

NM1 - 6

**GENERAL  
CORRESPONDENCE**

**YEAR(S):**

1999 - 2000



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

**GARY E. JOHNSON**  
Governor  
**Jennifer A. Salisbury**  
Cabinet Secretary

**Lori Wrotenbery**  
Director  
Oil Conservation Division

## MEMORANDUM

TO: Lori Wrotenbery, OCD Director

FROM: Martyne Kieling, OCD *mk*

THROUGH: Roger Anderson, OCD Environmental Bureau Chief *[Signature]*

DATE: June 5, 2000

SUBJECT: Document and Facility Inspection of Controlled Recovery, Inc.

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Oil Conservation Division (OCD) personnel including Martyne Kieling, Jack Ford and Donna Williams arrived at Controlled Recovery, Inc's (CRI) office at 2:30 PM, May 31, 2000. Carmella Van Maunen, CRI's new bookkeeper was available to answer questions.

Donna and I spoke with Carmella about the Form C-138 submittal process and explained to her why we were rejecting two such forms that had been submitted.

I then proceeded to ask her where the C-138's are filed and how the exempt waste streams were documented and where that paperwork was kept and that we would like to see some of the records. Carmella informed us that Ken Marsh, owner of CRI had instructed her, that we were not to be shown any files. I explained to Carmella (since she was new only on the job for 2 ½ weeks) what the statutes allow OCD. That by the Statutes OCD may enter any Oil and Gas facility and review the site and all records and that no notice need be given. I also told Carmella that Ken knew this and that he should not have told her to refuse the OCD access to the files.

I told Carmella that we would not press the documentation issue with her further but that we would be back at a later date. I also told her that we would proceed to the facility inspection. We left the office around 3:00 PM.

Jack, Donna, and I proceeded to the CRI facility and began our inspection. The 2 skim pits contained oil, 1 of the 3 large evaporation pits contained oil, 9 of the 12 smaller evaporation pits contained oil in varying amounts, the 2 tanks associated with the jet out area were full contained some oil and the two solids pits were full of parifin-tankbottom material. None of these pits were netted or screened. The produced water offloading

valve buckets were half full and the ground surrounding them had received numerous spills/overflows.

We observed one truck unloading a yellow liquid into Pit #11 and were told that it was amine wastewater from the gasplant. We proceeded to inspect the treating plant area and found some unmarked barrels and improperly stored barrels in and around the plant buildings. The 2 solids storage pits at the plant were full and the netting was in disrepair

We then proceeded to the landfill portion of the facility. Both the Navajo pit and the main pit contained liquid and oil. On top of the filled and covered portion of the landfill two surface pits had been constructed and contained liquid with oil. In another portion of the filled and covered landfill a pit >5 feet deep and 10x20 feet had been excavated into the waste material (redwood tanks contaminated soils). This pit was equipped with a hose for trucks to off load into. The Pit contained liquid, oil and floating redwood boards. The Inspection ended at 6:00PM.

Within the transcript from Case 9882 the hearing in which CRI was issued Order R-3221 to operate the surface waste management facility, CRI specifically switched the liquids receiving area to the West pit and out of the East pit (currently the solids pit). This switch was implemented because of the water found in the test wells drilled in around the proposed facility and the projected subsurface flow direction on top of the redbed toward Laguna Toston.



Pit excavated into Land Fill.  
Note Redwood tank Debris in  
Upper Right Edge of pit wall.  
Hose was in ~~the~~ Place To  
Aid in Truck offloading

5-31-00

CAMPBELL & BLACK. P.A.  
LAWYERS

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

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

March 30, 1990

HAND-DELIVERED

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

RECEIVED  
MAR 30 1990  
OIL CONSERVATION DIVISION

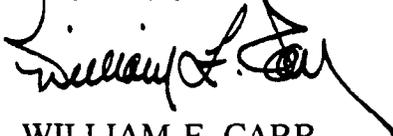
Re: Case 9882:  
Application of Controlled Recovery, Inc. for an Oil Treating Plant Permit,  
Surface Waste Disposal, and an Exception to Division Order R-3221, Lea  
County, New Mexico

Dear Mr. Boyer:

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

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

Very truly yours,



WILLIAM F. CARR  
WFC:mlh  
Enclosure

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

**HYDROLOGY:**

1. Samples were taken from the No. 3 and No. 7 test holes and was analyzed by the City of Hobbs. Copies of these analyses are included with the material previously submitted to the Division. Due to the high bacterial content of the water which makes it unfit for human consumption, additional analyses were not performed. At your request, Controlled Recovery, Inc. is obtaining a full analyses of the water from these test holes.
2. The chlorides are correctly shown in the data previously submitted for the No. 2-A and No. 6 Wells. However, both wells produce very small quantities of water. To provide additional protection for the No. 2-A Well, Controlled Recovery, Inc. will switch the location of the pit proposed for disposal of liquids with the pit proposed for disposal of solids.
3. It is our opinion that underground migration of water disposed at either of the pits on this location would be toward the Laguna Toston. However, reversing the pits will assure that the underground migration of disposal water will be directly to the Laguna Toston.
4. There is very little opportunity to obtain additional water analyses on groundwater in this area for the two wells in Section 27 are dry as is the well in the NE/4 of Section 1. Reversing the disposal pits should make additional samples from the wells in Section 36 which, may be difficult to obtain, of little relevance.

**GENERAL MATTERS:**

1. A plat identifying all land owners in the area and identifying state, federal and fee lands will be presented at the April 4, 1990 hearing.
2. J.C. Estes owns grazing rights in this area and T. Bingham was a prior owner of one of the wells in our hydrologic study.

3. The actual footage dimensions of the pits will be set forth on revised exhibits presented at the time of hearing.
4. Closure Plan: All pits will be evaporated prior to closure, covered up, buried and mounted with sufficient soil so that water will not pond in this area.
5. Operation Plans: At the April 4th hearing, the times the facilities will be open and the procedures that will be utilized to monitor the pits and the disposal of fluids will be fully detailed. Switching the pits on the proposed site will provide greater control over use of and access to the liquid disposal pit.
6. Contingency Plans: Because of the disposal pit configuration (below grade), a spill is very unlikely to occur. The disposal (evaporation) pits will not be filled to capacity and should a 100 year rainfall happen, no over flow would occur. If a natural disaster should occur, earth moving equipment would be employed to contain the spill within the approved disposal (evaporation) area.

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

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

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

1 the distance required to get to another facility.

2 Q. Are you familiar with Oil Conservation  
3 Division Rules and Regulations governing treating  
4 plants and disposal of produced waters?

5 A. Yes, I am.

6 Q. Are you prepared to comply with all of those  
7 rules and provisions?

8 A. Yes.

9 Q. Will you keep all records and make all  
10 reports and otherwise fully comply with the Division  
11 Rules and Regulations governing the operation of a  
12 facility of this nature?

13 A. Yes, I will.

14 Q. How soon do you propose to commence your  
15 operations?

16 A. We would propose to commence construction  
17 within 30 days of the issuance of the permit.

18 Q. What hours do you propose to have your  
19 facility open?

20 A. We plan to be open eight to five, five days a  
21 week, and on special request.

22 Q. Will there be a person on the location at all  
23 times?

24 A. Yes, any -- We'll have a person, anytime  
25 there will be any incoming or outgoing traffic we'll

See phenothiazine.

**HOOCCH<sub>2</sub>S·CH<sub>2</sub>CH<sub>2</sub>COOH.**  
acid.

ts; m.p. 135° C; soluble in water and

ods restricted to 0.02% of fat and oil  
g essential oils.  
t in food packaging, soaps, plastici-  
fats and oils.

**plonitrile S(CH<sub>2</sub>CH<sub>2</sub>CN)<sub>2</sub>.**  
crystals or light yellow liquid; sp.  
; m.p. 28.65° C; slightly soluble in  
l; soluble in acetone, chloroform

oxic.  
e; selective solvent; chromatog-

**quinoxaline.** See thioquinox.

See 2-aminoethanethiol.

emark for a thio-indigo deep ma-  
n a red-violet undertone. Used in  
ks, and plastics.

**C<sub>6</sub>H<sub>3</sub>N(HCl)SCC<sub>6</sub>H<sub>4</sub>N(CH<sub>3</sub>)<sub>2</sub>.**  
w basic dye of the thiazole class.  
rescenes yellow to yellowish green  
traviolet.

ing para-toluidine with sulfur in  
d oxide.

ng; fluorescent sign paints; in  
green or blue pigments to produce  
osphotungstic pigments.

phene.

mark for gelatin into which thiol  
been introduced by an improved

ual release of active compounds;  
surement; tissue culture medium;  
aphic arts; gel filtration; surface

**(OH)CH(OH)CH<sub>2</sub>SH.**

hite liquid; b.p. 118° C at 5 mm;  
). Soluble in water, alcohol and  
low toxicity.

for cystine molecule in human  
bilization of acrylonitrile poly-

rcaptoacetic acid)

liquid; strong, unpleasant odor;  
16.5° C; b.p. 123° C (29 mm).  
alcohol or ether. Combustible.  
thloroacetic acid with potassium

drums.

estion and inhalation; strong  
erance, 1 ppm in air.

Uses: Reagent for iron; manufacture of thioglycolates,  
permanent wave solutions and depilatories; vinyl  
stabilizer; manufacture of pharmaceuticals.

Shipping regulations: (Rail, Air) Corrosive label.

**2-thiohydantoin** (glycolylthiourea)

**NHC(S)NHC(O)CH<sub>2</sub>.**

Properties: Crystals or tan powder. M.p. 230° C.  
Slightly soluble in water; insoluble in alcohols and  
ethers.

Purity: 99% min.

Use: Intermediate for pharmaceuticals, rubber ac-  
celerators, copper plating brighteners and dyestuffs.

**2-thio-4-keto-thiazolidine.** See rhodanine.

**"Thiokol."**<sup>27</sup> Trademark for a series of polysulfide  
elastomers in the form of liquids, water dispersions  
and millable (dry) rubbers. Combustible. Charac-  
terized by almost 100% resistance to solvents,  
particularly hydrocarbons, but has relatively low  
tensile strength.

Uses: Sealants for gasoline tanks; sealer adhesive for  
machine components; potting and sealing electrical  
parts; caulking ship decks and buildings; flexibilizing  
constituent of resin-based adhesives; paint spray  
and gasoline hose; oil suction and discharge hose;  
rocket propellant binder.

**thiol** (mercaptan). Any of a group of organic com-  
pounds resembling alcohols, but having the oxygen  
of the hydroxyl group replaced by sulfur, as in  
ethanethiol (C<sub>2</sub>H<sub>5</sub>SH). Many thiols are character-  
ized by strong and repulsive odors.

Hazard: Aliphatic thiols are flammable and toxic by  
inhalation.

Uses: Warning agents in fuel gas lines; chemical  
intermediates. See also specific compound.

Shipping regulations: (Mercaptan mixtures, aliphatic)  
(Rail, Air) Flammable Liquid label.

Note: Adoption of the name "thiol" to replace  
"mercaptan" has been officially approved as more  
consistent with the molecular constitution of these  
compounds. The older term, which literally means  
"mercury-seizing", is inappropriate.

**thiomalic acid** (mercaptosuccinic acid)

**HOOCCH(SH)CH<sub>2</sub>COOH.**

Properties: White crystals or powder; sulfuric odor;  
m.p. 149-150° C; soluble in water, alcohol, acetone,  
and ether; slightly soluble in benzene. Low toxicity;  
combustible.

Use: Biochemical research; intermediate; rust inhib-  
itor; antidarkening agent for crepe rubber; tackifier  
for synthetic rubber.

**thionazin.** Generic name for O,O-diethyl-O-2-pyra-  
zinyl phosphorothioate

**NCHCHNCHCOPS(C<sub>2</sub>H<sub>5</sub>O)<sub>2</sub>.**

Properties: Amber liquid; m.p. -1.7° C; b.p. 80° C  
(.001 mm). Slightly soluble in water; miscible with  
most organic solvents.

Hazard: Toxic by ingestion, inhalation and skin  
absorption. Cholinesterase inhibitor.

Uses: Insecticide; fungicide; nematocide.

Shipping regulations: (Rail, Air) Organic phosphates,  
liquid, n.o.s. Poison label. Not accepted passenger.

**"Thionex."**<sup>28</sup> Trademark for tetramethylthiuram mo-  
nosulfide. [(CH<sub>3</sub>)<sub>2</sub>NCH]<sub>2</sub>S.

Properties: Lemon yellow powder or grains; sp. gr.  
1.39; m.p. not lower than 105° C.

Use: Ultra-accelerator for rubber.

See also "Monex."

**thionyl chloride** (sulfurous oxychloride; sulfur oxy-  
chloride) SOCl<sub>2</sub>.

Properties: Pale yellow to red fuming liquid with  
suffocating odor; sp. gr. 1.638; f.p. -105° C; b.p.  
79° C; decomposes at 140° C. Decomposes (fumes) in  
water; soluble in benzene, carbon tetrachloride.

Grades: 93%, 97.5%.

Containers: Glass carboys; drums.

Hazard: Toxic; strong irritant to skin and tissue.

Uses: Pesticides; engineering plastics; chlorinating  
agent; catalyst.

Shipping regulations: (Rail, Air) Corrosive label. Not  
acceptable passenger.

**thiopental sodium** ("Pentothal"; "Sodium Pento-  
thal"). A rapidly acting barbiturate administered  
intravenously for general anesthesia and hypnosis.  
Commonly known as "truth serum". Its chemical  
name is sodium 5-ethyl-5(1-methylbutyl)-2-thio-  
barbiturate (C<sub>11</sub>H<sub>17</sub>N<sub>2</sub>O<sub>2</sub>SNa). May cause respira-  
tory failure; should be used only with physician in  
attendance.

**thiophane.** See tetrahydrothiophene.

**thiophene** (thiofuran) **CHCHCHCHS.** A cyclic orga-  
nosulfur; highly reactive.

Properties: Colorless liquid; refractive index (n<sub>20</sub>/D)  
1.5285; sp. gr. 1.0644 (20°/4° C); f.p. -38.5° C; b.p.  
84° C; flash point 30° F (-1.1° C). Soluble in alcohol  
and ether; insoluble in water.

Derivation: From coal tar (benzene fraction) and  
petroleum; synthetically from heating sodium suc-  
cinate with phosphorus trisulfide.

Hazard: Flammable, dangerous fire risk. Moderately  
toxic.

Use: Organic synthesis (condenses with phenol and  
formaldehyde; copolymerizes with maleic anhy-  
dride); solvent; dye and pharmaceutical mfg.

Shipping regulations: Flammable liquid, n.o.s., (Rail,  
Air) Flammable Liquid label.

**alpha-thiophenealdehyde** C<sub>4</sub>H<sub>3</sub>SCHO. (2-Thiophene-  
carboxaldehyde).

Properties: Oily liquid with almond-like odor; b.p.  
198° C, 90° C (20 mm); sp. gr. 1.210-1.220; very  
soluble in alcohol, benzene, ether; slightly soluble in  
water. Combustible.

Grade: 95%.

Containers: Drums.

Uses: Thiophene derivatives; introducing thenyl group  
into organic compounds.

Contains 192,408 acres, more or less.  
A South 30 Feet being reserved as a utility easement

U.S.A.

TRACT 1

U.S. HIGHWAY 62-80  
K.R.M.

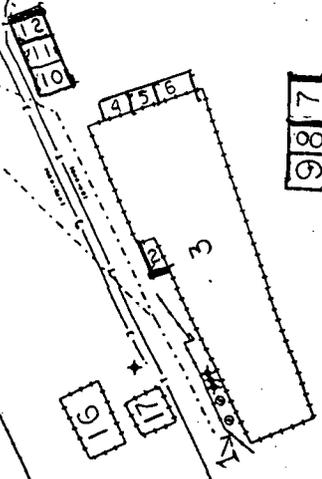
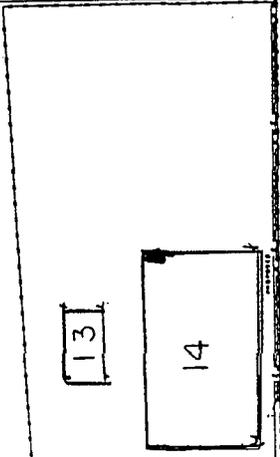
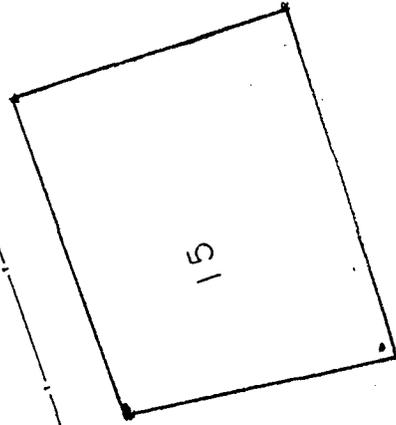
QUAIL RUN  
DEV

TRACT 2

RPI

U.S.A.

CRI



987

Approx. 100,000 sq. ft. area of land, the south 30 feet being reserved as a utility easement

USA

TRACT 1

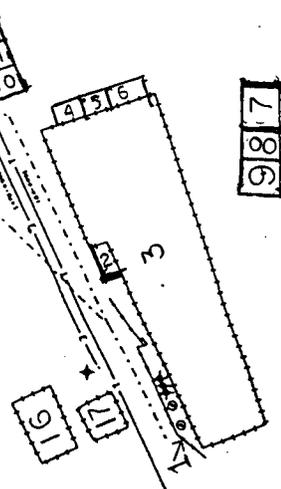
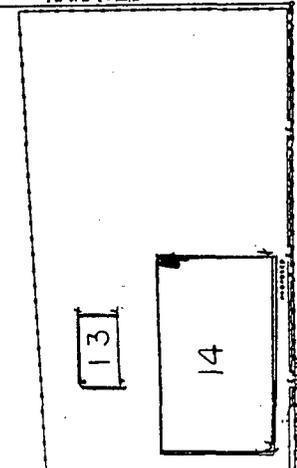
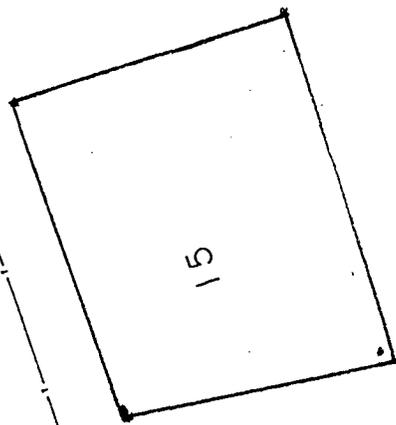
U.S. HIGHWAY 62-80  
K-RM  
QUAIL RUN DEV

TRACT 2

RPI

USA

CRU





# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

**GARY E. JOHNSON**  
Governor  
**Jennifer A. Salisbury**  
Cabinet Secretary

**Lori Wrotenbery**  
Director  
Oil Conservation Division

June 30, 2000

**CERTIFIED MAIL**  
**RETURN RECEIPT NO. Z-559-573-321**

Mr. Ken Marsh  
Controlled Recovery, Inc.  
P.O. Box 388  
Hobbs, NM 88241

**RE: NOTICE OF VIOLATION**  
**Surface Waste Management Facility Inspection Report: Permit NM-01-0006**  
**Controlled Recovery, Inc.**  
**S/2 N/2 and the N/2 S/2 Section 27, Township 20 South, Range 32 East, NMPM**  
**Lea County, New Mexico**

Dear Mr. Marsh:

The New Mexico Oil Conservation Division (OCD) inspected the Controlled Recovery, Inc. (CRI) commercial surface waste management facility at the above location on May 31, 2000.

The OCD inspection and file review of CRI indicates that CRI is in violation of Rule 310 and provisions of Order R-9166 and is deficient in several operational, safety and security measures. Attachment 1 lists the permit deficiencies and violations found at CRI during the inspection and file review. Attachment 2 contains photographs taken during the inspection. Attachment 3 is a map of the facility with features numbered. CRI must provide the OCD with a detailed description of how the corrections will be made and a timetable for completion of the corrections. CRI must respond to the permit deficiencies and Notice of Violation by July 31, 2000.

Failure to submit the requested information and respond to the Notice of Violation by July 31, 2000 will result in the issuance of a compliance order which may include civil penalties pursuant to Section 70-2-31 NMSA 1978 as amended.

A review of CRI's financial assurance finds that the \$28,825 surety bond No. 124047699 is current and active. Please be advised that the facility is scheduled to be re-permitted this year and additional financial assurance will be required. If you do not have a copy of the OCD surface

Controlled Recovery, Inc.  
Mr. Ken Marsh  
June 30, 2000  
Page 2

waste management facility financial assurance forms, you may obtain them from the OCD web site <http://www.emnrd.state.nm.us/oed/>.

If you have any questions please contact Martyne Kieling at (505) 827-7153.

Sincerely,



Roger C. Anderson  
Environmental Bureau Chief

Attachments

xc: Hobbs OCD Office

ATTACHMENT 1  
INSPECTION REPORT  
PERMIT NM-01-0006  
CONTROLLED RECOVERY, INC.

S/2 N/2 and the N/2 S/2 Section 27, Township 20 South, Range 32 East, NMPM  
Lea County, New Mexico  
(June 30, 2000)

1. Fencing and Signs: The facility will be fenced and have a sign at the entrance. The sign shall be maintained in good condition and shall be legible from at least fifty (50) feet and contain the following information : a) name of facility, b) location by section, township and range, and c) emergency phone number.

**Facility is secured with fence and locking gates and has a sign at the west entrance. The east entrance was open at the time of the inspection and is not readily visible from the office/plant headquarters. In addition the landfill area on the east end of the facility is not very visible from the plant headquarters (see photo 44). The facility must be secured so that all loads that enter the facility are required to check in with the facility manger.**

2. Berming: An adequate berm will be constructed and maintained to prevent runoff and runon for that portion of the facility containing contaminated soils.

**Portions of the facility are bermed however the berm in some areas may need to be rebuilt particularly along the fence line near the evaporation pond and the treating plant. Order R-9166 stipulated that the facility be operated and maintained in such a manner as to preclude spills and fires and protect persons and livestock.**

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

**There were several areas that contained trash, empty drums and buckets (see photos 9, 28, 30, 31, 34, and 35). There were several groups of barrels that were unmarked, it was not possible to tell what contained useable products & fuel, what was empty, what was just a trash barrel and which barrels were to be recycled. Order R-9166 stipulated that the facility be operated and maintained in such a manner as to preclude spills and fires and protect persons and livestock.**

**Trash, debris, and empty containers should be centralized and in a trash collection area and should be removed for recycle or disposal as soon as possible.**

4. 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 pad within the berm so that leaks can be identified.

**Above ground tanks are not bermed to hold the required volume (see photos 12, 23, 38, 40). All replacement tanks must be placed on an impermeable pad within a berm so that leaks can be identified quickly, contained to a small area and easily picked up. Order R-9166 stipulated that the facility be operated and maintained in such a manner as to preclude spills and fires and protect persons and livestock.**

5. Sumps and Valve Catchments: All sumps and catchments must be kept empty so that leaks can be identified and to prevent overflow onto the ground. All pre-existing below grade sumps or catchments must demonstrate integrity on an annual basis. Integrity tests must include visual inspections of cleaned out sumps or catchments.

**The valve connections and associated valve catchments at the produced water area have leaked or overflowed and the resulting spills have been covered by fresh sand (see photos 2 and 3). At the time of the inspection the sumps were  $\frac{3}{4}$  full. Valve catchments should be inspected daily and liquids removed frequently to prevent over-topping. Soil contaminated by overflow or leaking valves must be cleaned up. However, Order R-9166 stipulated that the facility be operated and maintained in such a manner as to preclude spills and fires and protect persons and livestock.**

**Secondary containment must be installed at those fluid transfer points that have a history of spills and leaks (see photos 27 and 32). Facility inspections must be conducted on a daily basis and sumps and catchments emptied. Sumps and catchments should be cleaned and inspected for integrity on an annual basis. Soil contaminated by overflow and leaking valves must be cleaned up.**

6. Equipment Maintenance: Equipment, tanks, pipe valves and connections must be inspected on a regular basis and repairs made as needed.

**Leaking pipes, valves and pumps were observed (see photos 25, 27, 32 and 39). Order R-9166 stipulated that the facility be operated and maintained in such a manner as to preclude spills and fires and protect persons and livestock.**

**All leaking pipes, valves and pumps must be repaired. Contaminated soils must be cleaned up.**

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

Drums are not properly stored (See photos 28, 30, 31, 34 and 35). Labels were faded and hard to read or were not present. Order R-9166 stipulated that the facility be operated and maintained in such a manner as to preclude spills and fires and protect persons and livestock.

CRI shall clearly label all drums or other chemical containers and store empty drums on their sides with the bungs in and lined up on a horizontal plane. These measures can aid emergency responders.

8. 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.

**Saddle tanks were all properly contained.**

9. 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.

**Tanks are numbered but were not clearly labeled to identify their contents and hazards. Placards or stencils must be placed on all tanks. Order R-9166 stipulated that the facility be operated and maintained in such a manner as to preclude spills and fires and protect persons and livestock.**

**CRI shall clearly label all tanks, drums and containers.**

10. Migratory Bird Protection: All tanks exceeding 16 feet in diameter and exposed pits, ponds or lagoons must be screened, netted, covered or otherwise rendered not hazardous to migratory birds.

**CRI received an exception to Order 8952 issued by the Hobbs District office in 1997.**

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

**Spill(s) were evident at the produced water receiving area (see photo 3). Spills were covered with clean red sand. The OCD has not received notification pursuant to OCD Rule 116 of any spills at this facility.**

**CRI shall provide information regarding the size and volume of the spill(s) at this location and a plan for cleanup of the spill site.**

12. Rule 310: Oil shall not be stored or retained in earthen reservoirs, or in open receptacles.

**Oil was observed on pits 1a, 1b, 2a, 2b 3c, 3d, C, 5, 6, 7, 8, 9, 10, 11, 13, LF1, LF2, LF3, LF4, LF5, the Navajo landfill and 15. See attachment 3 map for pit**

identification. (see attachment 2 photos 1, 8, 9, 10, 11, 14, 15, 16, 17, 18, 19, 20, 37, 41, 42, 43, 44, 45 and 46).

**CRI shall begin the immediate removal of oil from the above referenced pits.**

13. Landfill Operations: According documentation on file with the OCD a letter dated March 30, 1990, from Campbell & Black P.A. on behalf of CRI was to be submitted as evidence in Case No. 9882. CRI stipulated that it would "switch the location of the pit proposed for disposal of liquids with the pit proposed for disposal of solids." This switch was "To provide additional protection for the No. 2-A Well".

**Liquids were observed in pits LF1, LF2, LF3, LF4, LF5, the Navajo landfill and the currently open landfill pit area (see attachment 3 for pit identification and see attachment 2 photos 41, 42, 43, 44, 45 and 46). Pits LF1, LF2 and LF3 have been excavated into previously filled landfill. Pits LF4 and LF 5 are constructed upon filled portions of the landfill.**

**CRI shall begin the immediate removal of all liquids from the above referenced pits at the landfill area.**

14. Regular Facility Inspections: Facility inspections and maintenance must be conducted on at least a daily basis and immediately following each consequential rainstorm or windstorm.

**The current permit issued on April 27, 1990, has not required these inspections. However, Order R-9166 stipulated that the facility be operated and maintained in such a manner as to preclude spills and fires and protect persons and livestock.**

15. H<sub>2</sub>S Monitoring: H<sub>2</sub>S monitoring must be recorded and maintained.

**The current permit issued on April 27, 1990, has not required H<sub>2</sub>S screening and record keeping. However, Order R-9166 stipulated that the facility be operated and maintained in such a manner as to preclude spills and fires and protect persons and livestock.**

**CRI shall begin H<sub>2</sub>S screening and monitoring.**

16. Waste Acceptance and Disposal Documentation: Documentation required by forms C-117 and C-118. These records must be maintained for each load may include: 1) generator; 2) origin; 3) date received; 4) quantity; 5) certification; 6) NORM status declaration; 7) transporter; 8) exact cell location; and 9) any addition of treatment chemicals.

**Records including C-117 and C-118 were not reviewed on this inspection.**



Photo 1 May 31, 2000  
Unlined skim pit 1a (foreground) and evaporation pond

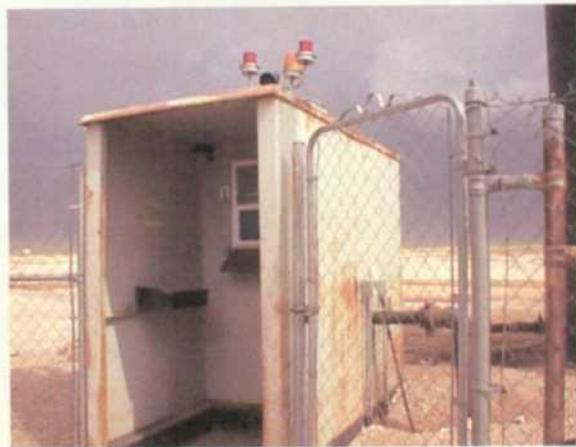


Photo 4 May 31, 2000  
Computer system



Photo 2 May 31, 2000  
Produced water system valves & sumps.



Photo 5 May 31, 2000  
Lined Pit 16 a, b, and c, contained solids.



Photo 3 May 31, 2000  
Produced water system valves & sumps showing spills that have been covered by fresh sand.



Photo 6 May 31, 2000  
Produced water evaporation pond 3a and 3b looking southwest.



Photo 7 May 31, 2000  
Produced water evaporation pond 3b looking south.



Photo 10 May 31, 2000  
Produced water evaporation pond 3c containing oil.  
looking southwest



Photo 8 May 31, 2000  
Pit 2a, steal jet out pit full of wash water with some  
oil.



Photo 11 May 31, 2000 looking southeast  
Produced water evaporation pond 3c and 3d showing  
overflow from jet out pit.



Photo 9 May 31, 2000  
Pit 2b, steal jet out pit full and has overflowed oil  
down into evaporation pond 3c.



Photo 12 May 31, 2000  
Pit A, solid drying pit. Looking east of jet out area.



Photo 13 May 31, 2000  
Pond 3d, evaporation pond contains solids. Oily liquids have flowed between 3d and 3c through breach in berm.



Photo 16 May 31, 2000  
Pond 3d, evaporation pond contains solids. Looking Southwest.



Photo 14 May 31, 2000  
Pit B and C, solid drying pits Looking west toward jet out area.



Photo 17 May 31, 2000  
Pits 5 and 4, solid drying pits. Looking northwest



Photo 15 May 31, 2000  
Pits 4 and 5, solid drying pits. Looking south



Photo 18 May 31, 2000  
Pit 6, solid drying pit. Mostly water with some free oil. Looking southwest



Photo 19 May 31, 2000  
Pit 10, solid drying pits. Looking northwest



Photo 22 May 31, 2000  
Centrafuge



Photo 20 May 31, 2000  
Pit 11, solid drying pits. Looking Northeast



Photo 23 May 31, 2000  
The berm at northwest corner of treating plant is low.



Photo 21 May 31, 2000  
Pit 12, solid drying pits. Looking Northeast.

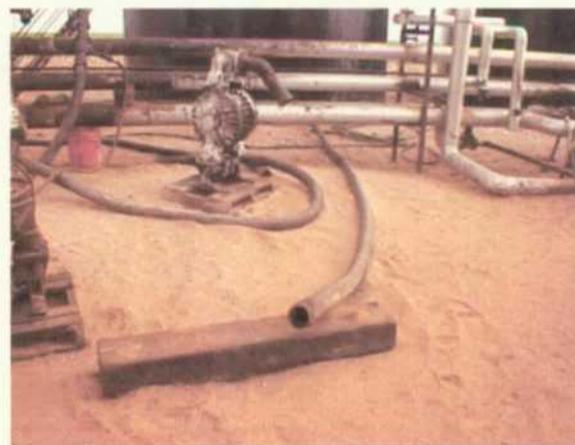


Photo 24 May 31, 2000  
Treating plant.

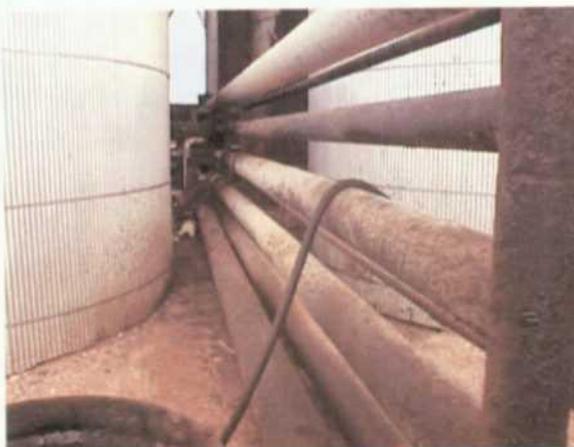


Photo 25 May 31, 2000  
Treating plant pipe leaks stained soils.



Photo 28 May 31, 2000  
Barrels and buckets are not labeled or properly stored.



Photo 26 May 31, 2000  
Treating plant centrifuge process.



Photo 29 May 31, 2000  
Boiler discharge water flowing on ground surface.



Photo 27 May 31, 2000  
Tank 9, valve without sump/catchment, stained soils.



Photo 30 May 31, 2000  
Barrels are not labeled or properly stored.



Photo 31 May 31, 2000  
Barrels are not labeled or properly stored.



Photo 34 May 31, 2000  
Barrels are not labeled or properly stored.



Photo 32 May 31, 2000  
Tank 4, valve without sump/catchment, stained soils



Photo 35 May 31, 2000  
Barrels are not labeled or properly stored.



Photo 33 May 31, 2000  
Steel receiving and heat treatment pits.



Photo 36 May 31, 2000  
Pit 13, solid storage pit waiting for processing through treating plant.



Photo 37 May 31, 2000  
Pit 13, net down in liquid.

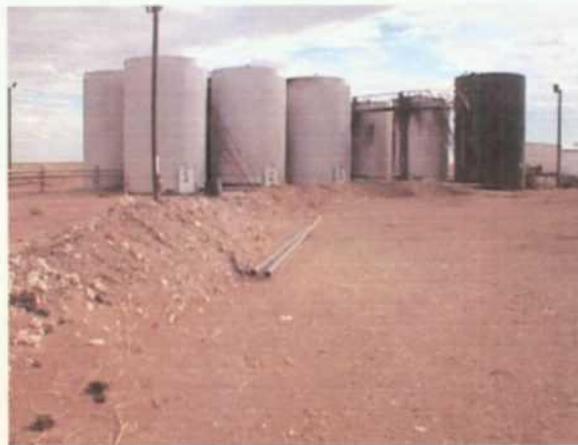


Photo 40 May 31, 2000  
Treating plant.



Photo 38 May 31, 2000  
Steel receiving and heat treatment pits.



Photo 41 May 31, 2000  
Landfill with liquids.



Photo 39 May 31, 2000  
Leaking pump/hoses no catchment.



Photo 42 May 31, 2000  
Navajo landfill cell with liquids.



Photo 43 May 31, 2000  
Pit with liquids constructed on the surface of filled landfill



Photo 44 May 31, 2000  
Pit with liquids constructed on the surface of filled landfill .



Photo 45 May 31, 2000  
Pit excavated into filled landfill. Pit contained liquids. Hose was in place for truck off-loading.



Photo 46      May 31, 2000  
Pit excavated into filled landfill. Pit contained liquids. Hose was in place for truck off-loading.

contains 193.808 acres, more or less.  
South 30 feet being reserved as a utility

ATTACHMENT 3

U.S.A

TRACT I

U.S. HIGHWAY 62-180  
K.R.M.

ARIZONA EASEMENT  
QUAIL RUN  
DEV.

16  
a b c

17

3a  
3b

3c

3d

10  
11  
12

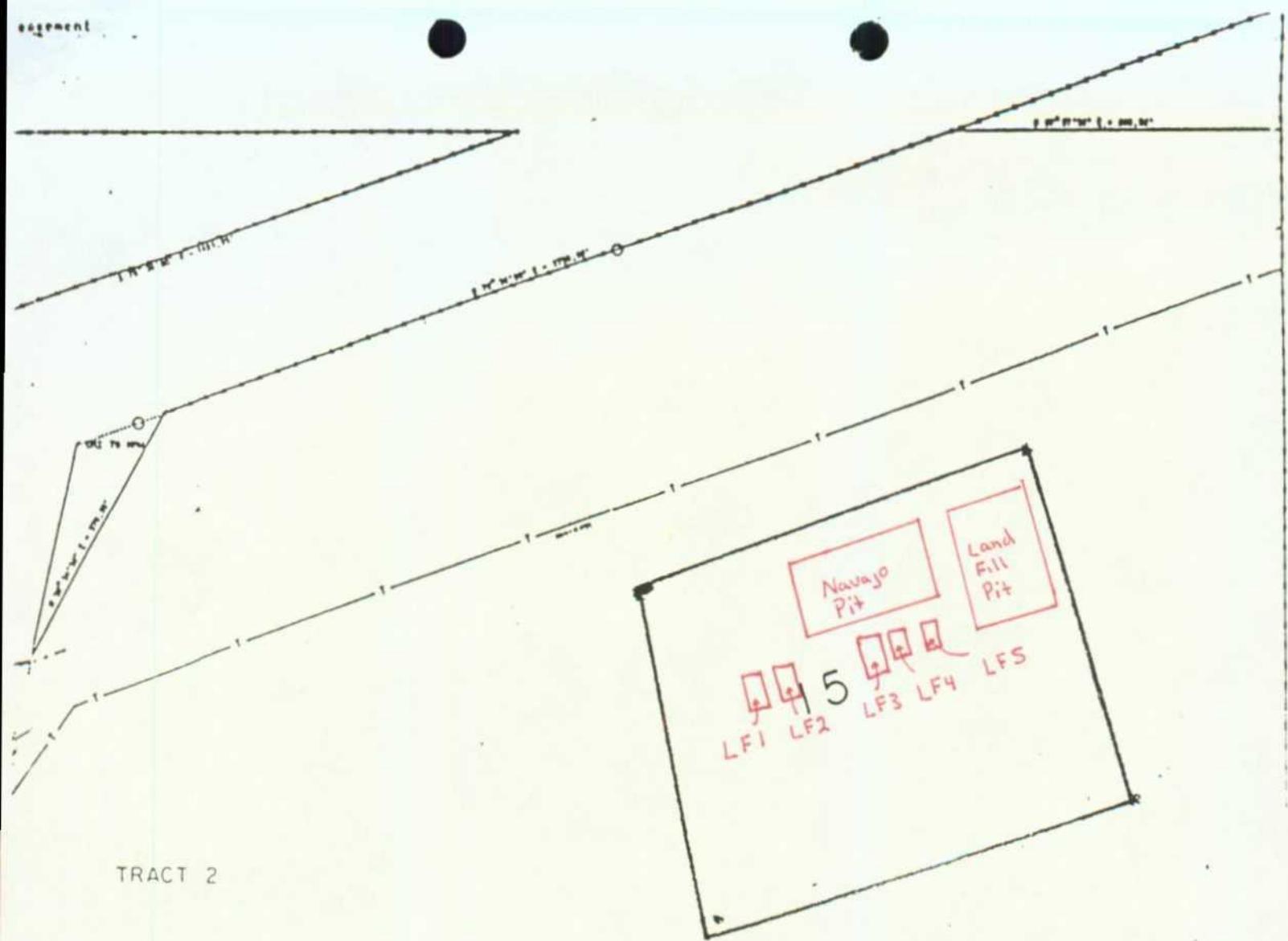
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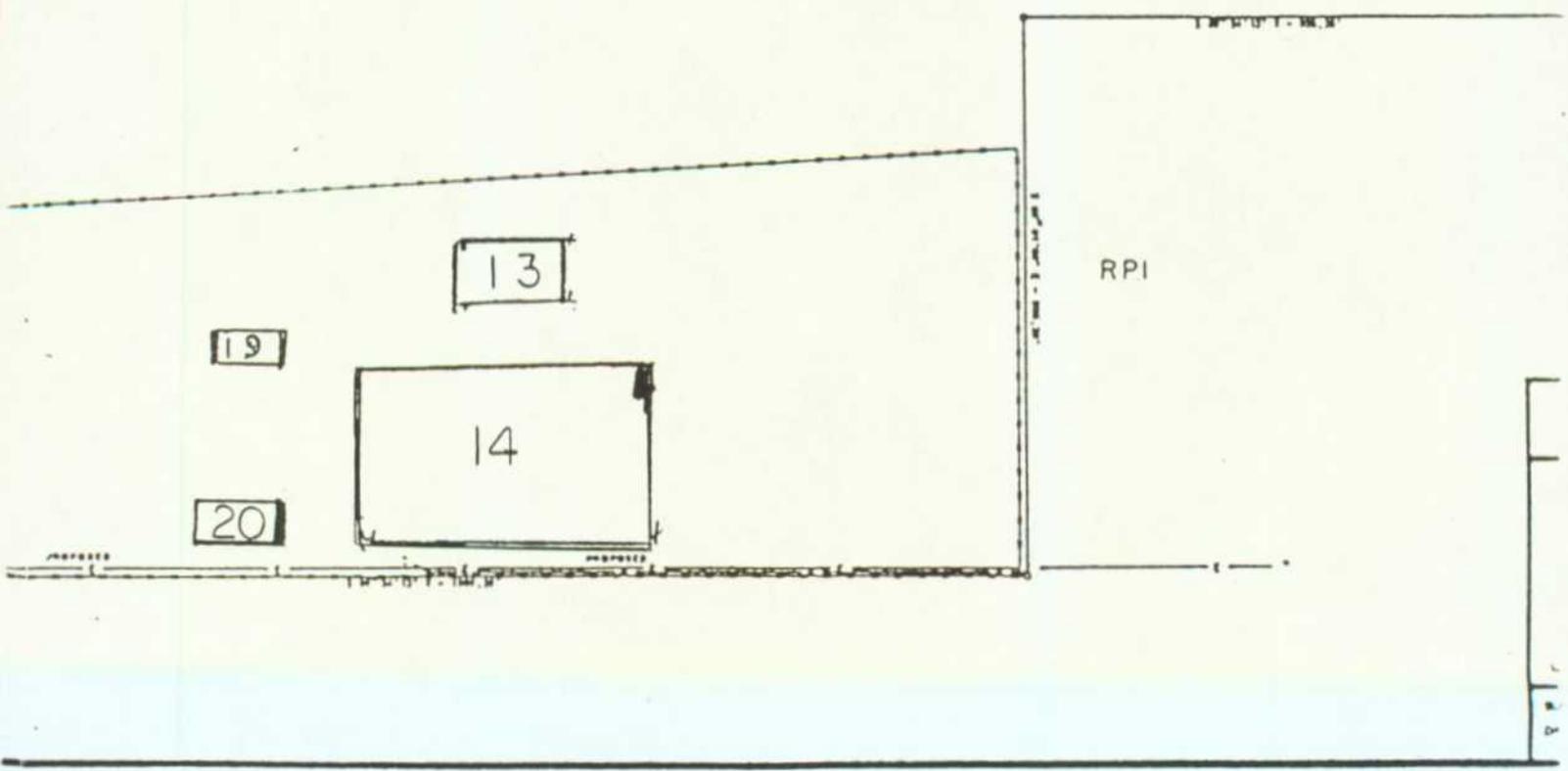
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U.S.A

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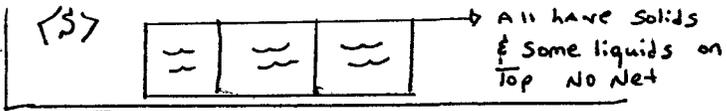


TRACT 2

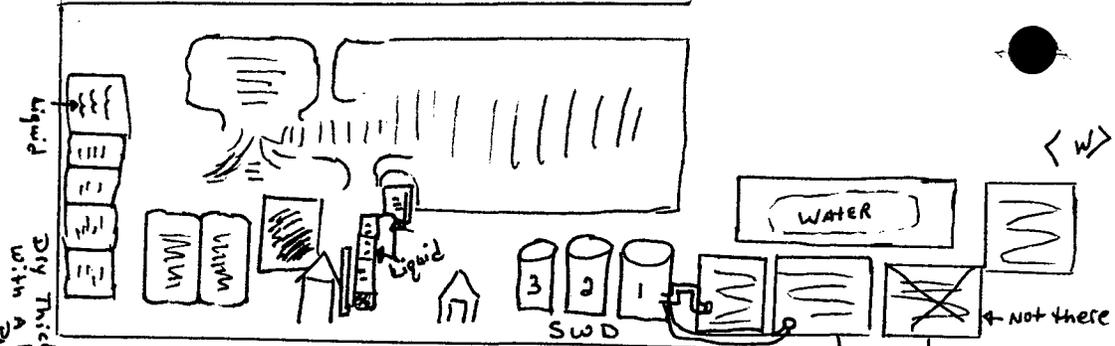


RPI

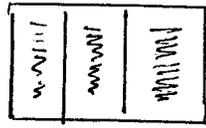
CRI  
05/31/00



Ⓢ



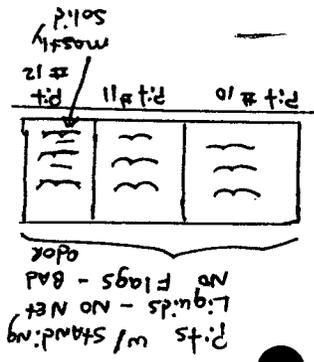
<W>



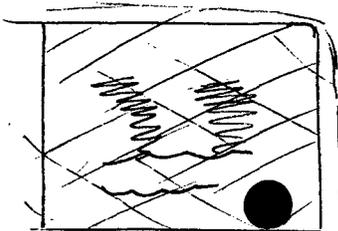
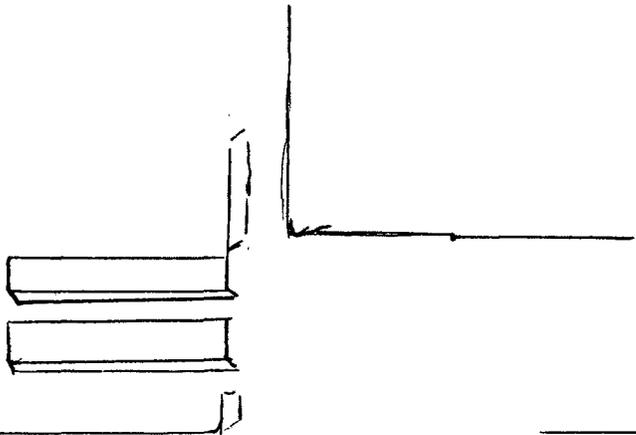
← Solid pits

< 081-29 >

<M>



<E>



2 Pit  
Net toward  
Some in  
Sludge



# NMPRC Corporation Information Inquiry

---

New Search

## Public Regulation Commission

6/19/2000

# PETRO SOURCE CORPORATION

*In New Mexico Doing Business As:*

# PETRO SOURCE CORPORATION OF UTAH

*(UTAH Corporation)*

SCC Number: 1357557

Tax & Revenue Number: 02008807008

Qualification Date: JUNE 26, 1987, in NEW MEXICO

Corporation Type: FOREIGN PROFIT

Corporation Status: ACTIVE

Good Standing: In GOOD STANDING through 3/15/2002

Purpose: MARKETING PETROLEUM PRODUCTS

---

## CORPORATION DATES

Taxable Year End Date: 12/31/99

Filing Date: 03/14/00

Expiration Date:

## SUPPLEMENTAL POST MARK DATES

Supplemental: 10/15/87

Name Change:

Purpose Change:

---

**MAILING ADDRESS**

9801 WESTHEIMER, SUITE 900 HOUSTON , TEXAS 77042

**PRINCIPAL ADDRESS**

217 W. MANHATTAN AVE. SANTA FE NEW MEXICO 87501

**PRINCIPAL ADDRESS (Outside New Mexico)**

9801 WESTHEIMER STE 900 HOUSTON TEXAS 77042

---

**REGISTERED AGENT**

*C T CORPORATION SYSTEM*

123 EAST MARCY SANTA FE NEW MEXICO 87501

Designation date: 03/14/00

Agent Post Mark Date:

Resignation date:

---

**COOP LICENSE INFORMATION**

Number:

Type:

Expiration Year:

---

**OFFICERS**

President *MCCOLLUM, A. HOWARD*

Vice President *CODY III, HARVEY H.*

Secretary *CODY III, HARVEY H.*

Treasurer *PIENE, JAN H.*

---

**DIRECTORS**

Date Election of Directors: 04/01/00

**BURKEIII, JAMES J** 9801 WESTHEIMER SUITE 900 HOUSTON , TX 77042  
**CODY III, HARVEY H** 9801 WESTHEIMER SUITE 900 HOUSTON , TX 77042  
**MCCOLLUM, A. HOWARD** 9801 WESTHEIMER SUITE 900 HOUSTON , TX 77042

# NMPRC Corporation Information Inquiry

---

New Search

## Public Regulation Commission

6/19/2000

### **PETRO SOURCE HYDROCARBON SERVICES**

*In New Mexico Doing Business As:*

### **PETRO SOURCE HYDROCARBON SERVICES COMPANY**

*(UTAH Corporation)*

SCC Number: **1285477**

Tax & Revenue Number:

Qualification Date: **OCTOBER24, 1985, in NEW MEXICO**

Corporation Type: **FOREIGN PROFIT**

Corporation Status: **MERGED OUT**

Good Standing:

Purpose:

---

#### **CORPORATION DATES**

Taxable Year End Date: 12/31/89

Filing Date: //

Expiration Date:

#### **SUPPLEMENTAL POST MARK DATES**

Supplemental:  
Name Change:  
Purpose Change:

---

**MAILING ADDRESS**

**PRINCIPAL ADDRESS**

**PRINCIPAL ADDRESS (Outside New Mexico)**

---

**REGISTERED AGENT**

*MERGED OUT OF EXISTENCE*

SEE FT11 FOR SERVICE OF PROCESS

Designation date: 04/19/88  
Agent Post Mark Date:  
Resignation date:

---

**COOP LICENSE INFORMATION**

Number:  
Type:  
Expiration Year:

---

**INCORPORATORS**

---

**DIRECTORS**

Date Election of Directors:

# NMPRC Corporation Information Inquiry

---

New Search

## Public Regulation Commission

6/19/2000

# PETRO SOURCES, INC.

*(UTAH Corporation)*

SCC Number: 1111921

Tax & Revenue Number: 02008807008

Qualification Date: AUGUST 28, 1981, in NEW MEXICO

Corporation Type: FOREIGN PROFIT

Corporation Status: MERGED OUT

Good Standing:

Purpose:

---

### CORPORATION DATES

Taxable Year End Date: 12/31/89

Filing Date: //

Expiration Date:

### SUPPLEMENTAL POST MARK DATES

Supplemental:

Name Change:

Purpose Change:

---

### MAILING ADDRESS

### PRINCIPAL ADDRESS

**PRINCIPAL ADDRESS (Outside New Mexico)**

---

**REGISTERED AGENT**

*MERGED OUT OF EXISTENCE*

SEE FT11 FOR SERVICE OF PROCESS

Designation date: 03/15/88

Agent Post Mark Date:

Resignation date:

---

**COOP LICENSE INFORMATION**

Number:

Type:

Expiration Year:

---

**INCORPORATORS**

---

**DIRECTORS**

Date Election of Directors:

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

MEMORANDUM OF MEETING OR CONVERSATION

Telephone     Personal    Time 2:15    Date 06-19-00

Originating Party Martynne Kieling    Other Parties Jerry Schopner  
BCD    UST Bureau NMED  
827 0214

Subject UST Pulls - What happens to tank & Bottoms.

Discussion UST are Required to Have Less than 1 inch  
of Fluid in them Prior to Pull. The tank is Filled  
with Inert ~~to~~ Air or Dry Ice to Reduce to  
~~an~~ Explosion Potential ~~Let~~. ~~then~~ The tank is pulled  
and taken to Contractors yard where it is cut up for  
Recycling.

The Fluid is Not Tracted from the tank. The remaining less  
than 1 inch of Fluid Fule.

Conclusions or Agreements The Fluid is RCRA Exempt as long as it  
is used as a Product.

Distribution    Signed Martynne J. Kieling

**Public Regulation Commission**

3/6/2000

**CONTROLLED RECOVERY, INC.****MAILING ADDRESS  
PO BOX 388 HOBBS NEW MEXICO 88241****SCC Number: 1466515      Tax & Revenue Number: 02144098000****INCORPORATED ON JANUARY 31, 1990 , IN NEW MEXICO.****CORPORATION IS A DOMESTIC PROFIT****CORPORATION IS ACTIVE  
GOOD STANDING THROUGH: 3/15/2002****PURPOSE OF THE CORPORATION  
WASTE FACILITY****CORPORATION DATES****Taxable Year End Date: 12/31/99      Filing Date: 02/15/00  
Corporate Existence Expiration Date:****SUPPLEMENTAL POST MARK DATES****Supplemental: 07/23/98      Name Change:      Purpose Change:****PRINCIPAL ADDRESS****814 W. MARLAND HOBBS NEW MEXICO 88241****PRINCIPAL ADDRESS(Outside New Mexico)****REGISTERED AGENT****GARY DON REAGAN  
501 N. LINAM HOBBS NEW MEXICO 88240****Designation date: 10/27/98      Agent Post Mark Date:      Resignation date:****COOP LICENSE INFORMATION****Number:      Type:      Expiration Year:****MARSH, KEN *President*  
COPE, JOHNNY *Vice President*  
COPE, JOHNNY *Secretary***

**COPE, JOHNNY *Treasurer***

---

***DIRECTORS***

***Date Election of Directors: 02/28/99***

**COPE , JOHNNY**

814 W. MARLAND HOBBS , NM 88240

**MARSH , KEN**

814 W. MARLAND HOBBS , NM 88240

**New Search Inquiry Page**



NEW MEXICO ENERGY, MINERALS  
& NATURAL RESOURCES DEPARTMENT

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

April 5, 2000

**CERTIFIED MAIL**  
**RETURN RECEIPT NO. Z-559-573-292**

Mr. Ken Marsh  
Controlled Recovery, Inc.  
P.O. Box 388  
Hobbs, NM 88241-0388

**RE: Controlled Recovery, Inc.  
Commercial Surface Waste Management Facility  
S/2 N/2 and the N/2 S/2 Section 27, Township 20 South, Range 32 East, NMPM  
Lea County, New Mexico**

Dear Mr. Ken Marsh:

The New Mexico Oil Conservation Division (OCD) has received the Controlled Recovery, Inc. (CRI) request dated December 7, 1999 regarding the use of diesel and gasoline recovered from spills, tank bottoms, and other fuel contamination cases as a treating plant amendment. The use of diesel and gasoline at the CRI treating plant is hereby approved with the following conditions.

The treating plant may use diesel and gasoline recovered from spills, tank bottoms, and other fuel contamination cases. This material may only be used in the treating plant as a recycled product to aid in the chemical treatment and blending of crude oil.

Please be advised approval does not relieve Controlled Recovery, Inc. of liability should your operation result in actual pollution of surface water, ground water, or the environment. In addition, OCD approval does not relieve Controlled Recovery, Inc. of responsibility for compliance with other federal, state or local laws and/or regulations.

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

Sincerely,

  
Martyne J. Kieling  
Environmental Geologist

xc:

Hobbs OCD Office

February 17, 2000

MEMORANDUM:

Last week (February 6-11), I called Donna Williams with the Hobbs OCD office, to inquire about the status of several C-138 submittals. I left several messages over the course of the week and never received any response.

On Monday, February 14, 2000, I call Martyne J. Kieling, with the Santa Fe OCD office and told her of the problem, and could she check on the C-138's. The dates of the 7 submittals ranged from 2-1-00 to 2-10-00. She called me back and had only seen, signed and sent back the C-138, dated 2-1-00, for Halliburton, Artesia.

She said she had called Donna, prior to returning my call, and had also left a message for Donna to call her back.

I have not heard anything from either of them since regarding the status of the remaining 6, C-138 submittals.

Kath Harper





NEW MEXICO ENERGY, MINERALS  
& NATURAL RESOURCES DEPARTMENT

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

September 24, 1999

**CERTIFIED MAIL**  
**RETURN RECEIPT NO. P-326-936-646**

William F. Carr  
Campbell, Carr, Berge & Sheridan, P.A. Lawyers  
P. O. Box 2208  
Santa Fe, NM 87504-2208

**RE: CRI's concerns regarding oil field waste regulation**

Dear Mr. Carr:

Thank you for your letter to Secretary Jennifer Salisbury dated September 20, 1999. As you know the Oil Conservation Division (OCD) does regulate waste created by the oil and gas industry. The OCD also approves certain wastes not unique to the oilfield industry for disposal at New Mexico Environment Department (NMED)-permitted solid waste facilities. However, liquids and petroleum-based waste (such as tank bottoms that should be recycled) are not approved by the OCD for disposal at NMED-permitted facilities.

The correspondence from Controlled Recovery, Inc. (CRI) attached to your letter listed several wastes in particular that have been disposed at NMED-permitted solid waste facilities. These wastes were non-petroleum based wastes such as concrete, x-rays, and filters. As mentioned above, these, wastes and other non-petroleum based wastes such as drained oil filters, plastic pit liners, pipe, buckets, and asbestos contaminated material, have been approved by the OCD for disposal at NMED-permitted facilities.

In response to CRI's prior complaints, the OCD is in the process of developing an agreement with NMED regarding oilfield wastes. The agreement will identify certain categories of waste that can be disposed of at NMED-permitted solid waste facilities. The draft agreement will be available for comment by industry before it is signed by the agencies. I am hopeful the agreement will eliminate the confusion over the disposal of oil field waste.

Sincerely,

Roger C. Anderson  
Environmental Bureau Chief

RCA/mjk

xc: Jennifer Salisbury, Secretary EMNRD  
Hobbs OCD Office  
Ken Marsh, CRI  
Don Beardsley, SWB, NMED

DEC - 9 1999

**CRI**  
**CONTROLLED RECOVERY INC.**

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

December 7, 1999

Mr. Roger Anderson  
New Mexico Oil Conservation Division  
2040 South Pacheco  
Santa Fe, NM 87504

RE: Controlled Recovery, Inc. Order  
R-9166

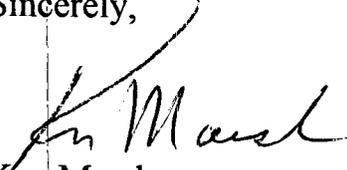
Dear Sir:

Controlled Recovery, Inc. would like to accept material for recycling in our treating plant that will have refined products, such as diesel and gasoline. The material will be a mixture of product and BS&W. The source will be from spill recovery, bottoms of storage tanks and other occurrences of fuel contamination.

The recycled product will be blended with crude oil recovered from our plant to achieve a more salable product.

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

November 18, 1999

State of New Mexico  
Energy, Minerals and Natural Resources Department  
2040 South Pacheco  
P. O. Box 6429  
Santa Fe, NM 87505-5472

Please change our address to the following:

Controlled Recovery, Inc.  
P. O. Box 388  
Hobbs, NM 88241-0388

Sincerely,



Kath Harper  
Bookkeeper

RECEIVED  
NOV - 4 1999

---

**CRI**  
**CONTROLLED RECOVERY, INC.** INSPECTION DIVISION

---

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

November 2, 1999

Martyne J. Kieling  
NMOCD  
2040 South Pacheco St.  
Santa Fe, NM 87505

RE: Request for information, Controlled Recovery, Inc., September 13,  
1999

Dear Ms. Kieling:

Per your request:

#1	Inspection and skim pit for SWD
#2	Jet pit - truck, frac tank washout
#3	Evaporation pond - drilling mud, sediment from SWD
#4,5,6,7,8,9,10	Exempt solids/ liquid for drying
#11,12	Non-exempt solids/liquids for drying
#13	Tank bottoms BS&W storage for processing
#15	Solid waste pit exempt and non-exempt
#16,17 -	Solid material for processing

The entire facility is designated as land farm area - there is no active land farming at this time.

Please call if I may provide additional information.

Sincerely,

  
Ken Marsh

RECEIVED  
SEP 22 1999

---

**CRI**  
**CONTROLLED RECOVERY INC.**

---

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

September 17, 1999

**CERTIFIED MAIL**  
**RETURN RECEIPT NO. P-209-876-330**

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

**RE: Request for information**  
**September 13, 1999**

Dear Ms. Kieling:

Controlled Recovery, Inc. has submitted all information and financial assurance required by Rule 711, and is, therefore, in compliance with the rule.

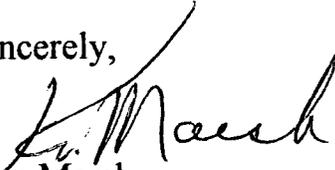
CRI does not request, and is not required, to be "re-permitted," but applauds your diligence in enforcing rules of the OCD and protection of public health and the environment.

CRI will provide you with additional information to assist you in updating your files, as we have always done in our ongoing spirit of cooperation.

This information will be forwarded to you under separate letter, as our work schedule permits.

If you have any questions, please do not hesitate to contact me at (505) 393-1079.

Sincerely,



Ken Marsh

CC: NMOCD  
Hobbs, NM



NEW MEXICO ENERGY, MINERALS  
& NATURAL RESOURCES DEPARTMENT

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

September 13, 1999

**CERTIFIED MAIL**  
**RETURN RECEIPT NO. P-326-936-576**

Mr. Ken Marsh  
Controlled Recovery, Inc.  
P.O. Box 388  
Hobbs, NM 88241

**RE: Request for Information  
Controlled Recovery, Inc.  
Commercial Surface Waste Management Facility  
S/2 N/2 and the N/2 S/2 Section 27, Township 20 South, Range 32 East, NMPM  
Lea County, New Mexico**

Dear Mr. Marsh:

The New Mexico Oil Conservation Division (OCD) is requesting additional information in order to proceed with the re-permitting of Controlled Recovery, Inc. (CRI) commercial surface waste management facility at the above location. Pursuant to Order R-10411-B the OCD 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 permit application, Form C-137, shall be filed with the OCD.

The OCD has reviewed the CRI file and information dated August 22, 1997 and February 5, 1998. To be able to complete the re-permitting process the OCD requires the following information:

1. Form C-137 parts 1, 2, 3, 4, 5 (facility site only), and 15;
2. A detailed description of the type of waste or recyclable material that is handled at each pit, pond, tank, or storage location. Please be specific about which wastes (produced water, tank bottoms, sump sludge, drilling mud, solid waste, etc...) are handled at each location outlined in your letter and map dated February 5, 1998 (see attachment);
3. Location #3 and #15 on the attached map are listed as solids pits. OCD field notes have location #3 as a produced water evaporation pond and 15 as a solid waste landfill. Please clarify the type of waste that is handled in these locations;

Mr. Ken Marsh  
September 13, 1999  
Page 2

4. Locations #4, 5, 6, 7, 8, 9, 10, 11, and 12 are listed as evaporation areas. Please clarify the type of waste that is handled in these locations;
5. Location #13, 16, and 17 are listed as storage areas. OCD field notes have locations #16 and 17 as closed. Please clarify and list the type of waste stored in these locations; and
6. The landfarm was not located on the attached map. Please clarify if landfarming is performed at CRI. Please locate the landfarm on a map of the facility.

CRI shall provide the OCD with the requested information by **October 1, 1999**.

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

Sincerely,



Martyne J. Kieling  
Environmental Geologist

Attachments

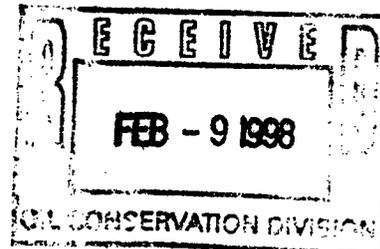
xc: Hobbs OCD Office

**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



USA  
Department of Agriculture

TRACT 1

U.S. HIGHWAY 62-80  
K RM

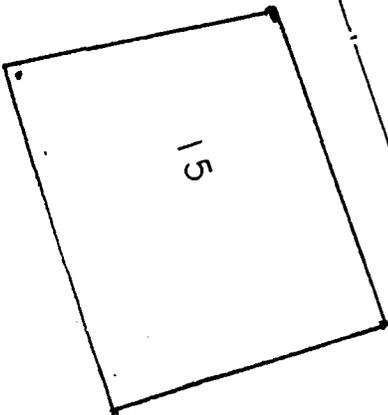
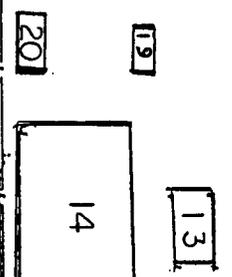
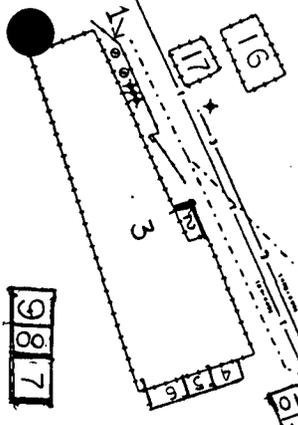
OLJAL RUN  
DEV

TRACT 2

CRI

USA

RPI



**Kieling, Martyne**

---

**From:** Kieling, Martyne  
**Sent:** Wednesday, October 20, 1999 4:30 PM  
**To:** 'Vance Hall'  
**Subject:** RE: Landfarm Compliance

Vance,

To date the OCD has not issued any notices of non-compliance on these four facilities. All OCD inspections have indicated that these facilities operations are in compliance with their current permit and they are following all applicable rules and regulations of the Division.

The OCD has a revised Rule 711 that covers Surface Waste Management Facilities. Under this rule all existing facility permit requirements are being re-evaluated and new permits are being issued. C&C has completed this process and has a new permit . J&L has a new 711 permit and is a new facility. EPI's permit is currently being re-evaluated and they are requesting to double the size of their facility. CRI is currently operating under Order R-9166 .CRI is currently being re-evaluated under the revised Rule 711.

C&C, EPI and J&L are all permitted to landfarm crude oil contaminated soils. Remediation levels must fall below 100ppm TPH, 50ppm BTEX and 10ppm Benzene before the OCD will approve removal of soil for reuse or approve additional lifts of contaminated soil to be added to the cell. CRI is permitted to dispose of crude oil contaminated soils in their landfill. CRI is also permitted to landfarm soils. However, OCD records show that no Landfarm has been constructed.

All Four facilities are permitted to receive exempt and non-exempt crude oil contaminated soils. If Non-exempt waste is to be disposed of the Permitted facility must "Request the Approval to Accept the Solid Waste". A Form C-137 is to be filed by the facility operator with the OCD.

C & C Landfarm Inc., Order/Permit No. R-9769-A/NM-01-0012

Controlled Recovery Inc., Order/Permit No. R-9166/NM-01-0006

Environmental Plus Inc., Permit No. NM-01-0013

J&L Landfarm Inc., Permit No. NM-01-0023

I hope this answers your questions, Files are available at the OCD Hobbs District office and our Santa Fe office if you need further information.

Sincerely

Martyne Kieling  
Environmental Geologist

-----  
**From:** Vance Hall[SMTP:hall@hgs-llc.com]  
**Sent:** Wednesday, October 20, 1999 6:07 AM  
**To:** Kieling, Martyne  
**Subject:** Landfarm Compliance

Martyne,

My client, SUNOCO, Inc. (R&M) is considering the disposal of non-exempt

waste at a permitted landfarm. The waste consists of crude oil contaminated soil from SUNOCO's Lea Truck Station in Lea County, NM. Mr. Bill Olson of the NMOCD is handling the case.

Several commercial surface waste management facilities in Lea County are located on the NMOCD website. The sites of interest are:

C & C Landfarm Inc., Order/Permit No. R-9769-A/NM-01-0012  
Controlled Recovery Inc., Order/Permit No. R-9166/NM-01-0006  
Environmental Plus Inc., Permit No. NM-01-0013  
J&L Landfarm Inc., Permit No. NM-01-0023

Mr. Olson has informed me that you would know whether any of these facilities have received notices of violations (NOVs) in the past, and that you would be familiar with their waste management compliance history. Please provide me with the number of NOVs, if any, that each of these four facilities has received.

If the permits for any of the four cited facilities do not allow for the disposal of the described non-exempt waste, please advise me. I sites are listed because they can accept crude oil contaminated soils, even if the waste results from crude oil that has been transported and is non-exempt.

Vance Hall

CRI

## CONTROLLED RECOVERY INC.

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

September 21, 1999

New Mexico Oil Conservation Commission

Fax: (505) 334-6170

ATTN: Frank Chavez

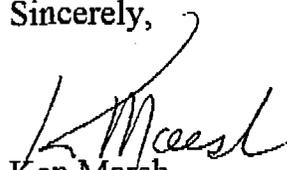
RE: Comments for Oil Conservation Commission Meeting, September 23,  
1999

Controlled Recovery, Inc. has requested for the past three years, a workshop, seminar, informational meeting, etc., concerning oilfield waste and the proper paperwork, correct methods of hauling, recycling and disposal for generators, producers, truckers and service companies. The current problems concerning oilfield waste and NMED permitted sites could have been prevented. Please act now!

Please direct staff to understand and follow NMOCD rules as written and not as their personal interpretation, issued under NMOCD letterhead.

Please respond to complaints in a timely manner.

Sincerely,

  
Ken Marsh

Controlled Recovery, Inc.  
P.O. Box 388 Hobbs, NM 88241  
Phone: (505)393-1079 Fax: (505)393-3615



<b>To:</b>	FRANK CHAVEZ - NMOCD	<b>From:</b>	KEN MARSH
<b>Fax:</b>	(505) 334-6170	<b>Pages:</b>	2 including cover
<b>Phone:</b>		<b>Date:</b>	9-21-99
<b>Re:</b>		<b>CC:</b>	

Urgent   
  For Review   
  Please Comment   
  Please Reply   
  Please Recycle

● **Comments:** IF YOU HAVE ANY QUESTIONS, PLEASE CALL.

Facts -

- A. Lea Land has accepted waste not permitted under its permit conditions.
- B. This has been reported to NMED and NMOCD on numerous occasions.
- C. No action has occurred.
- D. Worst case scenario -

NMED has or will have unpermitted hazardous waste landfill to deal with.

(1)

1. Has a change in permit conditions been requested by the permit holder, legal users of site, illegal users of site, generators of oilfield waste, other state or foreign agencies?
2. Is the acceptance of these materials (which are prohibited under NMED permit conditions) in the best interest of the public, the state of NM and waste generators, both domestic and foreign?
3. EPA has given NMED authority ( No more - No less) NMED and WQCC gives NMOCD authority. Are both in compliance with Federal regulations?
4. All exempt oilfield wastes are **not** non-hazardous by content or by mixing of the wastes.
5. What are the effects if the oilfield exemptions under RCRA are not renewed?
6. Professional opinions issued by engineers, lawyers, appraisers, environmental consultants, accounting firms, bonding agents, insurance companies are based on permit conditions and requirements issued by NMED in accordance with NM law, EPA regulations and rules.
7. What are the effects of financial responsibility; users of landfill who

(2)

depend on permit conditions before they decide where to send waste? Long term liability of the users of the site? Effect on financial assurance of user's and their bonding companies?

8. What are NMED responsibilities to the public?
9. If conditions are changed for existing site, who bears the liability arising from these changes? (exempt waste mixing) NMED - NMOCD - Public - Generator?
10. If oilfield waste is approved, will a separate cell be required for oilfield waste at Lea Land, to prevent mixing of waste under new conditions, with waste under existing conditions, to protect generators who relied on permit conditions for their protection? Will closure costs and financial assurances of Lea Land be increased?
11. If oilfield waste is permitted to go to NMED sites, will industrial, MSW, and others be allowed to go to NMOCD sites? There should be equal treatment of all permit holders and generators.
12. Staff members of either agency should not change permit conditions, rules or regulations without hearing process.
13. Staff members of other agencies should not issue approvals for

(3)

acceptance of waste at NMED regulated site.

14. Is it legal, proper or appropriate for staff to instigate a change of rules, regulations, conditions, etc., without direction and approval of the department heads?

15. NMOCD requires certain documentation for oilfield waste from the generator and facility operator. Have these requirements been followed by users of Lea Land- will they be required if approval is granted for oilfield waste to go to industrial, MSW, other facilities?

16. The Bureau of Land Management and the NM State Land Office have rules and policies concerning waste from their leases. Have they been consulted and given their approval to this disposal method? Several years ago an oil company hauled drill cuttings to the Carlsbad City Landfill. They were required to remove them. (unknown who ordered the removal)

17. NMOCD has requested and been granted the authority to manage all oilfield wastes, including service companies, and disposal sites.

Should they be removed from the entire process?

18. NMED has allowed Lea Land to continue to accept this waste after notification, have they knowingly allowed the generator and Lea Land to be

(4)

in violation of NMOCD rules (formulated under NMED Memorandum of Understanding and WQCC law?)

19. What will be requirements concerning NORM for material already accepted and to be accepted if approval is issued?

20. Is there a public benefit in this issue?

21. Lea Land has evidently changed their business plan to include the oil and gas industry; they should change their permits before changing their marketing and business plan.

22. Are economics involved either to the generator, the public, or the site, given any consideration in this process by NMED or NMOCD?

**CRI**

**CONTROLLED RECOVERY INC.**

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

We request:

- A. Lea Land be **immediately** stopped from accepting any material not permitted.
- B. Lea Land remove all unpermitted waste from the site and have all the waste tested per NMOCD rules. If hazardous levels of any waste are found, the site be immediately closed and remedial action started.
- D. All users of Lea Land be informed of unpermitted waste being mixed with waste they have shipped.
- E. **Complete** review and investigation of Lea Land compliance with "permit condition, rules and regulations."
- F. All documentation of shipments be made public record.

1. Why has NMED not responded to this complaint?
2. Does the NMED have the responsibility to enforce permit conditions, in a timely manner? Do they have enough staff? Do they desire to enforce the rules?
3. Why has no enforcement been forthcoming - is the attitude, Let's change the rule, rather than enforce what we have previously issued in accordance with state laws, public hearings, historical actions and public safety?
4. Does this issue need to be brought before legislative committees for consideration?

1 No?

2 Okay.

3 Thank you, sir.

4 Does anybody want this witness subject to  
5 recall, meaning you want to call him again?

6 No.

7 Thank you.

8 MR. MASON: Mr. Examiner, for our next  
9 witness we would present Mr. Robert G. Hall, who is  
10 the president of Lea Land, Incorporated.

11 MR. LYMAN: Mr. Hall.

12

13

ROBERT HALL

14

after having previously affirmed, was questioned  
15 and testified as follows:

16

17

DIRECT TESTIMONY

18

MR. HALL: I'm Robert Hall.

19

20

Lea Land is a New Mexico incorporated  
21 corporation to operate the landfill. The purpose of  
22 this landfill is to provide a very restricted waste  
disposal site for industrial, nonhazardous waste.

23

24

25

Our philosophy is to find those sites that  
not only meet the requirements, but also meet some of  
our special requirements, and those are areas where we

1 have a good clay sheath, where we have no usable  
2 groundwater that we're aware of and that have low  
3 rainfall, low population density, good transportation  
4 facility. And these are high criteria as to siting  
5 and potential sites.

6 We believe that a facility such as this --  
7 and our experience has been that the very  
8 environmentally conscious companies now are wanting a  
9 place specifically for industrial waste. They do not  
10 want to mix it with municipal waste. They want it  
11 with a tightly controlled facility, because they want  
12 to make sure their waste is not in any way, shape,  
13 fashion or form getting involved with hazardous waste.

14 They want to know exactly that all of the  
15 waste coming in will be controlled by a system such  
16 that we can identify not only what waste has come in,  
17 where it's deposited within the landfill itself, and,  
18 therefore, they can be assured that at some time in  
19 the future they will not have to come back and  
20 probably remediate the site.

21 And so this facility, as we said, will be --  
22 first of all, all loads will be scheduled. No  
23 drive-up trucks will be accepted. We will have to  
24 know when they're coming, we will have to know in  
25 advance what they're carrying, and we will schedule

1       them into the facility at a particular time. Nothing  
2       that comes without a certified manifest will be  
3       accepted. We have to know, and we will know -- if it  
4       left the facility, say, at 30 or 40,000 pounds on our  
5       scales, we also want it to weigh 30 or 40,000 pounds  
6       with whatever it left with so we can be sure that  
7       nothing was added along the way.

8               Our whole desire is to keep this as  
9       environmentally strict as we can, not only for the  
10       benefit of the citizens of Lea County, but also for  
11       the benefit of the people who will be using the  
12       facility.

13               We think that this facility will be very  
14       attractive to industry that may want to relocate to  
15       Lea County, because, in my conversations with  
16       industries in the various places in the country, some  
17       of their highest costs are becoming their waste  
18       disposal costs. So they're not only interested in  
19       moving to areas where there's a good labor force,  
20       where the climate is right, but they also want to make  
21       sure they're moving to an area where they will be able  
22       to dispose of the wastes that they generate through  
23       their manufacturing processes over the life of their  
24       plant.

25               Now, it just so happens that there seems to

1 be a correlation between the waste generated and the  
2 number of jobs that the facility creates. It seems  
3 that the more jobs, the more waste that they create.  
4 So if we want to get industries that will have a lot  
5 of jobs, they are probably going to be creating  
6 considerable amounts of industrial waste.

7 Now, the thing that I think a lot of people  
8 aren't aware of is that most industries, because  
9 they're all in very tight cost containment modes, try  
10 to recycle, reuse any of the waste in their process  
11 that they can. So this is not a waste that usually  
12 lends itself to a recycling process. It's usually the  
13 final waste stream that they can find no other use for  
14 and that they can't give it to anybody else.

15 But I do want to emphasize that we will not  
16 be handling any hazardous waste. It is very much  
17 detrimental to us to have any hazardous waste, even in  
18 small amounts, sneak into this facility. So we are  
19 going to do everything in our power to make sure that  
20 the waste that we get is the waste that's specified in  
21 the manifest.

22 I think that it's going to give your  
23 industrial people that are out searching for  
24 industries to move to Lea County and Hobbs a very good  
25 tool, that will give them a step above maybe somebody

1 else that's out competing with you for these plants.  
2 It's very easy in -- just about any community,  
3 frankly, can give tax rebates or they can have a  
4 building that's donated and so forth. But if you have  
5 the one little extra kicker, and that extra kicker can  
6 very well be that you can offer them an excellent site  
7 for the disposal of their waste, I think that will  
8 bring industry -- help bring industry into Hobbs and  
9 Lea County.

10 And this was part of the philosophy and why  
11 we sited the site here to begin with. We had talked  
12 to the leaders of industrial development in Hobbs, and  
13 they wanted a facility so that they could have this  
14 little up when it comes to vying for companies to  
15 locate sites here.

16 We intend to be good neighbors. We intend  
17 to operate this as a super squeaky clean facility, and  
18 we will do everything to -- if you have some concerns,  
19 we'll do whatever we can to alleviate those concerns.  
20 And we want to be a good neighbor, and we want to help  
21 Hobbs grow and grow with it.

22 Any questions?

23 MR. PATTERSON: Yeah. I'm Michael  
24 Patterson.

25 Will a generator be liable for the

CAMPBELL, CARR, BERGE  
& SHERIDAN, P.A.  
LAWYERS

MICHAEL B. CAMPBELL  
WILLIAM F. CARR  
BRADFORD C. BERGE  
MARK F. SHERIDAN  
MICHAEL H. FELDEWERT  
PAUL R. OWEN  
ANTHONY F. MEDEIROS  
  
JACK M. CAMPBELL  
1916-1999

JEFFERSON PLACE  
SUITE 1 - 110 NORTH GUADALUPE  
POST OFFICE BOX 2208  
SANTA FE, NEW MEXICO 87504-2208  
TELEPHONE: (505) 988-4421  
FACSIMILE: (505) 983-6043  
E-MAIL: ccbspa@ix.netcom.com

September 20, 1999

**HAND DELIVERED**

Ms. Jennifer Salisbury, Secretary  
New Mexico Department of Energy,  
Minerals and Natural Resources  
2040 South Pacheco Street  
Santa Fe, New Mexico 87505

**Re: Lea Land, Inc.  
Request for Investigation of Controlled Recovery Inc. of violations of  
conditions of Final Order of the Secretary of the Environment.**

Dear Secretary Salisbury:

In October 1998, Ken Marsh, President of Controlled Recovery Inc. ("CRI"), was advised by employees of the Oil Conservation Division ("OCD") that Lea Land, Inc. was accepting petroleum waste and other substances regulated by the OCD in the Solid Waste Facility it operates in Lea County, New Mexico. Acceptance of these wastes is in violation of the Final Order of the Secretary of the Environment which approved the Lea Land Solid Waste Facility.

As you are aware, violations of this nature are not only harmful to the operators of other regulated disposal facilities, but result in serious problems for the producers who use them and for those charged with the regulation of these wastes.

For almost a year, CRI has been encouraging both the Oil Conservation Division and the New Mexico Environment Department to direct Lea Land to stop accepting any material not authorized by its permit. The only response received by CRI from the OCD was a letter dated March 16, 1999, advising that the OCD did not have jurisdiction over New Mexico Environment Department solid waste landfills. Accordingly, CRI is pursuing

Ms. Jennifer Salisbury, Secretary  
September 20, 1999  
Page 2

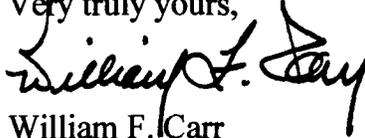
this matter with NMED.

On September 16, 1999, Mr. Marsh and I met with Peter Maggorie, Secretary of the Environment, concerning this matter. At that meeting, CRI requested that: (1) Lea Land be immediately stopped from accepting any material not permitted; (2) Lea Land be required to remove all unpermitted waste from the site and have all the waste tested pursuant to Oil Conservation Division Rules; (3) all entities sending material to Lea Land be informed that unpermitted waste has been mixed with waste shipped to this facility; (4) there be a complete review and investigation of Lea Land's compliance with applicable permit conditions, rules and regulations; and, (5) all documents of shipments to Lea Land be made public record. We were encouraged by our discussions with Secretary Maggorie and understand that the Environment Department, in the immediate future, will investigate and take appropriate action to stop the disposal of unpermitted waste in this facility. We are hopeful that this matter will be quickly resolved by the responsible agencies.

Because your department has sole jurisdiction over the generators of the waste improperly sent to Lea Land, I am writing to not only advise you of this meeting with Secretary Maggorie, but to also provide you with copies of the materials we provided to Secretary Maggorie at our September 16, 1999, meeting. By copy of this letter, we are also providing this information to Lori Wrotenbery and Roger Anderson at the OCD.

If you or your staff have questions concerning any of the enclosed information, we will be happy to respond to your questions and/or provide additional information concerning this problem.

Very truly yours,



William F. Carr  
Attorney for Controlled Recovery, Inc.

cc: Mr. Peter Maggorie, Secretary  
New Mexico Environment Department

Ms. Tannis Fox  
Special Assistant Attorney General

Ms. Jennifer Salisbury, Secretary  
September 20, 1999  
Page 3

New Mexico Environment Department

Ms. Lori Wrotenbery, Director  
Oil Conservation Division

Mr. Roger Anderson, Director  
Oil Conservation Division Environmental Bureau

Controlled Recovery, Inc.  
P.O. Box 388, Hobbs, NM 88241  
Phone: (505)393-1079; Fax: (505)393-3615

CRI

# Fax

To:

From: KEN MARSH

Chuck Hules

Fax: 505-827-2902

Pages: , including cover 26

Phone: 505-827-2924

Date: 8/10/99

Re: Lea Land

CC:

Urgent     For Review     Please Comment     Please Reply     Please Recycle

• Comments: If you have any questions, please give me a call.

Thanks for your time.

Ken

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0210

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Sender's Copy

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Date 8/11/99 Sender's FedEx Account Number 1516-4752-9

Sender's Name KEN MARSH Phone (505) 393-1079

Company CONTROLLED RECOVERY INC

Address HANGAR 1A LEE COUNTY AIRPORT Dept./Floor/Suite/Room \_\_\_\_\_

City HOBBS State NM ZIP 88240

**2 Your Internal Billing Reference Information**  
(Optional) (First 24 characters will appear on invoice)

**3 To** (please print and press hard)

Recipient's Name Chuck Hules Phone 505 827-2924

Company NEW MEXICO ENVIRONMENT DEPT.

1190 ST. FRANCIS DRIVE #2062

Address HAROLD RUNNELS BLDG Dept./Floor/Suite/Room \_\_\_\_\_

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**4a Express Package Service Packages under 150 lbs.** Delivery commitment may be later in some areas.

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FedEx Letter Rate not available. Minimum charge: One pound rate.

**4b Express Freight Service Packages over 150 lbs.** Delivery commitment may be later in some areas.

FedEx Overnight Freight (Next business day)  FedEx 2Day Freight (Second business day)  FedEx Express Saver Freight (Up to 3 business days)

(Call for delivery schedule. See back for detailed descriptions of freight services.)

**5 Packaging**

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Does this shipment contain dangerous goods?  No  Yes (As per attached Shipper's Declaration)  Yes (Shipper's Declaration not required)

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\*Dangerous Goods cannot be shipped in FedEx packaging.

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Credit Card No. \_\_\_\_\_

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		\$ .00	

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*[Signature]*

Your signature authorizes Federal Express to deliver this shipment without obtaining a signature and agrees to indemnify and hold harmless Federal Express from any resulting claims.

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\*\*\*\*\*  
\*\*\* ACTIVITY REPORT \*\*\*  
\*\*\*\*\*

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CONNECTION TEL 15058272902

CONNECTION ID

START TIME 08/11 10:28

USAGE TIME 11'54

PAGES 24

RESULT OK

**Subject:** Lee Land Disposal Facility

**Date:** Tue, 20 Jul 1999 14:42:12 -0600

**From:** "Stogner, Michael" <MSTOGNER@state.nm.us>

**To:** "Wrottenbery, Lori" <WROTENBERY@state.nm.us>,  
"Anderson, Roger" <RCANDERSON@state.nm.us>

**CC:** "Williams, Chris" <CWilliams@state.nm.us>,  
"Salisbury, Jennifer" <JSalisbury@state.nm.us>,  
"William F. Carr" <ccbspa@ix.netcom.com>, "Carroll, Rand" <RCARROLL@state.nm.us>

"Davidson, Florene" <FLDAVIDSON@state.nm.us>

Today at 2:00 p.m. Mr. Ken Marsh in Hobbs at (505) 393-1079 called to report on alleged illegal dumping (by Texaco) of oilfield waste (not specified) into a facility that is not authorized to take such waste (Lee Land). I understand from our conversation that he has submitted correspondence concerning this matter to Mr. Anderson, Ms. Wrottenbery, and Ms. Salisbury, therefore I am assuming each of you are familiar with Mr. Marsh's concerns.

He also voiced his opinion and concern about the lack of action by the State's Environmental Department in this matter. He also informed me that he had been trying to get through to someone in this office for 55 minutes today before being transferred to me (Acting Director), however he was not specific when I asked him to give me more details about the numbers called and the voice mail messages left.

I assured him that the Division was aware of his concerns and is taking appropriate action. I assured him that Ms. Wrottenbery would return his call upon her return from an environmental conference.

---

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**CAMPBELL, CARR, BERGE  
& SHERIDAN, P.A.  
LAWYERS**

MICHAEL B. CAMPBELL  
WILLIAM F. CARR  
BRADFORD C. BERGE  
MARK F. SHERIDAN  
MICHAEL H. FELDEWERT  
PAUL R. OWEN  
KATHERINE M. MOSS

JACK M. CAMPBELL  
1916-1999

JEFFERSON PLACE  
SUITE 1 - 1110 NORTH GUADALUPE  
POST OFFICE BOX 2208  
SANTA FE, NEW MEXICO 87504-2208  
TELEPHONE: (505) 988-4421  
TELECOPIER: (505) 983-6043  
E-MAIL: ccbspa@ix.netcom.com

**TELECOPIER COVER SHEET**

July 21, 1999

**TO:** Ken Marsh - Controlled Recovery

**FROM:** Bill Carr

**TELECOPIER NUMBER:** 505/393-6906

**TOTAL PAGES (including this cover sheet):** 2

**DOCUMENT:** cc:mail from Michael Stogner - Lee Land Disposal Facility

**OPERATOR:** Antoinette Armijo

**CLIENT/MATTER#:** 150

**PLEASE CALL:**

TO CONFIRM RECEIPT

AFTER REVIEW

**MESSAGE:**

**IF THERE ARE ANY PROBLEMS WITH OUR TRANSMISSION,  
PLEASE CALL OPERATOR AT (505) 988-4421**

**THIS DOCUMENT IS INTENDED ONLY FOR THE USE OF THE INDIVIDUAL OR ENTITY TO WHOM IT IS  
ADDRESSED, AND MAY CONTAIN INFORMATION THAT IS PRIVILEGED AND CONFIDENTIAL, OR THAT  
CONSTITUTES WORK PRODUCT AND IS EXEMPT FROM DISCLOSURES UNDER APPLICABLE LAW.**

**IF YOU ARE NOT THE INTENDED RECIPIENT OR THE EMPLOYEE OR AGENT OF THE INTENDED RECIPIENT,  
YOU ARE HEREBY NOTIFIED THAT ANY USE, DISSEMINATION, DISTRIBUTION OR COPYING OF THE  
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PLEASE NOTIFY US BY TELEPHONE AND DESTROY THE DOCUMENT.**

CRI

CONTROLLED RECOVERY INC.

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

July 21, 1999

Bill Carr  
Fax # (505) 983-6043

Dear Bill:

In light of the "no response" attitude from NMED and NMOCD, some of our options are:

- 1) Governor or Lt. Governor interventions
- 2) State Attorney General investigation
- 3) District Court filing - NMOCD, NMED
- 4) Civil suit - NMED- NMOCD - Lea Land
- 5) EPA determination of authority

Please advise me of other courses of action so we can proceed ASAP.

Thanks,

  
Ken Marsh

CAMPBELL, CARR, BERGE  
& SHERIDAN, P.A.  
LAWYERS

MICHAEL B. CAMPBELL  
WILLIAM F. CARR  
BRADFORD C. BERGE  
MARK F. SHERIDAN  
MICHAEL H. FELOEWEN  
PAUL R. OWEN  
KATHERINE M. MOSS  
  
JACK M. CAMPBELL  
OF COUNSEL

JEFFERSON PLACE  
SUITE 1 - 110 NORTH GUADALUPE  
POST OFFICE BOX 2208  
SANTA FE, NEW MEXICO 87504-2208  
TELEPHONE: (505) 988-4481  
FACSIMILE: (505) 983-6043  
E-MAIL: ccbpa@ix.netcom.com

June 30, 1999

HAND-DELIVERED

Peter Maggorie, Secretary  
Environment Department  
1190 St. Francis Drive  
Room N4050  
Santa Fe, New Mexico 87502

*Re: Case No. SW 95-08 (P)*

Dear Secretary Maggorie:

We represent Controlled Recovery, Inc. which operates a surface waste facility in Hobbs New Mexico pursuant to New Mexico Oil Conservation Division ("NMOCD") Order R-9166, dated April 4, 1990. Controlled Recovery, Inc. is authorized to receive and dispose of oil field wastes regulated by the NMOCD at this facility.

Lea Land, Inc. operates a non-hazardous industrial solid waste landfill in Lea County under a permit approved by Final Order by the Secretary of the Environment entered in the above-referenced case. Paragraph 8 of the order provides that "No petroleum waste or other substance regulated by the New Mexico Oil Conservation Division shall be disposed of in the proposed landfill." However, various carriers have reported to Controlled Recovery, Inc. that Lea Land Inc., is in fact accepting from New Mexico and out-of-state sources, petroleum waste and other substances which are regulated by the NMOCD. Enclosed is a copy of this order and a memorandum concerning one such violation.

Beginning in October 1998, Controlled Recovery, Inc. requested an investigation and appropriate agency action to evaluate and halt actions by Lea Lands, Inc. which violate the Environmental Department Order which was entered in Department Case No. SW 95-08(P). On October 7, 1998, January 22, 1999, and February 4, 1999, Mr. Ken Marsh of Controlled Recovery forwarded to your office information which evidenced Lea Lands' violations of the Department's order. Similarly, on December 2, 1998, December 22, 1998, February 4, 1999, March 10, 1999, March 16, 1999, and June 10, 1999, Mr. Marsh forwarded to the NMOCD evidence of Lea Lands' unauthorized disposal of waste regulated by the NMOCD.

The Oil Conservation Division has advised us that they lack jurisdiction over disposal sites authorized by your Department. While we do not take the position that the NMOCD should

Peter Maggorie  
June 30, 1999  
Page 2

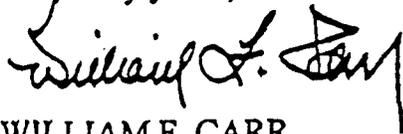
regulate a site which is regulated by your Department, that agency does have jurisdiction to regulate the disposal of byproducts of hydrocarbon exploration and production. As of this date, the NMOCD has taken no action in response to the requests of Controlled Recovery, Inc. and the only action taken by your Department has been a letter to Mr. Marsh indicating that your Department is preparing a list of materials that can be disposed of in a Department-approved disposal site. Your agency has taken no action to investigate this matter or enforce your Department's Order in Case No. SW 95-08(P). In the meantime, Lea Lands continues to dispose of unauthorized oilfield waste without any apparent oversight.

On behalf of Controlled Recovery, Inc. we again request an immediate investigation of violations of this matter and request that your Department take appropriate action to assure compliance this Order. We understand that your Department promptly acts upon requests for investigation of violations or Environmental Department orders and we request that your office advise Controlled Recovery, Inc. of the progress and findings of your investigation.

Controlled Recovery, Inc. can provide your staff with additional information concerning violations of your Order if you desire. Please contact Mr. Ken Marsh at Controlled Recovery, Inc. in Hobbs at (505) 393-1079.

Thank you in advance for your attention to this matter.

Very truly yours,



WILLIAM F. CARR  
Attorney for Controlled Recovery, Inc.  
WFC/bh  
Enclosure

cc: Lori Wrotenbery, Director  
New Mexico Oil Conservation Division

Ken Marsh, President  
Controlled Recovery, Inc.

Jennifer Salisbury, Secretary  
New Mexico Department of Energy, Minerals, and Natural Resources

5

CRI  
CONTROLLED RECOVERY INC.

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

MEMO FROM DAVID PARSONS TO KEN MARSH

June 7, 1999

RE: Rio Grande Pipeline

On Tuesday, 6-1-99 @ 3:10 p.m., Ace Appling with Superior Welding called to see if Tommy Black had called about bringing x-rays and pipeline compressor filters. Kath called me and I tried to call Ace. He was not available and I left word for him to call.

At 4:00 p.m., a Superior Welding truck showed up at the plant. I called Ace and explained we had not received paperwork for this waste, but we would accept it and isolate it on plastic, pending approval. He gave me phone numbers for Tommy and I called him. He said he had sent paperwork and then mentioned Ken Slaughter. I went ahead and took delivery, thinking possibly, Ken had sent this waste our way.

The pickup had about 20 boxes of x-rays, 30 pipeline filters and a milk crate containing 4 plastic gallon jugs containing oily liquid. The filters are approximately 4" in diameter and 3' in length. They contain a dry, black powder consisting of iron sulfide and paraffin that readily falls out of the filters when they are handled. Therefore, the pickup bed, both inside and out, was covered with this powder. The tops of the liquid jugs were deteriorated and liquid had spilled in the bed of the truck, as well. The pickup had no tailgate and was not tarped. The Superior hand warned me not to get black stuff on me, as it wouldn't come off.

On Friday 6-4-99, Tommy called the office and was referred to me by Kath-. He explained that this was delivered to us by mistake and wanted to send Superior to move it. He said they are a Fortune 500 Company and have very strict environmental rules to follow. He also said, his company considers this hazardous waste. So, I asked if it had tested hazardous and he said no, but he had to handle it as such. I asked if the OCD had approved sending to Lea Land and he said it was generated in Texas; he had TNRCC approval and did not need OCD approval. I told him we had accepted this as we know Lea Land was not permitted for oilfield wastes. He indicated they did not consider this oilfield waste, as it was not from crude production. He said they had previously shipped about 10,000 of these filters to Lea Land.

Superior picked up waste at approximately 3:30 p.m. on June 4, and was to deliver to Lea Land. Superior hand was Darrell Cline (last name hard to read).

6/11/99 310

Acc w/ Superior  
Welding Calling to  
see if Tommy Willie  
w/ Williams Pipe  
had callers to dispose  
of Pipes X-Rays &  
Compressor filters

361-0048

March 24, 1999

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

Re: Lea Land

Dear Ms. Kieling:

I am in receipt of your letter of March 16, 1999, regarding jurisdiction of NMOCD:

NMOCD does have jurisdiction over the materials involved and the duty to enforce the regulations covering the movement and disposition of the materials. I request that you do so immediately.

NMOCD has the responsibility to request NMED to act in a timely manner to address this issue; which has not been done.

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

March 16, 1999

**CERTIFIED MAIL**  
**RETURN RECEIPT NO. P-326-936-519**

Mr. Ken Marsh  
Controlled Recovery, Inc.  
P.O. Box 388  
Hobbs, NM 88241

RE: Lea Land

Dear Mr. Marsh:

The New Mexico Oil Conservation Division (OCD) has received Controlled Recovery, Inc. letter dated March 10, 1999. With regards to that letter, the OCD does not have jurisdiction over New Mexico Environment Department (NMED) solid waste landfills. The OCD is currently having consultations with the NMED to address the issues that you have brought to our attention.

Sincerely,

Martyne J. Kieling  
Environmental Geologist

xc: Hobbs OCD Office  
Don Beardsley, SWB, NMED

CRI  
CONTROLLED RECOVERY INC.

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

March 10, 1999

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

RE: Lea Land

Dear Mr. Anderson:

I have been informed that Lea Land has accepted gas plant dehydration wastes ( molecular sieves) from a gas plant in Eddy County, New Mexico.

I have asked in the past that you investigate and stop these actions by Lea Land. I request that you act immediately to cause Lea Land to cease these operations and be appropriately penalized for their continued actions, which are not authorized.

Please see " Water Quality Control Commission Delegation of Responsibilities to Environmental Improvement Division and Oil Conservation Division" (attached) and Lea Land conditions for approval of permit which states "no petroleum waste or other substance regulated by NMOCD is to be disposed of in the proposed Landfill." Information on conditions for approval of permit have been furnished to you in previous letters.

Amine filters and molecular sieves may not meet the requirements of the hazardous materials division of NMED for disposal in Lea Land after testing for hazardous constituents.

11

The NMOCD and NMED have the duty and responsibility to enforce the permit requirements of the Lea Land Permit and of other regulations governing their operations; to cause them to cease any violations; cease operations until remediation of the facility is complete and to have appropriate legal, civil and criminal actions against them started immediately.

Please advise of your course of actions and the start date.

Sincerely,)



Ken Marsh

Cc: Don Beardsley  
NMED  
Solid Waste Bureau  
P. O. Box 26110  
Santa Fe, NM 87504-6110

Attachment: WQCC  
Lea Land Permit

# WATER QUALITY CONTROL COMMISSION

## DELEGATION OF RESPONSIBILITIES TO ENVIRONMENTAL IMPROVEMENT DIVISION AND OIL CONSERVATION DIVISION

In an effort to prevent duplication of effort and to clarify the division of responsibilities pursuant to the provisions of the Water Quality Act, NMSA Sections 74-6-1 et seq. (1978), as administered and enforced by the Water Quality Control Commission, the Commission hereby approves the following list of delegated duties and responsibilities for two of the agencies that are constituent agencies to which authority can be delegated, the Environmental Improvement Division ("EID") and the Oil Conservation Division ("OCD"). The Commission is specifically authorized to take this action by NMSA Section 74-6-4E (1978) and by other general provisions of the Water Quality Act. The Commission notes that pursuant to NMSA Section 74-6-9C (1978), constituent agencies may "report to the Commission and to other constituent agencies water pollution conditions that are believed to require action where the circumstances are such that the responsibility appears to be outside the responsibility assigned to the agency making the report." The Commission encourages OCD and EID to continue close communication and cooperation where responsibility is unclear, to ensure that water pollution is prevented or abated quickly, efficiently and consistently. In situations involving discharges or facilities under the jurisdiction of both agencies, the agencies shall mutually agree which shall be the lead agency and shall determine the method by which the discharge plan shall be evaluated and approved. In preparing this delegation statement, the Commission is cognizant of the limitations imposed on its authority by the Water Quality Act, especially NMSA Section 74-6-12G (1978) which prohibits it from taking any action which would "interfere with the exclusive authority of the Oil Conservation Commission over all persons and things necessary to prevent water pollution as a result of oil or gas operations...."

This delegation shall supersede all previous delegations to EID and OCD; - reference to the dates and minutes of Commission meetings in which previous delegations were made are in parentheses and the minutes are attached. The specific grants of authority are not intended to be comprehensive. When a question of authority and jurisdiction arises, which is not specifically delegated, the general provisions below shall control.

### 1. General Provisions

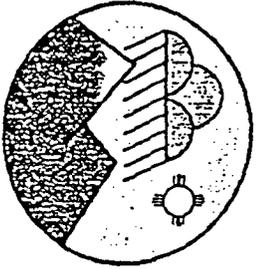
As a general rule, OCD will administer and enforce applicable Commission regulations pertaining to surface and ground water discharges at oil and natural gas production sites, oil refineries, natural gas processing plants, geothermal installations, carbon dioxide facilities, natural gas transmission lines, and discharges

F. OCD shall administer and enforce Commission regulations at brine manufacturing operations and concerning discharges to ground or surface water at brine manufacturing operations, including all brine production wells, holding ponds and tanks. OCD shall have jurisdiction over all manufactured brine once it is transported, used or disposed of off brine plant premises for use in or directly related to oil and gas operations regulated by OCD. OCD shall regulate brine injection through its Class II Underground Injection control (UIC) Program if the brine is used in the drilling for or production of oil and gas. EID shall regulate brine injection through its UIC Program if the brine is used for other purposes. (Source: 6/13/89 Commission minutes)

G. EID shall administer and enforce all programs implemented by the state under PL 92-500 (The Federal Water Pollution Control Act) and its Amendments, unless directed otherwise by the Commission. (Source: 7/8/75 Commission minutes)

H. OCD shall have general jurisdiction over the oil field service industry. Many activities that would ordinarily be regulated by EID are regulated by OCD when those activities occur in the oil field service industry. The following list, which is not intended to be inclusive, serves to help clarify this delegation:

<u>OCD</u>	<u>EID</u>
waste oil handled or processed by oil field service companies or treating plants	used motor oil handlers
all underground and above-ground tanks on refinery premises, unless the tanks contain unmixed sewage; all underground and above-ground tanks not on refinery premises which contain crude petroleum, produced water or oil field service chemicals	all underground and above-ground tanks not on refinery premises, unless the tanks contain crude petroleum, produced water or oil field service chemicals
tanker trucks hauling, spilling or disposing of well-service chemicals, kill water, produced water, crude oil, tank bottom sludge and other oil field wastes and oil field service materials	tanker trucks spilling or disposing of non-oil and gas production wastes, non-oil and gas service materials, or refined petroleum products
washings from trucks and other equipment used in the transport, production or refining of oil and gas crude products, production wastes or service materials	washings from trucks and other equipment not used for oil and gas production related purposes



The New Mexico Environment Department

hereby issues this

## SOLID WASTE FACILITY PERMIT

Facility Type: *Industrial Solid Waste*

*Landfill*

Facility Name & Location:

*Lea Land Inc. Landfill*

*32 Miles Southwest of Hobbs, N.M.*

*On U.S. Highway 62/180*

Facility ID No: *SNM-131401*

Owner's Name & Address:

*Lea Land, Inc.*

*1300 West Main St.*

*Oklahoma City, Oklahoma 73106*

Permit Expiration Date: *February 27, 2006*

This permit is issued pursuant to Section 74-9-20 of the Solid Waste Act and is subject to the conditions of the Order of the Secretary, dated February 27, 19 96.

Given this 11 day of March, 19 96.

  
Mark E. Weidler  
Secretary of Environment

15



GARY E. JOHNSON  
GOVERNOR

State of New Mexico  
**ENVIRONMENT DEPARTMENT**

Office of the Secretary  
Harold Runnels Building  
1190 St. Francis Drive, P.O. Box 26110  
Santa Fe, New Mexico 87502-6110  
Telephone (505) 827-2855  
Fax (505) 827-2836



PETER MAGGIORE  
SECRETARY

February 10, 1999

Mr. Ken Marsh  
Controlled Recovery, Inc.  
P.O. Box 388  
Hobbs, New Mexico 88241

Dear Mr. Marsh:

This is in response to your letter of February 4, 1999 requesting information on any action the Solid Waste Bureau has taken relative to the disposal of "petroleum waste" in the Lea Land Non Hazardous Industrial Waste Landfill.

At this time, the Solid Waste Bureau of the New Mexico Environment Department (the "NMED") and the New Mexico Oil Conservation Division (the "NMOCD") are jointly preparing a list of waste materials generated by NMOCD regulated operations which may be disposed in landfills regulated by NMED. Such materials are not unique to petroleum industry operations and facilities.

The waste materials list will be provided to Controlled Recovery, Inc., and other waste disposal facility operators when it is complete.

Sincerely,

Don Beardsley  
Water Resource Engineering Specialist I  
Solid Waste Bureau

xc: Roger Anderson/Martyne Kieling, NMOCD

CRI  
CONTROLLED RECOVERY INC.

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

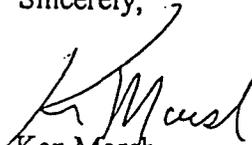
February 4, 1999

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

RE: Lea Land

Please advise me of NMOCD actions in reference to my complaint and request for action on this issue:

Sincerely,

  
Ken Marsh

Cc: Mr. Donald Beardsley  
New Mexico Environmental Department  
Solid Waste Bureau  
P. O. Box 26110  
Santa Fe, NM 87502

CRI

CONTROLLED RECOVERY INC.

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

February 4, 1999

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

RE: Lea Land Inc. Landfill, Lea County, NM

Please advise me of the action taken as per my previous request on this issue.

Thank you for your assistance in this matter.

Sincerely,

  
Ken Marsh

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

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

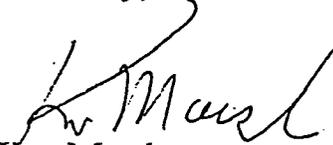
Dear Mr. Anderson:

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

December 2, 1998

Roger Anderson  
NMOCD  
2040 South Pacheco  
Santa Fe, New Mexico 87504

RE: Lea Land

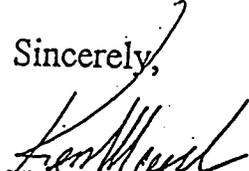
Dear Mr. Anderson,

I am informed that Lea Land is accepting oil field waste. The language of their permit precludes them from accepting any substances regulated by New Mexico Oil Conservation Division.

I ask that NMOCD investigate at once and they be instructed to cease accepting any such material.

Enclosed please find copies of transcript of hearing. Please note page fourteen item number eight.

Sincerely,

  
Ken Marsh

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 December 11, 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:

Oct. 7, 1998

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

STATE OF NEW MEXICO

BEFORE THE SECRETARY OF THE ENVIRONMENT

**DOCKETED**  
By The Hearing Clerk

IN THE MATTER OF THE APPLICATION  
OF THE LEA LAND, INC., NON-  
HAZARDOUS INDUSTRIAL SOLID  
WASTE LANDFILL, LEA COUNTY,  
NEW MEXICO.

FEB 27 1996  
No. SW 95-08 (P)

No. \_\_\_\_\_  
Before the Secretary  
of Environment

FINAL ORDER BY THE SECRETARY OF THE ENVIRONMENT

This matter having come me on the Recommended Final Decision with supporting Findings of Fact and Conclusions of Law by the duly appointed or designated Hearing Officer, R Morgan Lyman, and, having reviewed said Recommended Final Decision, and being otherwise advised in the premises, finds that his Recommended Final Decision should be adopted in its entirety and that Applicant's request is, therefore, well-taken and should be approved, consistent with the following conditions:

1. The Authority shall comply with all applicable requirements of the New Mexico Solid Waste Management Regulations, the Solid Waste Act and any other conditions set forth in the permit, and shall construct and operate the landfill in accordance with the permit application of June 20, 1995.
2. Before any construction is begun at the site, the Applicant shall provide the Department with proof of ownership of all lands upon which any part of the proposed landfill or appurtenances will be located.

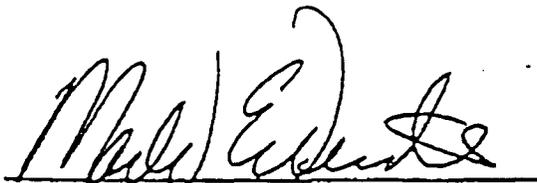
3. At least 30 days prior to the start of construction, the Applicant shall furnish the Department with a major milestone schedule in order for NMED to effectively monitor construction of the landfill.
4. Quality assurance/quality control plans shall be approved by the Department prior to construction of the liner, leachate collection system and final cover.
5. Before start of construction, the Applicant shall execute the Trust Agreement for financial assurance and shall submit a copy of the executed document to the Department.
6. When construction is complete, but prior to acceptance of waste, the Applicant shall provide the Department written notice the facility is ready for Departmental inspections and approval.
7. Within 30 days of the Secretary's issuance of the permit, the Applicant shall submit to NMED confirmation of filing of a copy of the Permit Certificate, Final Order of the Secretary or Notation of the Permit and legal description of the property on which the facility is located in the office of the Lea County Clerk.
8. No petroleum waste or other substance

regulated by the New Mexico Oil Conservation Division shall be disposed of in the proposed landfill.

9. Phases III and IV of the landfill shall not be excavated below 3490 feet above mean sea level unless a demonstration is made that the perched Gatuna aquifer does not underlie this area of the landfill or it is determined not to be a groundwater resource.

THEREFORE, IT IS ORDERED:

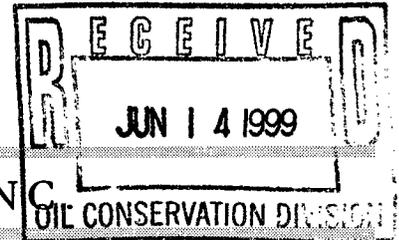
1. That the Hearing Officer's Recommended Decision with his Proposed Findings and Conclusions of Law, as reasons therefore, shall be, and hereby are, adopted;
2. That the application shall be, and hereby is, approved;  
and
3. That the permit shall be, and hereby is, issued for a 10 year term, consistent with the terms and conditions herein.

  
SECRETARY OF THE ENVIRONMENT

Respectfully submitted by:

  
R Morgan Lyman, Hearing Officer

CRI  
CONTROLLED RECOVERY INC



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

June 10, 1999

Ms. Lori Wrotenbery  
NMOCD  
2040 South Pacheco  
Santa Fe, NM 87504

RE: Lea Land

Dear Ms. Wrotenbery:

Please accept this as a formal complaint and a request for an immediate investigation and appropriate action for the unlawful actions of Rio Grande Pipeline, Lea Land and others.

Lea Land is not permitted to accept any material regulated by the NMOCD. They have done so in the past; taking both in state and out of state waste.

I have reported this and asked for action several times to Roger Anderson (NMOCD) and Don Beardsley (NMED). There has been no action!

Enclosed please find a memo concerning Rio Grande Pipeline.

Please call if I may provide additional information.

Please advise of your course of action and the time frame to act on this formal complaint.

Sincerely,

  
Ken Marsh

Cc: Roger Anderson  
Martyne J. Kieling  
Don Beardsley  
Bill Carr

  
**CRI**  
**CONTROLLED RECOVERY INC.**

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

MEMO FROM DAVID PARSONS TO KEN MARSH

June 7, 1999

RE: Rio Grande Pipeline

On Tuesday, 6-1-99 @ 3:10 p.m., Ace Appling with Superior Welding called to see if Tommy Black had called about bringing x-rays and pipeline compressor filters. Kath called me and I tried to call Ace. He was not available and I left word for him to call.

At 4:00 p.m., a Superior Welding truck showed up at the plant. I called Ace and explained we had not received paperwork for this waste, but we would accept it and isolate it on plastic, pending approval. He gave me phone numbers for Tommy and I called him. He said he had sent paperwork and then mentioned Ken Slaughter. I went ahead and took delivery, thinking possibly, Ken had sent this waste our way.

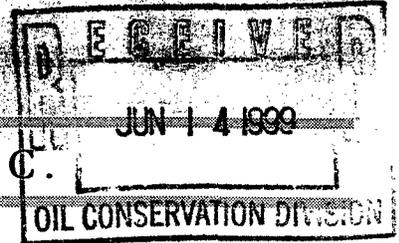
The pickup had about 20 boxes of x-rays, 30 pipeline filters and a milk crate containing 4 plastic gallon jugs containing oily liquid. The filters are approximately 4" in diameter and 3' in length. They contain a dry, black powder consisting of iron sulfide and paraffin that readily falls out of the filters when they are handled. Therefore, the pickup bed, both inside and out, was covered with this powder. The tops of the liquid jugs were deteriorated and liquid had spilled in the bed of the truck, as well. The pickup had no tailgate and was not tarped. The Superior hand warned me not to get black stuff on me, as it wouldn't come off.

On Friday 6-4-99, Tommy called the office and was referred to me by Kath. He explained that this was delivered to us by mistake and wanted to send Superior to move it. He said they are a Fortune 500 Company and have very strict environmental rules to follow. He also said, his company considers this hazardous waste. So, I asked if it had tested hazardous and he said no, but he had to handle it as such. I asked if the OCD had approved sending to Lea Land and he said it was generated in Texas; he had TNRCC approval and did not need OCD approval. I told him we had accepted this as we know Lea Land was not permitted for oilfield wastes. He indicated they did not consider this oilfield waste, as it was not from crude production. He said they had previously shipped about 10,000 of these filters to Lea Land.

Superior picked up waste at approximately 3:30 p.m. on June 4, and was to deliver to Lea Land. Superior hand was Darrell Cline (last name hard to read).

CRI  
CONTROLLED RECOVERY INC.

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



June 10, 1999

Ms. Lori Wrotenbery  
NMOCD  
2040 South Pacheco  
Santa Fe, NM 87504

RE: Lea Land

Dear Ms. Wrotenbery:

Please accept this as a formal complaint and a request for an immediate investigation and appropriate action for the unlawful actions of Rio Grande Pipeline, Lea Land and others.

Lea Land is not permitted to accept any material regulated by the NMOCD. They have done so in the past; taking both in state and out of state waste.

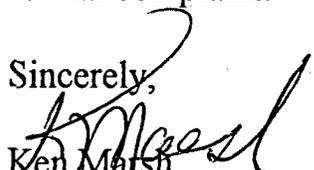
I have reported this and asked for action several times to Roger Anderson (NMOCD) and Don Beardsley (NMED). There has been no action!

Enclosed please find a memo concerning Rio Grande Pipeline.

Please call if I may provide additional information.

Please advise of your course of action and the time frame to act on this formal complaint.

Sincerely,

  
Ken Marsh

Cc: Roger Anderson  
Martyne J. Kieling  
Don Beardsley  
Bill Carr

CRI

CONTROLLED RECOVERY INC.

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

MEMO FROM DAVID PARSONS TO KEN MARSH

June 7, 1999

RE: Rio Grande Pipeline

On Tuesday, 6-1-99 @ 3:10 p.m., Ace Appling with Superior Welding called to see if Tommy Black had called about bringing x-rays and pipeline compressor filters. Kath called me and I tried to call Ace. He was not available and I left word for him to call.

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Superior picked up waste at approximately 3:30 p.m. on June 4, and was to deliver to Lea Land. Superior hand was Darrell Cline (last name hard to read).

CAMPBELL, CARR, BERGE  
& SHERIDAN, P.A.  
LAWYERS

MICHAEL B. CAMPBELL  
WILLIAM F. CARR  
BRADFORD C. BERGE  
MARK F. SHERIDAN  
MICHAEL H. FELDEWERT  
PAUL R. OWEN  
KATHERINE M. MOSS  
  
JACK M. CAMPBELL  
OF COUNSEL

OIL CONSERVATION DIV.

99 JUN 32 AM 3:16  
JEFFERSON PLACE

SUITE 1 - 110 NORTH GUADALUPE  
POST OFFICE BOX 2208  
SANTA FE, NEW MEXICO 87504-2208  
TELEPHONE: (505) 988-4421  
FACSIMILE: (505) 983-6043  
E-MAIL: ccbspa@ix.netcom.com

June 30, 1999

**HAND-DELIVERED**

Peter Maggorie, Secretary  
Environment Department  
1190 St. Francis Drive  
Room N4050  
Santa Fe, New Mexico 87502

**Re: Case No. SW 95-08 (P)**

Dear Secretary Maggorie:

We represent Controlled Recovery, Inc. which operates a surface waste facility in Hobbs New Mexico pursuant to New Mexico Oil Conservation Division ("NMOCD") Order R-9166, dated April 4, 1990. Controlled Recovery, Inc. is authorized to receive and dispose of oil field wastes regulated by the NMOCD at this facility.

Lea Land, Inc. operates a non-hazardous industrial solid waste landfill in Lea County under a permit approved by Final Order by the Secretary of the Environment entered in the above-referenced case. Paragraph 8 of the order provides that "No petroleum waste or other substance regulated by the New Mexico Oil Conservation Division shall be disposed of in the proposed landfill." However, various carriers have reported to Controlled Recovery, Inc. that Lea Land Inc., is in fact accepting from New Mexico and out-of-state sources, petroleum waste and other substances which are regulated by the NMOCD. Enclosed is a copy of this order and a memorandum concerning one such violation.

Beginning in October 1998, Controlled Recovery, Inc. requested an investigation and appropriate agency action to evaluate and halt actions by Lea Lands, Inc. which violate the Environmental Department Order which was entered in Department Case No. SW 95-08(P). On October 7, 1998, January 22, 1999, and February 4, 1999, Mr. Ken Marsh of Controlled Recovery forwarded to your office information which evidenced Lea Lands' violations of the Department's order. Similarly, on December 2, 1998, December 22, 1998, February 4, 1999, March 10, 1999, March 16, 1999, and June 10, 1999, Mr. Marsh forwarded to the NMOCD evidence of Lea Lands' unauthorized disposal of waste regulated by the NMOCD.

The Oil Conservation Division has advised us that they lack jurisdiction over disposal sites authorized by your Department. While we do not take the position that the NMOCD should

Peter Maggorie  
June 30, 1999  
Page 2

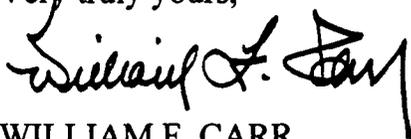
regulate a site which is regulated by your Department, that agency does have jurisdiction to regulate the disposal of byproducts of hydrocarbon exploration and production. As of this date, the NMOCD has taken no action in response to the requests of Controlled Recovery, Inc. and the only action taken by your Department has been a letter to Mr. Marsh indicating that your Department is preparing a list of materials that can be disposed of in a Department-approved disposal site. Your agency has taken no action to investigate this matter or enforce your Department's Order in Case No. SW 95-08(P). In the meantime, Lea Lands continues to dispose of unauthorized oilfield waste without any apparent oversight.

On behalf of Controlled Recovery, Inc. we again request an immediate investigation of violations of this matter and request that your Department take appropriate action to assure compliance this Order. We understand that your Department promptly acts upon requests for investigation of violations or Environmental Department orders and we request that your office advise Controlled Recovery, Inc. of the progress and findings of your investigation.

Controlled Recovery, Inc. can provide your staff with additional information concerning violations of your Order if you desire. Please contact Mr. Ken Marsh at Controlled Recovery, Inc. in Hobbs at (505) 393-1079.

Thank you in advance for your attention to this matter.

Very truly yours,



WILLIAM F. CARR  
Attorney for Controlled Recovery, Inc.  
WFC/bh  
Enclosure

cc: ✓ Lori Wrotenbery, Director  
New Mexico Oil Conservation Division

Ken Marsh, President  
Controlled Recovery, Inc.

Jennifer Salisbury, Secretary  
New Mexico Department of Energy, Minerals, and Natural Resources

CRI  
CONTROLLED RECOVERY INC.

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

June 3, 1999

JUN - 7 1999

Roger Anderson  
NMOCD  
2040 South Pacheco  
P. O. Box 6429  
Santa Fe, NM 87505-5472

RE: C-138

Dear Mr. Anderson:

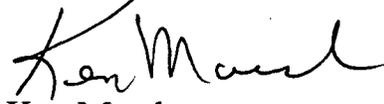
CRI and others that must use the C-138 Form are experiencing unnecessary time delays in getting the approvals back.

We (you and I) have had conversations about this on quite a few occasions.

I have said, "The system is broken, please fix it." Your reply, "It's not broken, but we are working on it."

Please show us some results. These delays are not conducive to proper waste management by the generators who grow increasingly frustrated by the "broken" approval process.

Sincerely,



Ken Marsh

Controlled Recovery, Inc.  
P.O. Box 388 Hobbs, NM 88241  
Phone: (505)393-1079 Fax: (505)393-3615



<b>To:</b> ROGER ANDERSON	<b>From:</b> KEN MARSH
<b>Fax:</b> (505) 827-8177	<b>Pages:</b> 4, including cover
<b>Phone:</b>	<b>Date:</b> 8-25-99
<b>Re:</b>	<b>CC:</b>

Urgent     For Review     Please Comment     Please Reply     Please Recycle

● **Comments:** ROGER:

RE: OUR DISCUSSION ABOUT C-138'S YESTERDAY -

I PICKED THESE UP AT THE HOBBS OCD @ 1:30 P.M. TODAY, 8-25-99.

PLEASE NOTE THE DATES OF SUBMITAL AND APPROVAL BY HOBBS AND SANTA FE.

THANKS, KEN

Albuquerque, 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

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

Environmental Bureau  
Oil Conservation Division

Originated  
Submit On  
Plus 1  
to appro  
District 1

REQUEST FOR APPROVAL TO ACCEPT SOLID WASTE

1. RCRA Exempt: <input type="checkbox"/> Non-Exempt: <input checked="" type="checkbox"/>	4. Generator <b>Navajo Refining Co.</b>
Verbal Approval Received: Yes <input type="checkbox"/> No <input type="checkbox"/>	5. Originating Site <b>Lea Refining Co Lovington Plant</b>
2. Management Facility Destination <b>Controlled Recovery, Inc.</b>	6. Transporter <b>Lea Land, Inc.</b>
3. Address of Facility Operator <b>P. O. Box 388, Hobbs</b>	8. State <b>NM</b>
7. Location of Material (Street Address or ULSTR) <b>501 E. Main Artesia</b>	<b>NM</b>
9. <u>Circle One:</u> 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:

- 1) Hydrocarbon contaminated soil generated from spill clean ups from around the plant. I am enclosing analytical, Certificate of Waste Status and Chain of Custody. 80 yards.
- 2) Blast Sand. Naptha storage tank was sandblasted for repair. Analytical, Certificate of Waste Status and Chain of Custody enclosed. 80 yards.

08-003

Estimated Volume see above cy Known Volume (to be entered by the operator at the end of the haul) \_\_\_\_\_ cy

SIGNATURE: Kath Harper TITLE: Bookkeeper DATE: 8-6-99  
Waste Management Facility Authorized Agent

TYPE OR PRINT NAME: Kath Harper TELEPHONE NO. (505) 393-1079

(This space for State Use)

APPROVED BY: Donna Williams TITLE: Environmental Eng. Specialist DATE: 8-17-99

APPROVED BY: Marlynn J. Kirby TITLE: Environmental Geologist DATE: 8-23-99

08/25/99 14:09  
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

5053933615

CRI

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

AUG 2 1999

Environmental Bureau  
Oil Conservation Division

003  
Originated by  
Submit Orig  
Plus 1 C  
to appropri  
District Of

REQUEST FOR APPROVAL TO ACCEPT SOLID WASTE

1. RCRA Exempt: <input type="checkbox"/> Non-Exempt: <input checked="" type="checkbox"/>	4. Generator <b>Navajo Refining Co.</b>
Verbal Approval Received: Yes <input type="checkbox"/> No <input type="checkbox"/>	5. Originating Site <b>Artesia Plant</b>
2. Management Facility Destination <b>Controlled Recovery, INC.</b>	6. Transporter <b>Lea Land Inc.</b>
3. Address of Facility Operator <b>P. O. Box 388, Hobbs</b>	8. State <b>NM</b>
7. Location of Material (Street Address or ULSTR) <b>501 E. Main</b>	<b>Artesia, NM</b>
9. <u>Circle One:</u> 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:

- 1) **Hydrocarbon contaminated soil generated from various spill clean ups from around the plant. I am closing analytical, Certificate of Waste Status and Chain of Custody. 350 yards.**
- 2) **D-759 Carbon Filter Catalyst. Catalyst used to absorb any hydrocarbons during amine regeneration. Previous analysis enclosed; process has not changed. Also including Certificate of Waste Status and Chain of custody. 15 yards.**

08-002

Estimated Volume see above cy Known Volume (to be entered by the operator at the end of the haul) \_\_\_\_\_ cy

SIGNATURE: Kath Harper TITLE: Bookkeeper DATE: 8-6-99  
Waste Management Facility Authorized Agent

TYPE OR PRINT NAME: Kath Harper TELEPHONE NO. (505) 383-1079

(This space for State Use)

APPROVED BY: Donna Williams TITLE: Environ. Eng. Specialist DATE: 8-17-99

APPROVED BY: Theresa J. Kelly TITLE: Environmental Geologist DATE: 8-23-99

08/25/99 14:10 5053933615  
 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

CRI  
 Oil Conservation Division  
 2040 South Pacheco Street  
 Santa Fe, New Mexico 87505  
 (505) 827-7131

004  
 Original  
 Submit  
 Plus  
 to apprc  
 District  
 Environmental Bureau  
 Oil Conservation Division

REQUEST FOR APPROVAL TO ACCEPT SOLID WASTE

1. RCRA Exempt: <input type="checkbox"/> Non-Exempt: <input checked="" type="checkbox"/>	4. Generator LG&E Natural
Verbal Approval Received: Yes <input type="checkbox"/> No <input type="checkbox"/>	5. Originating Site Hobbs Plant
2. Management Facility Destination Controlled Recovery, Inc.	6. Transporter Key
3. Address of Facility Operator P. O. Box 388, Hobbs	8. State NM
7. Location of Material (Street Address or ULSTR) 921 Sanger Hobbs, NM 88240	
9. Circle One: A. All requests for approval to accept oilfield exempt wastes will be accompanied by a certification of waste from the Generator; one certificate per job. B. All requests for approval to accept non-exempt wastes must be accompanied by necessary chemical analysis to PROVE the material is not-hazardous and the Generator's certification of origin. No waste classified hazardous by listing or testing will be approved.	
All transporters must certify the wastes delivered are only those consigned for transport.	

BRIEF DESCRIPTION OF MATERIAL:

The following analytical is from the LG&E Natural Hobbs Plant. The waste was generated by rain water and/or washdown water. Included is a Certificate of Waste and a Chain of Custody. This material has been approved in the past.

08-004

Estimated Volume 100 cy Known Volume (to be entered by the operator at the end of the haul) \_\_\_\_\_ cy

SIGNATURE: *Ken Marsh* TITLE: Manager DATE: 8-10-99  
Waste Management Facility Authorized Agent

TYPE OR PRINT NAME: Ken Marsh TELEPHONE NO. (505) 393-1079

(This space for State Use)

APPROVED BY: *Donna Williams* TITLE: Environ. Eng. Specialist DATE: 8-18-99

APPROVED BY: *Monty J. Ruby* TITLE: Environmental Geologist DATE: 8-23-99

Controlled Recovery, Inc.  
P.O. Box 388 Hobbs, NM 88241  
Phone: (505)393-1079 Fax: (505)393-3615



# Fax

To: Roger Anderson From: KEN MARSH

Fax: 827-8177 Pages: , including cover 2

Phone: \_\_\_\_\_ Date: 8-24-99

Re: \_\_\_\_\_ CC: \_\_\_\_\_

Urgent     For Review     Please Comment     Please Reply     Please Recycle

• Comments: If you have any questions, please give me a call.

*FYI*

*K*

Does Lea Land Have to file Certificate of  
Waste Status to accept O.L Field except  
waste?

Please send answer!

*K*

BY: Xerox Telecopier 7021 ; 7-21-99 ; 10:23AM ;

5053933615;# 2

Lee Land Disposal Facility

**Subject: Lee Land Disposal Facility****Date:** Tue, 20 Jul 1999 14:42:12 -0600**From:** "Stogner, Michael" <MSTOGNER@state.nm.us>**To:** "Wrotenbery, Lori" <WROTENBERRY@state.nm.us>,  
"Anderson, Roger" <RCANDERSON@state.nm.us>**CC:** "Williams, Chris" <CWilliams@state.nm.us>,  
"Salisbury, Jennifer" <JSalisbury@state.nm.us>,  
"William F. Carr" <ccbspa@ix.netcom.com>, "Carroll, Rand" <RCARROLL@state.nm.us>,  
"Davidson, Florene" <FLDAVIDSON@state.nm.us>

Today at 2:00 p.m. Mr. Ken Marsh in Hobbs at (505) 393-1079 called to report on alleged illegal dumping (by Texaco) of oilfield waste (not specified) into a facility that is not authorized to take such waste (Lee Land). I understand from our conversation that he has submitted correspondence concerning this matter to Mr. Anderson, Ms. Wrotenbery, and Ms. Salisbury, therefore I am assuming each of you are familiar with Mr. Marsh's concerns.

He also voiced his opinion and concern about the lack of action by the State's Environmental Department in this matter. He also informed me that he had been trying to get through to someone in this office for 55 minutes today before being transferred to me (Acting Director), however he was not specific when I asked him to give me more details about the numbers called and the voice mail messages left.

I assured him that the Division was aware of his concerns and is taking appropriate action. I assured him that Ms. Wrotenbery would return his call upon her return from an environmental conference.

Part 1.2

Type: application/ms-mef  
Encoding: base64

## **Kieling, Martyne**

---

**From:** Anderson, Roger  
**Sent:** Wednesday, July 21, 1999 10:03 AM  
**To:** Kieling, Martyne  
**Subject:** FW: Lee Land Disposal Facility

-----  
**From:** Stogner, Michael  
**Sent:** Tuesday, July 20, 1999 2:42 PM  
**To:** Wrotenbery, Lori; Anderson, Roger  
**Cc:** Williams, Chris; Salisbury, Jennifer; 'William F. Carr'; Carroll, Rand; Davidson, Florene  
**Subject:** Lee Land Disposal Facility

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**CRI**  
**CONTROLLED RECOVERY INC.**

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

Richard when you get  
a chance Please update  
The list Enclosed on our  
Website.  
Thanks! Martyn

JUN - 4 1999

Roger Anderson  
New Mexico Oil Conservation Division  
2040 South Pacheco St.  
P. O. Box 6429  
Santa Fe, NM 87505-5472

Dear Mr. Anderson:

Enclosed please find a copy of Commercial Surface Waste Management  
Facilities that I printed from the OCD website.

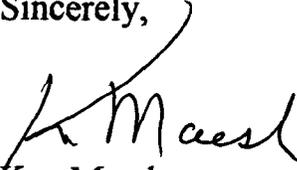
The list does not indicate that CRI has a Landfarm capability.

I request that you update all information in the OCD files so that the public  
and our customers will receive the correct information.

I have also included our Landfarm approval.

Thanks for your help.

Sincerely,

  
Ken Marsh

Updated 6-4-99

I hope you can  
Read this writing ok. ;)

ATTACHMENT I

COMMERCIAL SURFACE WASTE MANAGEMENT FACILITIES

SOUTHEAST

COMPANY	ORDER/PERMIT NO.	LOCATION	WASTE	DATE
<del>AA Oilfield Services Inc.</del>	R-7333 NM-01-0022	S3 T19S R37E	PW TP	1983
C & C	R-9769-A / <del>711-01-0012</del> NM-01-0012	S03 T20S R37E	LF	1993
Chaparral	---- NM-01-0024	S17 T23S R37E	PW TP	1995
Controlled Recovery Inc.	R-9166 / <del>711-01-0006</del> Nm-01-0006	← S27 T20S R32E	PW TP S M	LF 1990
EPI	<del>711-01-0013</del> Nm-01-0013	S15 T22s R37E	LF	1993
<del>ESSR</del>	<del>-----</del>	<del>S01 T26S R31E</del>	<del>LF</del>	<del>1993</del>
Gandy Corp.	R-4594 Nm-01-0025	S11 T10S R35E	PW TP	1973
Gandy Marley Inc	<del>711-01-0019</del> Nm-01-0019	S04 T11S R31E	LF	1995
GooYea	<del>711-01-0015</del> Nm-01-0015	S14 T11S R38E	LF	1995
J+L → Jenex Operating Co.	<del>NM-01-0026</del>	S14 T20S R38E	PW TP	1993
Kellan <del>Maclaskey</del>	---- Nm-01-0027	S16 T20S R37E	PW TP	1992
<del>Kenneth Tank Services</del>	<del>R-8167</del>	<del>S35 T09S R35E</del>	<del>TP</del>	<del>198</del>
Pod RHINO → Loco Hills Water Disposal	R-6811-A / NM-01-0004	S16 T17S R30E	PW TP	1982
Sundance Services Inc.	R-6940 / <del>711-01-0003</del> Nm-01-0003	S29 T21S R38E	PW TP S M	1995
Watson	R-6095 <del>-----</del>	S34 T08S R35E	TP	1979
J+L LandFarm Inc.	NM-01-0023	S9, T20S, R38E	LF	1999
RHINO Environmental	Nm-01-0021	S11, T20S, R38E	LF	1998

NORTHWEST

COMPANY	ORDER/PERMIT NO.	LOCATION	WASTE	DATE
Basin Disposal	<del>711-01-0005</del> Nm-01-0005	S03 T29N R11W	PW TP	1985
Envirotech No. 2	<del>711-01-0011</del> Nm-01-0011	S06 T26N R10W	LF	1992
<del>Sunoco</del> Key Energy	R-9485-A / Nm-01-0009	S02 T29N R12W	PW TP	1991
TNT Construction	<del>711-01-0008</del> Nm-01-0008	S08 T25N R03W	PW TP LF	1990 1992
Tierra Environmental Inc	<del>R-8772</del> / <del>711-01-0010</del> Nm-01-0010	S02 T29N R12W	LF	199

PW - Produced Water  
 TP - Waste Oil Treating Plant  
 S - Solids  
 LF - Landfarm (Solids)  
 M - Drilling Muds

CRI

CONTROLLED RECOVERY INC.

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

JUN - 4 1999

Roger Anderson  
New Mexico Oil Conservation Division  
2040 South Pacheco St.  
P. O. Box 6429  
Santa Fe, NM 87505-5472

Dear Mr. Anderson:

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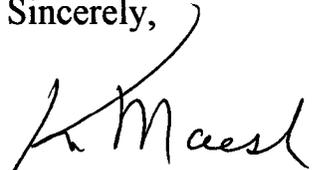
The list does not indicate that CRI has a Landfarm capability.

I request that you update all information in the OCD files so that the public and our customers will receive the correct information.

I have also included our Landfarm approval.

Thanks for your help.

Sincerely,

  
Ken Marsh

## ATTACHMENT I

COMMERCIAL SURFACE WASTE MANAGEMENT FACILITIES

## SOUTHEAST

COMPANY	ORDER/PERMIT NO.	LOCATION	WASTE	DATE
AA Oilfield Services Inc.	R-7333	S3 T19S R37E	PW TP	1983
C & C	R-9769-A / 711-01-0012	S03 T20S R37E	LF	1993
Chaparral	----	S17 T23S R37E	PW TP	1995
Controlled Recovery Inc.	R-9166 / 711-01-0006	S27 T20S R32E	PW TP S M	
EPI	711-01-0013	S15 T22s R37E	LF	1993
ESSR	----	S01 T26S R31E	LF	1993
Gandy Corp.	R-4594	S11 T10S R35E	PW TP	1973
Gandy Marley Inc	711-01-0019	S04 T11S R31E	LF	1995
GooYea	711-01-0015	S14 T11S R38E	LF	1995
Jenex Operating Co.	----	S14 T20S R38E	PW TP	1993
Kelly Maclaskey	----	S16 T20S R37E	PW TP	1992
Kenneth Tank Services	R-8167	S35 T09S R35E	TP	198
Loco Hills	R-6811-A	S16 T17S R30E	PW TP	1982
Sundance	R-6940 / 711-01-0003	S29 T21S R38E	PW TP S M	1995
Watson	R-6095	S34 T08S R35E	TP	1979

## NORTHWEST

COMPANY	ORDER/PERMIT NO.	LOCATION	WASTE	DATE
Basin Disposal	711-01-0005	S03 T29N R11W	PW TP	1985
Envirotech No. 2	711-01-0011	S06 T26N R10W	LF	1992
Sunco	R-9485-A	S02 T29N R12W	PW TP	1991
TNT Construction	711-01-0008	S08 T25N R03W	PW TP LF	1990 1992
Tierra Environmental Inc	R-9772 / 711-01-0010	S02 T29N R12W	LF	199

PW - Produced Water

TP - Waste Oil Treating Plant

S - Solids

LF - Landfarm (Solids)

M - Drilling Muds

# LANDFARM APPROVAL



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

GARREY CARRUTHERS  
GOVERNOR

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

September 13, 1990

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

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

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

Dear Mr. Marsh:

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

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

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

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

Sincerely,

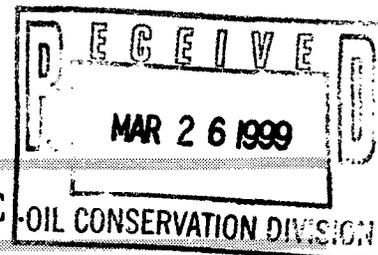
A handwritten signature in cursive script, appearing to read "William J. LeMay".

William J. LeMay, Director

WJL/RCA/sl

CRI  
CONTROLLED RECOVERY INC

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



March 24, 1999

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

Re: Lea Land

Dear Ms. Kieling:

I am in receipt of your letter of March 16, 1999, regarding jurisdiction of NMOCD:

NMOCD does have jurisdiction over the materials involved and the duty to enforce the regulations covering the movement and disposition of the materials. I request that you do so immediately.

NMOCD has the responsibility to request NMED to act in a timely manner to address this issue; which has not been done.

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

March 24, 1999

**CERTIFIED MAIL**  
**RETURN RECEIPT NO. P-326-936-524**

Mr. Mike Wiggins  
BJ Services Company  
2401 Sivley,  
Artesia, NM 88210

**Re: BJ Services Co.  
Artesia NM, Wash Rack Sludge Waste Stream**

Dear Mr. Wiggins:

The New Mexico Oil Conservation Division (OCD) has received the BJ Services Company (BJ) request to extend the life of the sampling analysis of the wash rack sludge waste stream. BJ's current wash rack sludge waste stream sample analysis is hereby approved until June 13, 2000, the expiration of the current Artesia facility discharge plan. If any changes or modifications are made to the Artesia BJ facility prior to this date a new waste analysis will be required prior to any waste disposal. New sample analysis on the above referenced waste stream will be required for this waste to be disposed of after June 13, 2000.

Disposal of this waste stream at an OCD approved surface waste management facility (711 facility) will require the 711 facility to submit a C-138, generator certificate of waste status, a copy of the analytical report for the wash rack sludge collected on January 14, 1998, and a copy of this approval letter.

Please be advised that this approval does not relieve BJ of liability should their operation result in pollution of surface water, ground water, or the environment. In addition, OCD approval does not relieve BJ of responsibility for compliance with other federal, state or local laws and/or regulations.

If there are any questions, please call me at (505) 827-7153.

Sincerely,

Martyne J. Kieling  
Environmental Geologist

xc: Hobbs OCD Office  
Artesia OCD Office



**NEW MEXICO ENERGY, MINERALS  
& NATURAL RESOURCES DEPARTMENT**

OIL CONSERVATION DIVISION  
2040 South Pacheo Street  
Santa Fe, New Mexico 87506  
(505) 827-7131

March 16, 1999

**CERTIFIED MAIL**  
**RETURN RECEIPT NO. P-326-936-519**

Mr. Ken Marsh  
Controlled Recovery, Inc.  
P.O. Box 388  
Hobbs, NM 88241

**RE: Lea Land**

Dear Mr. Marsh:

The New Mexico Oil Conservation Division (OCD) has received Controlled Recovery, Inc. letter dated March 10, 1999. With regards to that letter, the OCD does not have jurisdiction over New Mexico Environment Department (NMED) solid waste landfills. The OCD is currently having consultations with the NMED to address the issues that you have brought to our attention.

Sincerely,

A handwritten signature in cursive script that reads "Martyne J. Kieling".

Martyne J. Kieling  
Environmental Geologist

xc: Hobbs OCD Office  
Don Beardsley, SWB, NMED



REC'D  
MAR 10 1999

850391  
6-13-00

March 3, 1999

Mrs. Maryne Keiling  
Oil Conservation Division  
2040 South Pacheco St  
Santa Fe NM 87505

Dear Mrs. Keiling,

The Artesia NM district wash rack sludge waste stream permit is up for extension. The waste stream has not changed since the last sampling. This waste stream is not expected to change in the future. We request that our permit be extended for another year.

Thank you for your consideration in this matter, should you have any questions please call me at 505-746-3140.

Sincerely,

Mike Wiggins  
District Manager

CRI  
CONTROLLED RECOVERY INC

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

MAR 15 1999  
CONSERVATION DIVISION

March 10, 1999

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

RE: Lea Land

Dear Mr. Anderson:

I have been informed that Lea Land has accepted gas plant dehydration wastes ( molecular sieves) from a gas plant in Eddy County, New Mexico.

I have asked in the past that you investigate and stop these actions by Lea Land. I request that you act immediately to cause Lea Land to cease these operations and be appropriately penalized for their continued actions, which are not authorized.

Please see " Water Quality Control Commission Delegation of Responsibilities to Environmental Improvement Division and Oil Conservation Division" (attached) and Lea Land conditions for approval of permit which states "no petroleum waste or other substance regulated by NMOCD is to be disposed of in the proposed Landfill." Information on conditions for approval of permit have been furnished to you in previous letters.

Amine filters and molecular sieves may not meet the requirements of the hazardous materials division of NMED for disposal in Lea Land after testing for hazardous constituents.

The NMOCD and NMED have the duty and responsibility to enforce the permit requirements of the Lea Land Permit and of other regulations governing their operations; to cause them to cease any violations; cease operations until remediation of the facility is complete and to have appropriate legal, civil and criminal actions against them started immediately.

Please advise of your course of actions and the start date.

Sincerely,



Ken Marsh

Cc: Don Beardsley  
NMED  
Solid Waste Bureau  
P. O. Box 26110  
Santa Fe, NM 87504-6110

Attachment: WQCC  
Lea Land Permit

# WATER QUALITY CONTROL COMMISSION

## DELEGATION OF RESPONSIBILITIES TO ENVIRONMENTAL IMPROVEMENT DIVISION AND OIL CONSERVATION DIVISION

In an effort to prevent duplication of effort and to clarify the division of responsibilities pursuant to the provisions of the Water Quality Act, NMSA Sections 74-6-1 et seq. (1978), as administered and enforced by the Water Quality Control Commission, the Commission hereby approves the following list of delegated duties and responsibilities for two of the agencies that are constituent agencies to which authority can be delegated, the Environmental Improvement Division ("EID") and the Oil Conservation Division ("OCD"). The Commission is specifically authorized to take this action by NMSA Section 74-6-4E (1978) and by other general provisions of the Water Quality Act. The Commission notes that pursuant to NMSA Section 74-6-9C (1978), constituent agencies may "report to the Commission and to other constituent agencies water pollution conditions that are believed to require action where the circumstances are such that the responsibility appears to be outside the responsibility assigned to the agency making the report." The Commission encourages OCD and EID to continue close communication and cooperation where responsibility is unclear, to ensure that water pollution is prevented or abated quickly, efficiently and consistently. In situations involving discharges or facilities under the jurisdiction of both agencies, the agencies shall mutually agree which shall be the lead agency and shall determine the method by which the discharge plan shall be evaluated and approved. In preparing this delegation statement, the Commission is cognizant of the limitations imposed on its authority by the Water Quality Act, especially NMSA Section 74-6-12G (1978) which prohibits it from taking any action which would "interfere with the exclusive authority of the Oil Conservation Commission over all persons and things necessary to prevent water pollution as a result of oil or gas operations...."

This delegation shall supersede all previous delegations to EID and OCD; - reference to the dates and minutes of Commission meetings in which previous delegations were made are in parentheses and the minutes are attached. The specific grants of authority are not intended to be comprehensive. When a question of authority and jurisdiction arises, which is not specifically delegated, the general provisions below shall control.

### 1. General Provisions

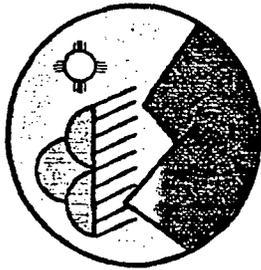
As a general rule, OCD will administer and enforce applicable Commission regulations pertaining to surface and ground water discharges at oil and natural gas production sites, oil refineries, natural gas processing plants, geothermal installations, carbon dioxide facilities, natural gas transmission lines, and discharges

F. OCD shall administer and enforce Commission regulations at brine manufacturing operations and concerning discharges to ground or surface water at brine manufacturing operations, including all brine production wells, holding ponds and tanks. OCD shall have jurisdiction over all manufactured brine once it is transported, used or disposed of off brine plant premises for use in or directly related to oil and gas operations regulated by OCD. OCD shall regulate brine injection through its Class II Underground Injection control (UIC) Program if the brine is used in the drilling for or production of oil and gas. EID shall regulate brine injection through its UIC Program if the brine is used for other purposes. (Source: 6/13/89 Commission minutes)

G. EID shall administer and enforce all programs implemented by the state under PL 92-500 (The Federal Water Pollution Control Act) and its Amendments, unless directed otherwise by the Commission. (Source: 7/8/75 Commission minutes)

H. OCD shall have general jurisdiction over the oil field service industry. Many activities that would ordinarily be regulated by EID are regulated by OCD when those activities occur in the oil field service industry. The following list, which is not intended to be inclusive, serves to help clarify this delegation:

OCD	EID
waste oil handled or processed by oil field service companies or treating plants	used motor oil handlers
all underground and above-ground tanks on refinery premises, unless the tanks contain unmixed sewage; all underground and above-ground tanks not on refinery premises which contain crude petroleum, produced water or oil field service chemicals	all underground and above-ground tanks not on refinery premises, unless the tanks contain crude petroleum, produced water or oil field service chemicals
tanker trucks hauling, spilling or disposing of well-service chemicals, kill water, produced water, crude oil, tank bottom sludge and other oil field wastes and oil field service materials	tanker trucks spilling or disposing of non-oil and gas production wastes, non-oil and gas service materials, or refined petroleum products
washings from trucks and other equipment used in the transport, production or refining of oil and gas crude products, production wastes or service materials	washings from trucks and other equipment not used for oil and gas production related purposes



The New Mexico Environment Department

hereby issues this

## SOLID WASTE FACILITY PERMIT

Facility Type: *Industrial Solid Waste  
Landfill*

Facility ID No: *SWM-131401*

Facility Name & Location:

Owner's Name & Address:

*Lea Land Inc. Landfill  
32 Miles Southwest of Hobbs, N.M.  
On U.S. Highway 62/180*

*Lea Land, Inc.  
1300 West Main St.  
Oklahoma City, Oklahoma 73106*

Permit Expiration Date: *February 27, 2006*

This permit is issued pursuant to Section 74-9-20 of the Solid Waste Act and is subject to the conditions of the Order of the Secretary, dated February 27, 19 96.

Given this 11 day of March, 1996.

Mark E. Weidler  
Secretary of Environment



GARY E. JOHNSON  
GOVERNOR

State of New Mexico  
ENVIRONMENT DEPARTMENT

Office of the Secretary  
Harold Runnels Building  
1190 St. Francis Drive, P.O. Box 26110  
Santa Fe, New Mexico 87502-6110  
Telephone (505) 827-2855  
Fax (505) 827-2836



PETER MAGGIORE  
SECRETARY

RECEIVED

FEB 17 1999

Environmental Bureau  
Oil Conservation Division

February 10, 1999

Mr. Ken Marsh  
Controlled Recovery, Inc.  
P.O. Box 388  
Hobbs, New Mexico 88241

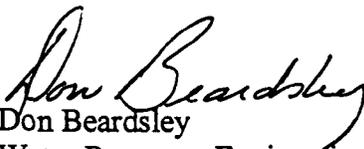
Dear Mr. Marsh:

This is in response to your letter of February 4, 1999 requesting information on any action the Solid Waste Bureau has taken relative to the disposal of "petroleum waste" in the Lea Land Non Hazardous Industrial Waste Landfill.

At this time, the Solid Waste Bureau of the New Mexico Environment Department (the "NMED") and the New Mexico Oil Conservation Division (the "NMOCD") are jointly preparing a list of waste materials generated by NMOCD regulated operations which may be disposed in landfills regulated by NMED. Such materials are not unique to petroleum industry operations and facilities.

The waste materials list will be provided to Controlled Recovery, Inc., and other waste disposal facility operators when it is complete.

Sincerely,

  
Don Beardsley  
Water Resource Engineering Specialist I  
Solid Waste Bureau

✓ xc: Roger Anderson/Martyne Kieling, NMOCD