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ENFORCEMENT

DATE:

10/09/97

**NOTICE
OF
VIOLATION
(NOV)**



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

Jennifer A. Salisbury
CABINET SECRETARY

*Att: NMOCD
ROSEN ANDERSON*

CERTIFIED: Z 106 610 298

October 9, 1997

Mr. Edwin H. Gripp
Texas-New Mexico Pipe Line Company (TNMPLC)
P.O. Box 60028
San Angelo, Texas 76906

Subject: **NOTICE OF VIOLATION**

Referenced location: Bill Stevans- Sec 14-Ts21S-R37e

Dear Mr. Gripp:

New Mexico Oil Conservation Division (NMOCD) is in receipt of the C-141 Release Notification and Corrective Action subsequent report attached hereto for TNM 96-S14 which occurred on or about November 1, 1996. The NMOCD received the report on August 19, 1997 and was submitted to the NMOCD on August 13, 1997.

The NMOCD had received an inquiry from both the land owner and another oil producing company concerning a release of crude oil in this area. The NMOCD made an inquiry to TNMPLC and discovered that TNMPLC had not reported the incident.

Pursuant to NMOCD 19 NMAC 15.C rule 116 requires operators to report such releases. Therefore it appears that TNMPLC is in violation of the New Mexico Oil and Gas Act and is subject to both civil and possible criminal penalties as defined in the New Mexico Statutes 1978 (Annotated) Chapter 70-2-31. (Violations of the Oil and Gas Act; penalties) attached hereto.

The NMOCD recognizes that certain old habits and/or procedures of handling leaks and spills are hard to change. The NMOCD also is very aware of the fact that TNMPLC's environmental team members have made great strides in reporting and performing site clean-ups and the NMOCD would like to compliment TNMPLC on that issue.

The NMOCD therefore will defer any action against TNMPLC pursuant to the Oil and Gas act in the form of penalties as defined above in Ch. 70-2-31 if TNMPLC satisfactorily performs the following functions:

CERTIFIED: Z 106 610 298

1. Provide third party training to the employees that were responsible for reporting the above incident. The training should include leak and spill response, reporting, proper corrective actions, site assessments, proper restoration of spill sites and basic vadose zone hydrology. Provide documentation to the NMOCD within 180 days of receipt of this letter to verify this has been accomplished.
2. Submit a site assessment and work plan for restoring the above referenced site for NMOCD approval within 60 days of receipt of this letter.

The NMOCD would like to reiterate the fact and acknowledge that TNMPLC has made progress in this area of concern and NMOCD is more than willing to assist and/or participate in the training process.

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

Sincerely Yours,



Chris Williams-NMOCD District I Supervisor

CW/lwp: file TNMPLnov

cc: Gary Wink-NMOCD Field Rep. II-Hobbs, NM
Roger Anderson-Environmental Bureau Chief, Santa Fe, NM

attachments: copy of NM Statute, Ch 70-2-31; copy of C-141

plant of any kind, shall be sufficient ground for the appointment of a receiver with power to conduct operations in accordance with the order of the court.

History: Laws 1935, ch. 72, § 21; 1941 Comp., § 69-227; Laws 1949, ch. 168, § 23; 1953 Comp., § 65-3-26.

Cross references. — For appointment of receivers, see Rules 1-065 and 1-066 SCRA 1986.

70-2-31. Violations of the Oil and Gas Act; penalties.

A. Any person who knowingly and willfully violates any provision of the Oil and Gas Act [this article] or any provision of any rule or order issued pursuant to that act shall be subject to a civil penalty of not more than one thousand dollars (\$1,000) for each violation. For purposes of this subsection, in the case of a continuing violation, each day of violation shall constitute a separate violation. The penalties provided in this subsection shall be recoverable by a civil suit filed by the attorney general in the name and on behalf of the commission or the division in the district court of the county in which the defendant resides or in which any defendant resides if there be more than one defendant or in the district court of any county in which the violation occurred. The payment of such penalty shall not operate to legalize any illegal oil, illegal gas or illegal product involved in the violation for which the penalty is imposed or relieve a person on whom the penalty is imposed from liability to any other person for damages arising out of such violation.

B. It is unlawful, subject to a criminal penalty of a fine of not more than five thousand dollars (\$5,000) or imprisonment for a term not exceeding three years or both such fine and imprisonment, for any person to knowingly and willfully:

(1) violate any provision of the Oil and Gas Act or any rule, regulation or order of the commission or the division issued pursuant to that act; or

(2) do any of the following for the purpose of evading or violating the Oil and Gas Act or any rule, regulation or order of the commission or the division issued pursuant to that act:

(a) make any false entry or statement in a report required by the Oil and Gas Act or by any rule, regulation or order of the commission or division issued pursuant to that act;

(b) make or cause to be made any false entry in any record, account or memorandum required by the Oil and Gas Act or by any rule, regulation or order of the commission or division issued pursuant to that act;

(c) omit or cause to be omitted from any such record, account or memorandum full, true and correct entries; or

(d) remove from this state or destroy, mutilate, alter or falsify any such record, account or memorandum.

C. For the purposes of Subsection B of this section, each day of violation shall constitute a separate offense.

D. Any person who knowingly and willfully procures, counsels, aids or abets the commission of any act described in Subsection A or B of this section shall be subject to the same penalties as are prescribed therein.

History: 1978 Comp., § 70-2-31, enacted by Laws 1981, ch. 362, § 1.

Cross references. — For disposition of fines and forfeitures under general laws, N.M. Const., art. XII, § 4.

Repeals and reenactments. — Laws 1981, ch.

362, § 1, repeals former 70-2-31 NMSA 1978 and enacts the above section, relating to the same subject matter.

Am. Jur. 2d, A.L.R. and C.J.S. references. — 58 C.J.S. Mines and Minerals § 241.

70-2-32. Seizure and sale of illegal oil or gas or products; procedure.

A. Apart from, and in addition to, any other remedy or procedure which may be available to the commission or the division, or any penalty which may be sought against or imposed upon any person, with respect to violations relating to illegal oil or illegal gas or illegal products thereof, all such oil or gas or products thereof shall, except under such circumstances as are stated herein, be contraband and shall be seized and sold, and the proceeds applied as herein provided. The sale shall not take place unless the court finds in the

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

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

Form C-141
 Originated 2/13/97

Submit 2 copies to
 Appropriate District
 Office in accordance
 with Rule 116 on
 back side of form

Release Notification and Corrective Action
 OPERATOR

Initial Report Final Report

Name Texas-New Mexico Pipe Line Company	Contact Edwin H. Gripp
Address Box 60028, San Angelo, TX 76906	Telephone No. (915) 947-9000
Facility Name 4" gathering line	Facility Type pipeline

Surface Owner Bill Stevens	Mineral Owner	Lease No.
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LOCATION OF RELEASE

Unit Letter	Section 14	Township 21S	Range 37E	Feet from the	North/South Line	Feet from the	East/West Line	County Lea
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NATURE OF RELEASE

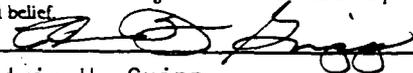
Type of Release sour crude	Volume of Release 29 barrels	Volume Recovered None
Source of Release 4" gathering line	Date and Hour of Occurrence Unknown	Date and Hour of Discovery 11-1-96
Was Immediate Notice Given? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Wayne Price	
By Whom? Tony Savoie	Date and Hour 7/24/97 12:28 p.m.	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse.	

If a Watercourse was Impacted, Describe Fully.*

Describe Cause of Problem and Remedial Action Taken.*
 Leak occurred due to external corrosion during pressure test.
 Replaced a section of pipe.

Describe Area Affected and Cleanup Action Taken.*
 Approximately 5284 sq.ft. of pasture land. NMOCD guidelines on on-site remediation.

Describe General Conditions Prevailing (Temperature, Precipitation, etc).*
 Condition Unknown.

I hereby certify that the information given above is true and complete to the best of my knowledge and belief. Signature: 	OIL CONSERVATION DIVISION	
Printed Name: Edwin H. Gripp	Approved by District Supervisor:	
Title: District Manager	Approval Date:	Expiration Date:
Date: August 13, 1997 Phone: 915-947-9001	Conditions of Approval:	Attached <input type="checkbox"/>

OIL CONSERVATION DIVISION
 AUG 19 1997
 RECEIVED