NMPM, Lea County permitted under order R-9166 April 27, 1997.

CRI's facility has night security lights, twenty-four hour truck traffic, is adjacent to US Highway 62-180 and County Road C-29. Machinery on site generates noise and movement. There are two dogs on site at all times. There are four full time employees assigned to facility operations.

In six years of operations there have been no incidents harmful to migratory birds at the facility. CRI's facility has been visited and inspected by U.S. Fish and Wildlife Services. Mr. Nicholas E. Chavez has been at the facility in the past 120 days and reported no problems or concerns. CRI also utilizes flags in some locations.

These alternate methods are more than adequate to protect migratory birds and clearly this facility is not hazardous to migratory birds.

Rule 711 provides that the NMOCD District Supervisor may grant the exception, which CRI now requests.

Sincerely,

Ken Marsh

Ken Marsh

The above request is granted this 14 day of April 1997.

Jerry Sexton
District Supervisor
New Mexico Oil Conservation Division