

**NM1 - 37**

**PERMITS,  
RENEWALS, &  
MODS**



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

**BILL RICHARDSON**

Governor

**Joanna Prukop**  
Cabinet Secretary

July 29, 2003

**Lori Wrotenberg**

Director

**Oil Conservation Division**

Mr. TG Herring  
Commercial Exchange, Inc.  
P.O. Box 3236  
Lubbock, TX 79452

**RE: OCD Rule 711 Permit Approval NM-01-0037  
Commercial Exchange, Inc.  
Commercial Surface Waste Management Facility  
NE/4 of Section 1, Township 20 South, Range 36 East, NMPM,  
Lea County, New Mexico**

Dear Mr. Herring:

The permit application for the Commercial Exchange, Inc. commercial surface waste management facility located in NE/4 of Section 1, Township 20 South, Range 36 East, NMPM, Lea County, New Mexico is hereby approved in accordance with New Mexico Oil Conservation Division (OCD) Rule 711 under the conditions contained in the enclosed attachment. **This permit approval is conditional upon the receipt and approval by the Director of financial assurance in the amount of \$125,737.** According to the schedule outlined in the financial assurance section of the enclosed attachment, a portion of the \$125,737 financial assurance (\$31,435) is required within 30 days of the date of this permit approval letter. The application consists of the permit application Form C-137 dated March 31, 2003, supplemental information dated May 18, 2003 supplemental information received May 22, 2003, May 28, 2003, June 9, 2003, June 16, 2003 and June 23, 2003.

The operation, monitoring and reporting shall be as specified in the enclosed attachment. All modifications and alternatives to the approved treating plant methods must receive prior OCD approval. Commercial Exchange, Inc. is required to notify the Director of any facility expansion or process modification and to file the appropriate materials with the Division.

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

Please be advised that all tanks exceeding 16 feet in diameter and exposed pits, ponds or lagoons must be screened, netted or otherwise rendered non-hazardous to migratory birds. In addition, OCD Rule 310 prohibits oil from being stored or retained in earthen reservoirs or open receptacles.

The facility is subject to periodic inspections by the OCD. The conditions of this permit will be reviewed by the OCD no later than five (5) years from the date of this approval and the facility will be inspected at least once a year. In addition, the closure cost estimate will be reviewed according to prices and remedial work estimates at the time of the five (5) year review. The financial assurance may be adjusted to incorporate any closure cost changes.

Enclosed are two copies of the conditions of approval. **Please sign and return one copy to the OCD Santa Fe Office within five working days of receipt of this letter.**

If you have any questions please do not hesitate to contact Martyne J. Kieling at (505) 476-3488.

Sincerely,



Roger C. Anderson  
Environmental Bureau Chief

RCA/mjk

xc with attachments:

Hobbs OCD Office

**ATTACHMENT TO OCD 711 PERMIT APPROVAL  
PERMIT WM-1-037  
COMMERCIAL EXCHANGE, INC.  
NE/4 of Section 1, Township 20 South, Range 36 East, NMPM,  
Lea County, New Mexico  
(July 29, 2003)**

**TREATING PLANT OPERATION**

- 1 The facility must be fenced to prevent keep cattle from entering the facility. The facility must have a sign at the entrance. The sign must be legible from at least 50 feet and contain the following information: a) name of the facility; b) permit number; c) location by section, township and range; and d) emergency phone number.
- 2 All existing above-ground tanks must be cleaned and hydrostatically tested prior to the use of the tank(s). All below-grade pipes must be hydrostatically tested prior to beginning operations at the treating plant.
- 3 Disposal may occur only when an attendant is on duty. The facility must be secured when no attendant is present.
- 4 The facility must be maintained such that there will be no storm water runoff beyond the boundaries of the facility.
- 5 Any major design changes to the surface waste management facility must be submitted to the OCD Santa Fe office for approval and a copy must be sent to the Hobbs District office.
- 6 Facility inspection and maintenance must be conducted on at least a daily basis and immediately following each consequential rainstorm or windstorm. The OCD Santa Fe and Hobbs offices must be notified within 24 hours if any defect is noted. Repairs must be made as soon as possible. If the defect will jeopardize the integrity of the tank(s), additional material may not be placed into the affected tank(s) until repairs have been completed.
- 7 All process and maintenance areas that show evidence that leaks and spills are reaching the ground surface must be either paved and curbed or have some type of spill collection device incorporated into the design.
- 8 All saddle tanks or drums located at the facility and containing materials other than fresh water must be placed on an impermeable pad with curb containment. The pad and curb containment must be able to hold one and one-third the volume of the largest tank or all interconnected tanks. The tanks and containers must be labeled as to contents and hazards.

- 9 All existing above-ground tanks located at the facility and containing materials other than fresh water must be bermed to contain one and one-third the volume of the largest tank or all interconnected tanks, whichever is greater. All above-ground tanks must be labeled as to contents and hazards.
- 10 All new or replacement above-ground tanks located at the facility and containing materials other than fresh water must be placed on an impermeable pad and be bermed so that the area will contain one and one-third the volume of the largest tank or all interconnected tanks, whichever is greater. All above-ground tanks must be labeled as to contents and hazards.
11. Below-grade sumps and below-grade tanks must be inspected on a daily basis and fluid must be removed to prevent overflow.
12. Below-grade sumps and below-grade tanks must be cleaned and visually inspected annually. Results must be recorded and maintained at the facility for OCD review. If sump/tank integrity has failed the OCD must be notified within 48 hours of discovery and the sump/tank must be replaced.
13. All new or replacement below-grade sumps and below-grade tanks at the facility must have secondary impermeable containment with a leak detection system. The leak detection system must be inspected for fluids weekly. Results must be recorded and maintained at the facility for OCD review. If fluids are present they must be removed and properly disposed of or recycled and the primary containment checked for leaks and repaired or replaced. Records of inspections and repairs must be made available to the OCD upon request.
14. Below-grade pipelines associated with the treating plant must be pressure tested annually. Results must be recorded and maintained at the facility for OCD review. If pipeline integrity has failed the OCD must be notified within 48 hours of discovery and the line must be repaired or replaced. Contaminated soil must be removed and disposed of at an OCD-approved facility. Soil remediation must follow OCD surface impoundment closure guidelines. The permittee must submit a report to the OCD Santa Fe and appropriate District offices that describes the investigation and remedial actions taken.
15. Liquid and solid waste generated at the treating plant or from cleanup of leaks and spills must be disposed of at an OCD-approved disposal facility.
16. To protect migratory birds, all tanks exceeding 16 feet in diameter and exposed pits and ponds shall be screened, netted or covered.
17. Within 24 hours of receiving notification from the OCD that an objectionable odor has been detected or reported, the facility must implement the following response procedure:
  - a. log date and approximate time of notice that an odor exists;

- b. log investigative steps taken, including date and time, and conclusions reached; and
- c. log actions taken to alleviate the odor, which may include adjusting chemical treatment, air sparging, or other similar responses.

A copy of the log, signed and dated by the facility manager, must be maintained for OCD review.

### TANKS AND EQUIPMENT TO BE TAKEN OUT OF SERVICE

1. All existing tanks at Commercial Exchange, Inc. that will not be used must be emptied of all waste and product. The waste removed must be sent to an OCD approved facility. The recoverable hydrocarbons must be processed at the Commercial Exchange, Inc. treating plant or sent to an OCD approved facility.
2. Tanks and equipment at Commercial Exchange, Inc. that will not be used and that are emptied and cleaned must be removed from the facility and either recycled, sold for reuse or disposed of at an OCD approved facility.
3. Contaminated soil must be remediated from around and below the decommissioned tanks and around any of the operational tanks. Soil remediation must follow OCD surface impoundment closure guidelines. Commercial Exchange, Inc must submit a report to the OCD Santa Fe and Hobbs offices that describes the investigation and remedial actions taken.
4. Commercial Exchange Inc. must notify the OCD Santa Fe and Hobbs District office within 36 hours of all soil and groundwater sampling events associated with the tank removal and historical spills and leaks so that the OCD may have the option to witness or split samples.

### H<sub>2</sub>S PREVENTION & CONTINGENCY PLAN

1. Commercial Exchange, Inc. must develop a prevention and contingency plan for ambient H<sub>2</sub>S levels to protect public health. **The H<sub>2</sub>S prevention and contingency plan must be submitted to the OCD Santa Fe and Hobbs offices for approval by September 25, 2003.** The plan must address how Commercial Exchange, Inc. will monitor for H<sub>2</sub>S to ensure the following:
  - a. If H<sub>2</sub>S of 1.0 ppm or greater leaves the property:
    - i. the operator must notify the Hobbs office of the OCD immediately; and
    - ii. the operator must begin operations or treatment that will mitigate the source.

- b. If H<sub>2</sub>S of 10.0 ppm or greater leaves the property:
  - i. the operator must immediately notify the Hobbs office of the OCD and the following public safety agencies:  
  
New Mexico State Police;  
Lea County Sheriff; and  
Lea County Fire Marshall;
  - ii. the operator must notify all persons residing within one-half (½) mile of the fence line and assist public safety officials with evacuation as requested; and
  - iii. the operator must begin operations or treatment that will mitigate the source.

#### **WASTE ACCEPTANCE CRITERIA**

1. The facility is authorized to accept only:
  - a. Oilfield wastes that are exempt from RCRA Subtitle C regulations and that do not contain Naturally Occurring Radioactive Material regulated pursuant to 20 NMAC 3.1 Subpart 1403 (NORM). All loads of these wastes other than wastes returned from the well bore in the normal course of well operations such as produced water and spent treating fluids received at the facility shall be accompanied by a "Generator Certificate of Waste Status" signed by the generator.
  - b. "Non-hazardous" non-exempt oilfield wastes that do not contain NORM. These wastes may be accepted on a case-by-case basis after a hazardous waste determination is made. Samples, if required, must be obtained from the wastes prior to removal from the generator's facility and without dilution in accordance with EPA SW-846 sampling procedures. All "non-hazardous" non-exempt wastes received at the facility must be accompanied by:
    - i. An approved OCD Form C-138 "Request For Approval To Accept Solid Waste."
    - ii. A "Generator Certificate of Waste Status" signed by the generator.
    - iii. A verification of waste status issued by the appropriate agency, for wastes generated outside OCD jurisdiction. The agency verification is based on specific information on the subject waste submitted by the generator and demonstrating the exempt or non-hazardous classification of the waste.

- c. Non-oilfield wastes that are non-hazardous if ordered by the Department of Public Safety in a public health emergency. OCD approval must be obtained prior to accepting the wastes.
2. At no time may any OCD-permitted surface waste management facility accept wastes that are hazardous by either listing or characteristic testing.
3. The transporter of any wastes to the facility must supply a certification that wastes delivered are those wastes received from the generator and that no additional materials have been added.
4. No waste will be accepted at the treating plant unless it is accompanied by an approved Form C-117-A.
5. No produced water may be received at the facility unless the transporter has a valid Form C-133, Authorization to Move Produced Water, on file with the Division.

#### **REPORTING**

1. The Treating Plant Operator's Monthly Report (Form C-118 sheet 1 and 1-A), which details the oil recovered and sold during the preceding month, must be submitted to the OCD Hobbs district office according to form directions.
2. The Tank Cleaning, Sediment Oil Removal, Transportation of Miscellaneous Hydrocarbons and Disposal Permit (Form C-117) must be submitted to the OCD Hobbs office according to form directions.
3. Records of treating plant inspections and maintenance and of pipeline testing and maintenance must be kept and maintained for OCD review.
4. Commercial Exchange, Inc. must notify the **OCD Santa Fe and Hobbs offices within 24 hours** of any fire, break, leak, spill, blow out or any other circumstance that could constitute a hazard or contamination in accordance with OCD Rule 1-16.
5. Comprehensive records of all material disposed of at the facility must be maintained. The records for each load must include: 1) generator; 2) origin; 3) date received; 4) quantity; 5) certification of waste status as exempt; 6) NORM status declaration if applicable; and 7) transporter.
6. The OCD must be notified prior to the installation of any pipelines or wells or other construction within the boundaries of the facility.

## FINANCIAL ASSURANCE

1. Financial assurance in the amount of **\$125,737** in the form of a surety or cash bond or a letter of credit, which is approved by the Division, is required from Commercial Exchange, Inc. for the commercial surface waste management facility.

**By August 29, 2003** Commercial Exchange, Inc. must submit 25% of the financial assurance in the amount of **\$ 31,435.**

**By August 29, 2004** Commercial Exchange, Inc. must submit 50% of the financial assurance in the amount of **\$62,870.**

**By August 29, 2005** Commercial Exchange, Inc. must submit 75% of the financial assurance in the amount of **\$94,305.**

**By August 29, 2006** Commercial Exchange, Inc. must submit 100% of the financial assurance in the amount of **\$125,737.**

2. The facility is subject to periodic inspections by the OCD. The conditions of this permit and the facility will be reviewed no later than five (5) years from the date of this approval. In addition, the closure cost estimate will be reviewed according to prices and remedial work estimates at the time of review. The financial assurance may be adjusted to incorporate any closure cost changes.

## CLOSURE

1. The OCD Santa Fe and Hobbs offices must be notified when operation of the facility is to be discontinued for a period in excess of six (6) months or when the facility is to be dismantled. Within six (6) months after discontinuing use or within 30 days of deciding to dismantle the facility a closure plan must be submitted to the OCD Santa Fe office for approval. The operator must complete cleanup of constructed facilities and restoration of the facility site within six (6) months of receiving the closure plan approval, unless an extension of time is granted by the Director.
2. The closure plan to be submitted must include the following procedures:
  - a. When the facility is to be closed no new material may be accepted.
  - b. All tanks must be emptied and any waste and recyclable material must be hauled to an OCD-approved facility. The empty tanks and equipment must be removed.
  - c. Contaminated soils exceeding OCD closure standards for the site must be removed or remediated.
  - d. The area must be contoured, seeded with native grasses and allowed to return to

its natural state. If the landowner desires to keep existing structures, berms, or fences for future alternative uses, the structures, berms, or fences may be left in place.

- e. Closure must be pursuant to all OCD requirements in effect at the time of closure, and any other applicable local, state and/or federal regulations.

**CERTIFICATION**

Commercial Exchange, Inc., by the officer whose signature appears below, accepts this permit and agrees to comply with all terms and conditions contained herein Commercial Exchange, Inc. further acknowledges that these conditions and requirements of this permit may be changed administratively by the Division for good cause shown as necessary to protect fresh water, public health and the environment.

Accepted:

COMMERCIAL EXCHANGE, INC.

Signature \_\_\_\_\_ Title \_\_\_\_\_ Date \_\_\_\_\_



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

**BILL RICHARDSON**

Governor

**Joanna Prukop**  
Cabinet Secretary

July 29, 2003

**Lori Wrotenbery**

Director

**Oil Conservation Division**

Mr. TG Herring  
Commercial Exchange, Inc.  
P.O. Box 3236  
Lubbock, TX 79452

**RE: OCD Rule 711 Permit Approval NM-01-0037  
Commercial Exchange, Inc.  
Commercial Surface Waste Management Facility  
NE/4 of Section 1, Township 20 South, Range 36 East, NMPM,  
Lea County, New Mexico**

Dear Mr. Herring:

The permit application for the Commercial Exchange, Inc. commercial surface waste management facility located in NE/4 of Section 1, Township 20 South, Range 36 East, NMPM, Lea County, New Mexico is hereby approved in accordance with New Mexico Oil Conservation Division (OCD) Rule 711 under the conditions contained in the enclosed attachment. **This permit approval is conditional upon the receipt and approval by the Director of financial assurance in the amount of \$125,737.** According to the schedule outlined in the financial assurance section of the enclosed attachment, a portion of the \$125,737 financial assurance (\$31,435) is required within 30 days of the date of this permit approval letter. The application consists of the permit application Form C-137 dated March 31, 2003, supplemental information dated May 18, 2003 supplemental information received May 22, 2003, May 28, 2003, June 9, 2003, June 16, 2003 and June 23, 2003.

The operation, monitoring and reporting shall be as specified in the enclosed attachment. All modifications and alternatives to the approved treating plant methods must receive prior OCD approval. Commercial Exchange, Inc. is required to notify the Director of any facility expansion or process modification and to file the appropriate materials with the Division.

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

Please be advised that all tanks exceeding 16 feet in diameter and exposed pits, ponds or lagoons must be screened, netted or otherwise rendered non-hazardous to migratory birds. In addition, OCD Rule 310 prohibits oil from being stored or retained in earthen reservoirs or open receptacles.

The facility is subject to periodic inspections by the OCD. The conditions of this permit will be reviewed by the OCD no later than five (5) years from the date of this approval and the facility will be inspected at least once a year. In addition, the closure cost estimate will be reviewed according to prices and remedial work estimates at the time of the five (5) year review. The financial assurance may be adjusted to incorporate any closure cost changes.

Enclosed are two copies of the conditions of approval. **Please sign and return one copy to the OCD Santa Fe Office within five working days of receipt of this letter.**

If you have any questions please do not hesitate to contact Martyne J. Kieling at (505) 476-3488.

Sincerely,



Roger C. Anderson  
Environmental Bureau Chief

RCA/mjk

xc with attachments:  
Hobbs OCD Office

**ATTACHMENT TO OCD 711 PERMIT APPROVAL  
PERMIT WM-1-037  
COMMERCIAL EXCHANGE, INC.  
NE/4 of Section 1, Township 20 South, Range 36 East, NMPM,  
Lea County, New Mexico  
(July 29, 2003)**

**RECEIVED**  
AUG 13 2003  
OIL CONSERVATION  
DIVISION

**TREATING PLANT OPERATION**

- 1 The facility must be fenced to prevent keep cattle from entering the facility. The facility must have a sign at the entrance. The sign must be legible from at least 50 feet and contain the following information: a) name of the facility; b) permit number; c) location by section, township and range; and d) emergency phone number.
- 2 All existing above-ground tanks must be cleaned and hydrostatically tested prior to the use of the tank(s). All below-grade pipes must be hydrostatically tested prior to beginning operations at the treating plant.
- 3 Disposal may occur only when an attendant is on duty. The facility must be secured when no attendant is present.
- 4 The facility must be maintained such that there will be no storm water runoff beyond the boundaries of the facility.
- 5 Any major design changes to the surface waste management facility must be submitted to the OCD Santa Fe office for approval and a copy must be sent to the Hobbs District office.
- 6 Facility inspection and maintenance must be conducted on at least a daily basis and immediately following each consequential rainstorm or windstorm. The OCD Santa Fe and Hobbs offices must be notified within 24 hours if any defect is noted. Repairs must be made as soon as possible. If the defect will jeopardize the integrity of the tank(s), additional material may not be placed into the affected tank(s) until repairs have been completed.
- 7 All process and maintenance areas that show evidence that leaks and spills are reaching the ground surface must be either paved and curbed or have some type of spill collection device incorporated into the design.
- 8 All saddle tanks or drums located at the facility and containing materials other than fresh water must be placed on an impermeable pad with curb containment. The pad and curb containment must be able to hold one and one-third the volume of the largest tank or all interconnected tanks. The tanks and containers must be labeled as to contents and hazards.

- 9 All existing above-ground tanks located at the facility and containing materials other than fresh water must be bermed to contain one and one-third the volume of the largest tank or all interconnected tanks, whichever is greater. All above-ground tanks must be labeled as to contents and hazards.
- 10 All new or replacement above-ground tanks located at the facility and containing materials other than fresh water must be placed on an impermeable pad and be bermed so that the area will contain one and one-third the volume of the largest tank or all interconnected tanks, whichever is greater. All above-ground tanks must be labeled as to contents and hazards.
11. Below-grade sumps and below-grade tanks must be inspected on a daily basis and fluid must be removed to prevent overflow.
12. Below-grade sumps and below-grade tanks must be cleaned and visually inspected annually. Results must be recorded and maintained at the facility for OCD review. If sump/tank integrity has failed the OCD must be notified within 48 hours of discovery and the sump/tank must be replaced.
13. All new or replacement below-grade sumps and below-grade tanks at the facility must have secondary impermeable containment with a leak detection system. The leak detection system must be inspected for fluids weekly. Results must be recorded and maintained at the facility for OCD review. If fluids are present they must be removed and properly disposed of or recycled and the primary containment checked for leaks and repaired or replaced. Records of inspections and repairs must be made available to the OCD upon request.
14. Below-grade pipelines associated with the treating plant must be pressure tested annually. Results must be recorded and maintained at the facility for OCD review. If pipeline integrity has failed the OCD must be notified within 48 hours of discovery and the line must be repaired or replaced. Contaminated soil must be removed and disposed of at an OCD-approved facility. Soil remediation must follow OCD surface impoundment closure guidelines. The permittee must submit a report to the OCD Santa Fe and appropriate District offices that describes the investigation and remedial actions taken.
15. Liquid and solid waste generated at the treating plant or from cleanup of leaks and spills must be disposed of at an OCD-approved disposal facility.
16. To protect migratory birds, all tanks exceeding 16 feet in diameter and exposed pits and ponds shall be screened, netted or covered.
17. Within 24 hours of receiving notification from the OCD that an objectionable odor has been detected or reported, the facility must implement the following response procedure:
  - a. log date and approximate time of notice that an odor exists;

- b. log investigative steps taken, including date and time, and conclusions reached; and
- c. log actions taken to alleviate the odor, which may include adjusting chemical treatment, air sparging, or other similar responses.

A copy of the log, signed and dated by the facility manager, must be maintained for OCD review.

### TANKS AND EQUIPMENT TO BE TAKEN OUT OF SERVICE

1. All existing tanks at Commercial Exchange, Inc. that will not be used must be emptied of all waste and product. The waste removed must be sent to an OCD approved facility. The recoverable hydrocarbons must be processed at the Commercial Exchange, Inc. treating plant or sent to an OCD approved facility.
2. Tanks and equipment at Commercial Exchange, Inc. that will not be used and that are emptied and cleaned must be removed from the facility and either recycled, sold for reuse or disposed of at an OCD approved facility.
3. Contaminated soil must be remediated from around and below the decommissioned tanks and around any of the operational tanks. Soil remediation must follow OCD surface impoundment closure guidelines. Commercial Exchange, Inc must submit a report to the OCD Santa Fe and Hobbs offices that describes the investigation and remedial actions taken.
4. Commercial Exchange Inc. must notify the OCD Santa Fe and Hobbs District office within 36 hours of all soil and groundwater sampling events associated with the tank removal and historical spills and leaks so that the OCD may have the option to witness or split samples.

### H<sub>2</sub>S PREVENTION & CONTINGENCY PLAN

1. Commercial Exchange, Inc. must develop a prevention and contingency plan for ambient H<sub>2</sub>S levels to protect public health. **The H<sub>2</sub>S prevention and contingency plan must be submitted to the OCD Santa Fe and Hobbs offices for approval by September 25, 2003.** The plan must address how Commercial Exchange, Inc. will monitor for H<sub>2</sub>S to ensure the following:
  - a. If H<sub>2</sub>S of 1.0 ppm or greater leaves the property:
    - i. the operator must notify the Hobbs office of the OCD immediately; and
    - ii. the operator must begin operations or treatment that will mitigate the source.

- b. If H<sub>2</sub>S of 10.0 ppm or greater leaves the property:
  - i. the operator must immediately notify the Hobbs office of the OCD and the following public safety agencies:  
  
New Mexico State Police;  
Lea County Sheriff; and  
Lea County Fire Marshall;
  - ii. the operator must notify all persons residing within one-half (½) mile of the fence line and assist public safety officials with evacuation as requested; and
  - iii. the operator must begin operations or treatment that will mitigate the source.

#### **WASTE ACCEPTANCE CRITERIA**

1. The facility is authorized to accept only:
  - a. Oilfield wastes that are exempt from RCRA Subtitle C regulations and that do not contain Naturally Occurring Radioactive Material regulated pursuant to 20 NMAC 3.1 Subpart 1403 (NORM). All loads of these wastes other than wastes returned from the well bore in the normal course of well operations such as produced water and spent treating fluids received at the facility shall be accompanied by a "Generator Certificate of Waste Status" signed by the generator.
  - b. "Non-hazardous" non-exempt oilfield wastes that do not contain NORM. These wastes may be accepted on a case-by-case basis after a hazardous waste determination is made. Samples, if required, must be obtained from the wastes prior to removal from the generator's facility and without dilution in accordance with EPA SW-846 sampling procedures. All "non-hazardous" non-exempt wastes received at the facility must be accompanied by:
    - i. An approved OCD Form C-138 "Request For Approval To Accept Solid Waste."
    - ii. A "Generator Certificate of Waste Status" signed by the generator.
    - iii. A verification of waste status issued by the appropriate agency, for wastes generated outside OCD jurisdiction. The agency verification is based on specific information on the subject waste submitted by the generator and demonstrating the exempt or non-hazardous classification of the waste.

- c. Non-oilfield wastes that are non-hazardous if ordered by the Department of Public Safety in a public health emergency. OCD approval must be obtained prior to accepting the wastes.
2. At no time may any OCD-permitted surface waste management facility accept wastes that are hazardous by either listing or characteristic testing.
3. The transporter of any wastes to the facility must supply a certification that wastes delivered are those wastes received from the generator and that no additional materials have been added.
4. No waste will be accepted at the treating plant unless it is accompanied by an approved Form C-117-A.
5. No produced water may be received at the facility unless the transporter has a valid Form C-133, Authorization to Move Produced Water, on file with the Division.

#### **REPORTING**

1. The Treating Plant Operator's Monthly Report (Form C-118 sheet 1 and 1-A), which details the oil recovered and sold during the preceding month, must be submitted to the OCD Hobbs district office according to form directions.
2. The Tank Cleaning, Sediment Oil Removal, Transportation of Miscellaneous Hydrocarbons and Disposal Permit (Form C-117) must be submitted to the OCD Hobbs office according to form directions.
3. Records of treating plant inspections and maintenance and of pipeline testing and maintenance must be kept and maintained for OCD review.
4. Commercial Exchange, Inc. must notify the **OCD Santa Fe and Hobbs offices within 24 hours** of any fire, break, leak, spill, blow out or any other circumstance that could constitute a hazard or contamination in accordance with OCD Rule 116.
5. Comprehensive records of all material disposed of at the facility must be maintained. The records for each load must include: 1) generator; 2) origin; 3) date received; 4) quantity; 5) certification of waste status as exempt; 6) NORM status declaration if applicable; and 7) transporter.
6. The OCD must be notified prior to the installation of any pipelines or wells or other construction within the boundaries of the facility.

## FINANCIAL ASSURANCE

1. Financial assurance in the amount of **\$125,737** in the form of a surety or cash bond or a letter of credit, which is approved by the Division, is required from Commercial Exchange, Inc. for the commercial surface waste management facility.

**By August 29, 2003** Commercial Exchange, Inc. must submit 25% of the financial assurance in the amount of **\$ 31,435**.

**By August 29, 2004** Commercial Exchange, Inc. must submit 50% of the financial assurance in the amount of **\$62,870**.

**By August 29, 2005** Commercial Exchange, Inc. must submit 75% of the financial assurance in the amount of **\$94,305**.

**By August 29, 2006** Commercial Exchange, Inc. must submit 100% of the financial assurance in the amount of **\$125,737**.

2. The facility is subject to periodic inspections by the OCD. The conditions of this permit and the facility will be reviewed no later than five (5) years from the date of this approval. In addition, the closure cost estimate will be reviewed according to prices and remedial work estimates at the time of review. The financial assurance may be adjusted to incorporate any closure cost changes.

## CLOSURE

1. The OCD Santa Fe and Hobbs offices must be notified when operation of the facility is to be discontinued for a period in excess of six (6) months or when the facility is to be dismantled. Within six (6) months after discontinuing use or within 30 days of deciding to dismantle the facility a closure plan must be submitted to the OCD Santa Fe office for approval. The operator must complete cleanup of constructed facilities and restoration of the facility site within six (6) months of receiving the closure plan approval, unless an extension of time is granted by the Director.
2. The closure plan to be submitted must include the following procedures:
  - a. When the facility is to be closed no new material may be accepted.
  - b. All tanks must be emptied and any waste and recyclable material must be hauled to an OCD-approved facility. The empty tanks and equipment must be removed.
  - c. Contaminated soils exceeding OCD closure standards for the site must be removed or remediated.
  - d. The area must be contoured, seeded with native grasses and allowed to return to

its natural state. If the landowner desires to keep existing structures, berms, or fences for future alternative uses, the structures, berms, or fences may be left in place.

- e. Closure must be pursuant to all OCD requirements in effect at the time of closure, and any other applicable local, state and/or federal regulations.

**CERTIFICATION**

Commercial Exchange, Inc., by the officer whose signature appears below, accepts this permit and agrees to comply with all terms and conditions contained herein Commercial Exchange, Inc. further acknowledges that these conditions and requirements of this permit may be changed administratively by the Division for good cause shown as necessary to protect fresh water, public health and the environment.

Accepted:

COMMERCIAL EXCHANGE, INC.

Signature J. B. Herring Title Pres Date 8-11-03

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

ENERSOURCE

2 mi SW of Monument

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

CASE NO. 8797  
Order No. R-8148

APPLICATION OF ENERSOURCE  
INC. FOR AN OIL TREATING  
PLANT PERMIT, LEA COUNTY,  
NEW MEXICO

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on January 9, 1986, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 5th day of February, 1986, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

- (1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.
- (2) The applicant, Enersource Inc. seeks authority to operate a chemical and heat-treatment type oil treating plant at its treatment facility consisting of 9.56 acres located in the NW/4 of Section 1, Township 20 South, Range 36 East, NMPM, Lea County, New Mexico.
- (3) The proposed plant and method of processing will efficiently process, treat, and reclaim the aforementioned waste oil, thereby salvaging oil which could otherwise be wasted.
- (4) The Director of the Division should be authorized to administratively grant approval for the expansion or modification of said plant.
- (5) A firewall should be constructed around the plant capable of holding the entire capacity of all tanks and vessels at the plant location in order that sediment oil, redrained

oil, waste oil, or water cannot escape from the immediate vicinity of such plant.

(6) The applicant should not retain any unprocessed or processed oil, wastes, or water in any earthen pit on the location.

(7) The waste water associated with the above treating plant will be disposed of at a Division-approved salt water disposal facility operated by Rice Engineering, Inc.

(8) The applicant should not dispose of or store waste water accumulated in conjunction with the operation of the above-described plant on the surface of the ground, or in any pit, pond, lake, depression, draw, streambed, or arroyo, or in any water course or in any other place or in any manner which may constitute a hazard to any fresh water supplies.

(9) The subject application should be approved as being in the best interests of conservation.

IT IS THEREFORE ORDERED THAT:

(1) The applicant, Enersource, Inc. is hereby authorized to install and operate a chemical and heat-treatment type oil treating plant at their treatment facility located in the NW/4 of Section 1, Township 20 South, Range 36 East, NMPM, Lea County, New Mexico.

PROVIDED HOWEVER, that prior to commencing operation of said plant, the applicant shall file with the Division and obtain approval of a performance bond in the amount of \$10,000.00 conditioned upon substantial compliance with applicable statutes of the State of New Mexico and all rules, regulations and orders of the Oil Conservation Division.

(2) A fire wall shall be constructed around the plant capable of holding the entire capacity of all tanks and vessels at the plant location and capable of preventing the escape of any sediment oil, reclaimed oil, or waste oil from the immediate vicinity of said plant.

(3) The disposal or storage of waste water or any other waste accumulated in conjunction with the operation of the above described plant on the surface of the ground, or in any pit, pond, lake, depression, draw, streambed, or arroyo, or in any watercourse, or in any other place or in any manner which may constitute a hazard to any fresh water supplies is hereby prohibited.

(4) The operator of the above-described oil treating plant shall clear and maintain in a condition clear of all debris and vegetation a fireline at least 15 feet in width and encircling the site upon which the plant is located.

(5) The Director of the Division may administratively grant authority for the expansion or modification of said plant upon request and a demonstration that such expansion or modification is upon contiguous acreage and is otherwise consistent with this order and Division Rules and Regulations.

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

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

  
R. L. STAMETS,  
Director

S E A L

