NM - 72

ENFORCEMENT

DATE:

2000

NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

February 16, 2000

CERTIFIED MAIL
RETURN RECEIPT NO. Z-559-573-273

Mr. Joe Sanders
Orbit Enterprises, Inc.
613 W. Ave. D
Lovington, N.M. 88260

RE: NOTICE OF VIOLATION
Orbit Enterprises, Inc.
Humble Fed Lse NM-0533777-A
NW/4, NE/4 of Section 26, Township 7 South, Range 32 East, NMPM
Roosevelt County, New Mexico

Dear Mr. Sanders:

The New Mexico Oil Conservation Division (OCD) inspected Orbit Enterprises, Inc. (Orbit) at the above location on October 7, 1999. During the facility inspection the OCD found oil field waste being managed in pits without a surface waste management permit and several facility deficiencies. This is in direct violation the following OCD Rules:

1. Surface waste management facilities must be permitted pursuant to 19 NMAC 15.I.711 (as amended 1-1-96).
2. OCD Order R-8952 requires all tanks exceeding 16 feet in diameter and all exposed pits and ponds to be screened, netted or covered unless rendered non-hazardous to migratory birds.
3. OCD Order R-3221, as amended, prohibits the disposal of water produced in conjunction with the production of oil and gas in unlined pits or ponds where such disposal may impact fresh water supplies of the State of New Mexico.
4. OCD Rule 116 requires that the Division be notified of any unauthorized release occurring during the drilling, producing, storing, disposing, injection, transporting, servicing or processing of crude oil, natural gases, produced water, condensate or oil field waste including Regulated NORM, or other oil field related chemicals, contaminants or mixture thereof.
5. OCD Rule 310 prohibits being stored or retained in earthen reservoirs or in open receptacles.

Therefore, all discharges into the unauthorized, unlined pits must cease.

Attachment 1 to this letter lists the deficiencies found at Orbit during the inspection. Attachment 2 contains photographs taken during the inspection on October 7, 1999. If Orbit chooses to continue to manage waste on the surface at this facility, it must address the deficiencies found during the inspection (see attachment 1) and permit the facility pursuant to 19 NMAC 15.I.711 (as amended 1-1-96), enclosed. If Orbit chooses to close the facility, it must address the deficiencies found during the inspection (see attachment 1) and close the facility under an OCD approved work plan.

A response is required by Orbit Enterprises, Inc. to these violations by March 15, 2000. Failure to respond to this letter by March 15, 2000, may result in compliance action pursuant to the Oil and Gas Act, NMSA 1978, 70-2-1 et seq. and the Oil Conservation Division Rules. Orbit shall submit all required responses to the Santa Fe OCD office and copy to the Hobbs District office. For your use please find enclosed a copy of the Order amending Rule 711, a form C-137, OCD's 711 permit application guidelines and surface impoundment closure guidelines.

Please note the above referenced location is within the Gallina Wells Prairie Chicken Area managed by the New Mexico Game and Fish.

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

Sincerely,

Roger C. Anderson
Environmental Bureau Chief

Attachments
xc: Hobbs OCD Office
Tod Stevenson, NMG&F

ATTACHMENT 1
INSPECTION REPORT
OCTOBER 7, 1999
ORBIT ENTERPRISES, INC.
Humble Fed Lse NM-0533777-A
NW/4, NE/4 of Section 26, Township 7 South, Range 32 East, NMPM,
Roosevelt County, New Mexico

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

Improper storage and disposal of drums and other containers was found (Pictures 3, 4, 9 and 10)

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

There was evidence of leaks and/or spills around the flow lines and in and around the pump house (see pictures 3 and 4). There was evidence of leaks and/or spills around the above grade tanks (see pictures 5 and 6). These pictures show oil saturated soils and evidence of overtopping of tanks, leaking valves, and poor housekeeping practices.

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

All above ground tanks within the facility are lacking adequate berms (see pictures 4, 5, and 6).

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

Orbits Enterprises, Inc. is not permitted to manage oilfield waste in pits or ponds. The pit at the facility is netted. However, the netting has numerous gaps where birds can enter (see pictures 7, 8, 9 and 10). The remains of one bird was found beneath the net (see picture 11).

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

The above ground saddle tank in the pump house did not have secondary containment (see picture 3).

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

Most of the tanks drums and containers are not labeled as to their contents and hazards (see pictures 3 and 5).

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

All pre-existing below grade sumps must demonstrate integrity on an annual basis Sumps and/or buried barrels below tank valves should be cleaned out and inspected on a regular basis. Prior to installation of new sumps or upon modification, the facility must incorporate secondary containment and leak-detection into the design.

8. Ponds and Pits: All ponds and pits shall not exceed the maximum fill of 1½ feet freeboard.

The pit seems to be above the maximum fill height (see pictures 7, 8, 9 and 10).

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

There were no spill collection systems beneath the pumps. Stains and oil saturated soil in and outside the pump house indicate the pump and equipment within has leaked (see picture 3 and 4).

Open ended pipes allowed flow of waste materials into an unlined trench (see picture 6).

The tanks have stains down the side and oil stained soils around the base that indicate tanks have been overtopped or have leaked (see pictures 4, 5 and 6). The tanks need additional spill collection/prevention systems. These systems should include berms to ensure that any spills or overflows stay within the facility. The facility may add additional features such as tank capacity monitoring devices to prevent overtopping, secondary containment at each valve to catch minor leaks, and frequent inspections of system equipment.

10. Spill Reporting: All spills/releases shall be reported pursuant to OCD Rule 116.

No reports of spills or releases are on file for this facility.

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

There are numerous empty oil and antifreeze containers and empty drums lying about (see picture 3 and 4).

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

A berm should be constructed along the edge of the facility to prevent runon and runoff of storm water.

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

The facility does not have a fence with locking gate or secure tank valves.

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

There is not an emergency phone number on the facility sign (see picture 1).

15. General Facility Location Information:

Information provide by the New Mexico Department of Game & Fish show that the facility is within Prairie Chicken Area NMGF No. 6895.

ATTACHMENT 2
ORBIT ENTERPRISES, INC.,
NW/4 NE/4 SEC. 26, T. 7 S., R. 32 E., NMPM, ROOSEVELT CO., NEW MEXICO

PHOTO 1 DATE 10-7-99

PHOTO 2 DATE 10-7-99

PHOTO 3 DATE 10-7-99

PHOTO 4 DATE 10-7-99

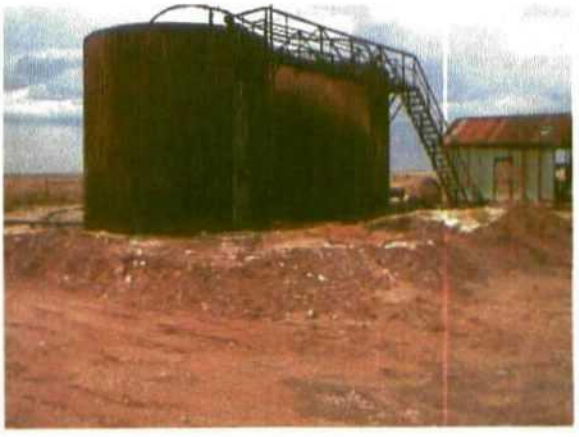

PHOTO 5 DATE 10-7-99

PHOTO 1 DATE 10-7-99

PHOTO 7 DATE 10-7-99

PHOTO 8 DATE 10-7-99

PHOTO 9 DATE 10-7-99

PHOTO 10 DATE 10-7-99

PHOTO 11 DATE 10-7-99