

3R - 221

**GENERAL
CORRESPONDENCE**

YEAR(S):

1991-1989

IN REPLY REFER TO
3160 (920)

UNITED STATES DEPARTMENT OF THE INTERIOR

BUREAU OF LAND MANAGEMENT
NEW MEXICO STATE OFFICE
Post Office and Federal Building
P.O. Box 1449
Santa Fe, New Mexico 87504-1449

JAN 28 1991

Instruction Memorandum No. NM-90-397, Change 1
Expires: 9/30/91

To: DM's and AM's

From: Deputy State Director, Mineral Resources

Subject: Inspection of Mercury Meters on Oil and Gas Leases

The potential for mercury contamination at gas meter sites on Federal and Indian oil and gas leases requires attention. Instruction Memorandum (IM) No. NM-90-397, issued August 9, 1990, provides guidance to BLM personnel concerning safety during inspections at mercury meter sites. The purpose of this change is to provide additional guidance for lease inspections at those sites.

The New Mexico State Office has asked natural gas pipeline companies to provide inventories of mercury meters on Federal and Indian oil and gas leases. In order to assure that our inventory and inspection records are complete, BLM lease inspections are to include a notation of the type of meter in use. A report on mercury meters is to be provided with each Quarterly Oil and Gas Report until all Federal and Indian inspection items have been covered. The format for this inventory is attached. The report must include the location, surface managing agency, lessee/operator name, gas purchasers name (unless the meter is owned and operated by the well operator), and the type of enclosure around the meter. If the surface is non-Federal, it should be noted as private or State surface. If more than one mercury meter is in use on the same quarter-quarter section, the well number should be included to distinguish them. Once an inspection item has been included in this report, it should be dropped from this requirement to prevent duplicate counting of mercury meters. This report will be used to verify and correct the inventory submitted by pipeline companies. The purpose is to obtain an accurate count of mercury meters.

It is also required that mercury meter enclosures be constructed or modified in such a way as to eliminate release of mercury to the environment, minimize the concentration of mercury vapors



U.S. Department of the Interior
Bureau of Land Management

December/January, 1991

HEADQUARTERS HIGHLIGHTS

Mercury Contamination of Gas Well Meter Houses

By David Green (WO-750)

In early August, the New Mexico State Office Hazardous Materials Coordinator (SOHMC) alerted the WO-750 staff about a problem of mercury contamination in natural gas well meter houses. The contamination resulted from spills and leaks from the meters used to measure gas flow.

According to the NMSO, one of the gas well lessees in the San Juan Basin of New Mexico informed BLM of the discovery of mercury contamination in their meter houses and that many of these meter houses were on BLM supervised lands or oil and gas leases. The lessee told BLM they had placed their employees on a medical surveillance program, and that they had conducted a study of their gas meter houses, which are located in the San Juan Basin. The initial indication of this study is that approximately 85% of these meter houses might be contaminated by mercury. The lessee also informed BLM that a remediation plan had been submitted to the New Mexico State Oil Conservation Division (NMOCD) for approval.

The NMSO contacted the New Mexico Environmental Improvement Division (NMEID) for clarification of several issues which had arisen in regard to the plan submitted by the lessee. First, it was determined that NMEID, not NMOCD, had the regulatory authority over these sites under the State Resource Conservation and Recovery Act (RCRA) authority. Further, through discussions with the Environmental Protection Agency (EPA) Region Six Office in Dallas, Texas, NMEID established that mercury spilled from a gas meter is a hazardous waste (Characteristic Waste D009), and *is not exempted* from regulation under RCRA as an oil and natural gas exploration and production "associated waste." Next the NMSO had their Hazardous Materials Emergency Response Contractor sample three meter houses for mercury vapor levels. In one house, the mercury levels were equal to the background readings. At the second house, the mercury levels were just under the Threshold Limit Value (TLV), but after ventilating the house for 15 minutes, the mercury vapor levels dropped to the background level. In the third house, *which no longer has a mercury meter*, the mercury vapor level exceeded the TLV. This third case clearly shows a problem with spilled mercury creating a potential hazard to people who may have to enter these meter houses.

Later in August, the NMSO received an unsolicited letter from another gas well lessee informing BLM there were 1200-1400 mercury meters either used in the past or that are currently in use on their wells. Of these meter sites, 131 (9.3-10.9%) showed *visible mercury* (not just vapors or other indications of mercury contamination) on the floor of the meter house. The lessee investigated 4 of these sites and established that the quantities of mercury spilled ranged from 1.0 to 21.0 pounds, amounts in excess of the 1 pound reportable quantity under 40 CFR Part 302. The NMSO informed the second lessee that these sites were hazardous waste sites, and instructed them to contact NMEID regarding the remediation of these sites. The NMSO also contacted NMEID and informed them of the letter from the second lessee and the BLM instructions to the lessee to contact NMEID.

In light of these findings, management in the WO prepared Instruction Memorandum WO 91-15, which details the Bureau's plans to address this issue. The basic areas addressed are:

- Protection of the health and safety of BLM employees whose jobs may involve entering these sites;
- Requiring ventilation and air sampling of meter houses prior to entry;
- Alerting other surface management agencies that have BLM supervised oil and gas leases on their lands of the potential mercury contamination problem;
- Alerting the appropriate Federal and State regulatory agencies of the problem;
- Informing oil and gas lessees of their responsibilities to investigate, report, and remediate any contaminated sites; and
- Requiring all oil and gas lessees to determine the number and location of all meter houses that house, or that have housed mercury meters, and to report this information to BLM.

All BLM employees are encouraged to limit their exposure at these sites as much as is possible. If upon entering a gas well meter house, a BLM employee observes spilled mercury or mercury leaking from the meter, they are to exit the meter house immediately, and are instructed to inform their Safety Officer and Hazardous Coordinator of their observations.

Remember, mercury vapors are extremely toxic, and can lead to a variety of physical, physiological, and neurological disorders. The expression "Mad as a Hatter" originated from toxic effects of mercury exposure on 19th century hat makers.

You will be informed when any additional actions or information become available.



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION 6

1445 ROSS AVENUE, SUITE 1200
DALLAS, TEXAS 75202-2733

DIL CONSER. ION DIVISION
EN. AGENCY

90 OCT 29 AM 9 53

October 25, 1990

Ms. Kathy Cisneros
New Mexico Environmental Improvement Division
Harold Reynolds Building, North 2300
1190 St. Francis Drive
Santa Fe, New Mexico 87503

Re: Gas Company of New Mexico, Notice of Mercury Contamination

Dear Ms. Cisneros:

In reference to receipt by the United States Environmental Protection Agency (USEPA) - Region 6, of a Gas Company of New Mexico (GCNM) letter dated 8 August 1990 (copy attached) and per our telephone conversation on 24 October 1990, the USEPA has the following understanding. The NMEID will be the lead regulatory agency for the GCNM remediation program to address mercury contamination at GCNM meter houses. Additionally, the NMEID will notify appropriate regulatory agencies (i.e. USDA, BLM, BIA, etc.) as necessary when these agencies have an interest in the remediation plan due to location of meter houses within their jurisdiction. We request that you notify the USEPA if this information is in error or changes. The USEPA contact on this matter is Robert Sullivan, On-Scene Coordinator, Emergency Response Branch.

Sincerely yours,

A handwritten signature in cursive script that reads "Robert Sullivan".

Robert Sullivan
On-Scene Coordinator
Response/Investigation Section (6E-EI)

Enclosures

cc w/enclosures: Steven Emrick - GCNM
William LeMay - NMOCD

GAS COMPANY OF NEW MEXICO

August 8, 1990

Mr. Jim Mullins
United States Environmental Protection Agency
Region 6
Mailcode 6E - EP
1445 Ross Ave.
Dallas, Texas 75202

Re: Notice of Mercury Contamination

Dear Mr. Mullins,

In accordance with the request of Mr. James Staves of your agency, we are submitting this written notice on behalf of the Gas Company of New Mexico ("GCNM") regarding possible mercury contamination at some of GCNM's meter houses. GCNM owns or operates approximately 1200-1400 meter houses that use or have used mercury meters in the past. All of GCNM's well sites are located in the State of New Mexico. Approximately 131 meter houses contain visible mercury contamination. We are attaching, for your information, a list setting forth the locations of these 131 meter houses.

These releases occurred at unknown times, over a 30-40 year period, and are of unknown quantities. The releases occurred from the use of natural gas metering facilities which incorporate a mercury manometer, used for the recording of differential pressure. These devices were the industry standard at the time.

GCNM is in the process of establishing a program that will accurately identify any and all locations where mercury contamination could exist, the extent of contamination and the best method for remediation of all contaminated sites. We are proposing this program to the State Oil Conservation Division (OCD) for their approval.

GCNM has identified, through preliminary investigation, four meter sites that appear to have quantities of mercury that are reportable under Federal regulations. We have reported these sites to the National Response Center and the New Mexico SARA Bureau today by telephone. We are also notifying the New Mexico EID and the BLM in writing.

The four locations are:

Well Name	Location	Calculated Release Qty.
		Min.- Max (lbs)
Scott E Federal #3	Sec.23 T27N R11W	7.04 -21.0
Fullerton Federal #2	Sec.15 T27N R11W	.07 - 1.0
Fullerton Federal #3	Sec.14 T27N R11W	.05 - 1.2
Fullerton Federal #4	Sec.14 T27N R11W	7.8 - 11.58

GCNM has excavated and packaged the contaminated soil from these sites.

If you require any information other than that submitted to the OCD, please contact me at the address listed below.

Sincerely,

Steven Emrick

Steven Emrick
Chief Engineer

cc: Henry Narvaez - Keleher & McLeod
Bill Real - GCNM

MERCURY PRESENT IN METER HOUSES

<u>WELL NAME</u>	<u>STATION #</u>	Unit Section Township Range
Reid #3	7060-03	(M) 07-28-09
Hancock #5	2147-02	(D) 01-27-12
Mudge #A-2	2441-02	(C) 18-27-11
Fullerton Federal #3	2187-02	(L) 14-27-11
Fullerton Federal#4	2188-02	(D) 14-27-11
E. Scott Federal #3	2501-02	(O) 23-27-11
Douthit #4	2139-02	(B) 26-27-11
Hanson #2	3150-30	(L) 06-25-10
Federal #F-2	2366-30	(H) 04-27-10
Cain #10	2093-30	(M) 15-28-10
Zachry #2	6071-03	(N) 35-29-10
Zachry #3	6072-03	(P) 35-29-10
McClanahan #5-Y	4384-03	(E) 13-28-10
Zachry #1	6070-03	(N) 12-28-10
AXI Apache #L-5	2325-05	(A) 26-25-04
Breech A-179	2046-05	(J) 09-26-06
Breech A-131	2042-05	(B) 09-26-06
State A-295	2521-05	(J) 16-26-06
Kaime #1	2342-05	(B) 20-26-06
Jicarilla 102-2	2334-04	(G) 09-26-04
Jicarilla 102-3	2335-04	(K) 09-26-04
Breech A-181	2047-05	(L) 10-26-06
Breech A-136-E	5735-30	(O) 10-26-06
Breech D-185	2057-05	(L) 11-26-06
Breech D-140	2027-30	(A) 11-26-06
Scott C-1	2507-05	(L) 13-26-06
Jicarilla A-8	3408-21	(E) 23-26-04
Jicarilla E-4	7031-04	(A) 22-26-04
Jicarilla A-2	7012-04	(M) 14-26-04
Jicarilla E-7	7108-30	(P) 15-26-04
Jicarilla C-2	7020-04	(M) 11-26-04
Breech A-127	2040-05	(B) 08-26-06
Breech A-125	3435-74	(D) 08-26-06
Breech E-81	2063-05	(L) 05-26-06
Scott B-1	2506-05	(D) 05-26-06
Breech 221	2030-05	(D) 13-26-07
Breech E-83	2065-05	(J) 05-26-06
Breech E-85	2067-05	(L) 04-26-06
AXI Apache A-3	2282-01	(M) 10-23-05
AXI Apache A-2	2281-01	(M) 09-23-05
AXI Apache A-5	2287-01	(A) 09-23-05
Cooper #1	2104-06	(C) 18-29-11
Omler #7	2465-06	(J) 26-28-10
Whitley #2	2561-05	(M) 09-27-09
A.D. Hudson #2	2271-06	(D) 29-27-09
Garland #3	5761-74	(M) 27-29-11
Aztec #3	2018-06	(E) 14-28-11
Navajo Indian #B-2	6019-05	(D) 19-27-08
Starr #1	6057-01	(A) 06-26-08
Starr #2	6058-01	(C) 05-26-08

MERCURY PRESENT IN METER HOUSES

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<u>WELL NAME</u>	<u>STATION #</u>	<u>LOCATION</u>
Newsom A-2	6038-01	(N) 04-26-08
Newsom B-6	6042-01	(G) 07-26-08
Newsom #12	6035-01	(P) 07-26-08
Newsom #B-3	6039-01	(L) 08-26-08
Newsom #B-5	6041-01	(G) 17-26-08
Newsom #11	6034-01	(D) 17-26-08
Newsom #4-R	9686-01	(G) 18-26-08
Newsom #3	6026-01	(J) 18-26-08
Newsom #2	6025-01	(M) 17-26-08
Newsom #7	6030-01	(I) 17-26-08
Ruthven #1	6052-01	(N) 16-26-08
Newsom #B-4	6040-01	(M) 15-26-08
Newsom #6	6029-01	(A) 20-26-08
Newsom #5	6028-01	(A) 19-26-08
Newsom #8	6031-01	(G) 29-26-08
Nickson #7	6049-01	(I) 22-26-08
Hodges #6	6010-01	(D) 27-26-08
Hodges #5	6009-01	(L) 28-26-08
Newsom #1	6024-01	(P) 29-26-08
Hodges #3	6007-01	(J) 34-26-08
Nickson #6	6048-01	(M) 23-26-08
Hodges #7	6011-01	(K) 22-26-08
Newsom #A-1	6037-01	(P) 15-26-08
N.M. Federal #N-5	2588-30	(M) 07-30-12
Kimbark Horton #4	4119-21	(M) 27-32-12
Hubbard #1	4126-21	(B) 22-32-12
Decker #1	4036-21	(L) 14-32-12
Culpepper Martin #7	4022-21	(B) 28-38-12
Culpepper Martin #1	4015-21	(M) 21-32-12
Reid #1	2210-21	(M) 18-31-12
Arnstein #1	2201-30	(K) 18-31-12
Neuman #1	2208-30	(B) 20-31-12
Southern Union #1	2192-21	(M) 19-31-12
Southern Union #1	2514-30	(M) 19-31-12
Richardson #2	4172-21	(C) 15-31-12
Richardson #7	4178-30	(J) 15-31-12
Richardson #3	4173-21	(C) 22-31-12
Richardson #6	4177-30	(I) 22-31-12
Sadie West #1	4212-21	(L) 21-31-12
Thompson #2	4196-21	(C) 28-31-12
Thompson #1	2533-21	(N) 33-31-12
Thompson #4	4198-21	(L) 27-31-12
Thompson #3	4197-21	(B) 34-31-12
East #5	4047-21	(N) 24-31-12
East #2	4045-21	(D) 23-31-12
Decker #2	4037-21	(A) 26-32-12
Dalsant #1	4029-21	(A) 24-32-12
Day State #1	4191-21	(E) 32-32-11
Patterson Com #A-1	4158-21	(O) 02-31-12
East #4	4046-21	(B) 24-31-12
Harper #1	4112-21	(I) 14-31-12

MERCURY PRESENT IN METER HOUSES
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<u>WELL NAME</u>	<u>STATION #</u>	<u>LOCATION</u>
Grenier #5	4098-21	(C) 13-31-12
Grenier #3	4096-21	(O) 13-31-12
Davis #14	4339-03	(M) 12-31-12
Grenier #4	4097-21	(D) 07-31-11
Horton #1	4117-21	(P) 07-31-11
Grenier #7	4101-03	(E) 20-31-11
Grenier #6	4100-03	(K) 20-31-11
Grenier #6	4099-21	(K) 20-31-11
Payne #4	8312-21	(H) 22-32-10
Payne #2	8017-21	(K) 21-32-10
Harrison #1	4113-21	(N) 31-32-12
Childers #1-A	4455-21	(P) 01-31-11
Payne #5	8018-21	(A) 27-32-10
Nye #5	4150-03	(C) 12-30-11
Moore #4	4144-21	(H) 05-30-08
Florance #36	4058-21	(H) 03-30-08
Howell #2	4121-21	(G) 10-30-08
Archuleta #1	4003-21	(N) 19-30-08
Jacques #2	4131-21	(A) 25-30-09
Florance #20	9617-30	(B) 24-30-09
Florance #35	4072-21	(A) 18-30-08
Florance #44	4087-21	(H) 31-30-08
Florance #40	4076-21	(G) 21-30-08
Florance #39	4075-21	(B) 35-30-08
Florance #45	4088-21	(G) 22-30-08
Florance #38	4074-21	(L) 14-30-08
Florance #48	4061-21	(A) 23-30-08
Florance #23	4082-21	(A) 24-29-09
Florance #31	4056-21	(A) 12-29-08
Florance #46	4059-21	(H) 29-30-08
Florance #30	4084-21	(M) 01-29-08

BLM SEEKS COMMENTS FROM THE PUBLIC

The Bureau of Land Management (BLM), New Mexico State Office, Santa Fe, NM, is seeking written comments from the public on a draft document affecting lessees and operators of federal and Indian oil and gas leases.

The draft document concerns standards for construction of natural gas meter houses, utilizing mercury-type meters.

The comment period for the document will begin November 1, 1990, and will end December 1, 1990. BLM will review all comments received and make necessary changes, and anticipates that the standards will become final by mid-December.

A copy of the draft document concerning standards for meter house construction may be obtained by writing to: Bureau of Land Management, Branch of Fluid Minerals, Attention: Gary Stephens, P.O. Box 1449, Santa Fe, NM, 87504 or by calling (505) 988-6109.

-- end --

TOTAL P.02

DRAFT

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UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Notice to Lessees and Operators of Federal and Indian
Oil and Gas Leases within the Jurisdiction of the
New Mexico State Office
(NTL 91-1 New Mexico)

Standards for Construction of Natural Gas Meter Houses
Utilizing Mercury-Type Meters

This notice is to inform lessees/operators of the Bureau of Land Management standards for the construction of enclosures for gas measurement devices which utilize mercury within the orifice metering system. Meter houses that meet these requirements are approved for use on Federal and Indian oil and gas leases within the jurisdiction of the New Mexico State Office.

I. Construction Requirements and Plans for Modification of
Existing Mercury Meter Houses

A. All meter houses which enclose a mercury-type meter must be modified to facilitate the recovery of spilled liquid mercury and minimize the concentration of mercury vapor buildup. Lessee/operators are responsible for ensuring that these modifications are done. Attached to this notice is a diagram for a suggested meter house design.

B. All mercury meter house floors must be fiberglass construction and designed to prevent escape of liquid mercury to foundation soils or the outside environment. The surface of the floor is to be sloped to contain mercury spills of any nature at a point where recovery will be convenient (see diagram).

C. The walls of all mercury meter houses must contain vents to facilitate the circulation of air through the interior. For meter houses with an entry door on two sides (for access to either side of the meter run), air vents must be constructed on the two sides without doors. For meter houses with a single entry door, air vents must be constructed on all four walls. The air vents may be slotted or circular design, and should be centered at a point five feet above the floor of the meter house.

D. By January 7, 1991, all lessee/operators of Federal and Indian oil and gas leases must submit a plan which identifies and locates mercury meter sites serving their leases. The plan must contain a schedule for modifying each meter house. The schedule must indicate a completion date within one year of the date of the plan. Exceptions or variances from this one year limit may be granted as described in Part II.A. below.

II. Applications for Approval of Mercury Meter Houses

A. All mercury meter houses must be approved in writing by the BLM

Authorized Officer (AO)(Resource Area Manager). All mercury meter houses must meet the standards of this notice. Replacement of existing mercury meter houses or construction of new ones at new well sites also must conform to the standards of this notice. Any mercury meter house that does not conform to the standards of this notice after January 1, 1992, will be considered an incident of noncompliance. A lessee/operator may request an extension of this deadline. All such requests shall be submitted in writing to the appropriate AO and provide information as to the circumstances which warrant approval of the variance.

B. An application must be submitted for all new and existing mercury meter houses. This also applies to existing meter houses which may already meet the standards in this notice.

C. Applications for approval of mercury meter houses may be submitted on Form 3160-5, Sundry Notice. If a design criteria different from that indicated in this notice is requested, the application must be accompanied by a diagram showing how mercury spills are to be handled.

D. The location and serial number (or other unique identifier) of the meter, and lease number and name of the well(s) serviced by the meter must be indicated on the application.

E. The date of installation or alteration of the meter house must be included.

III. Maintenance

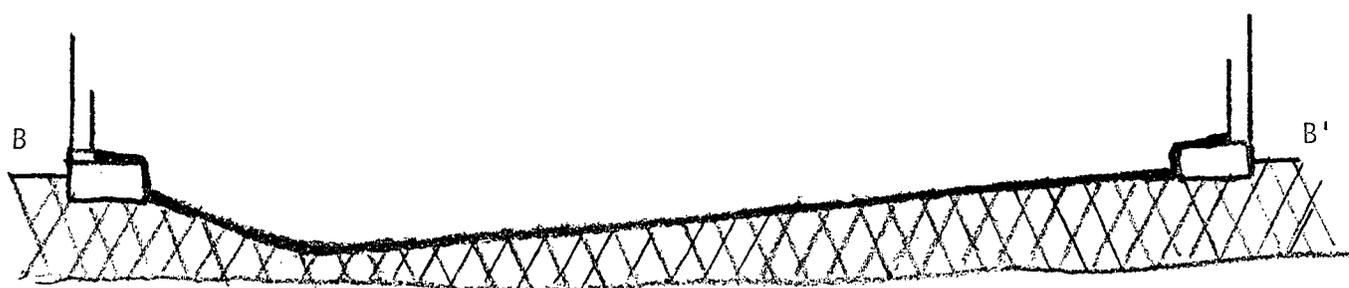
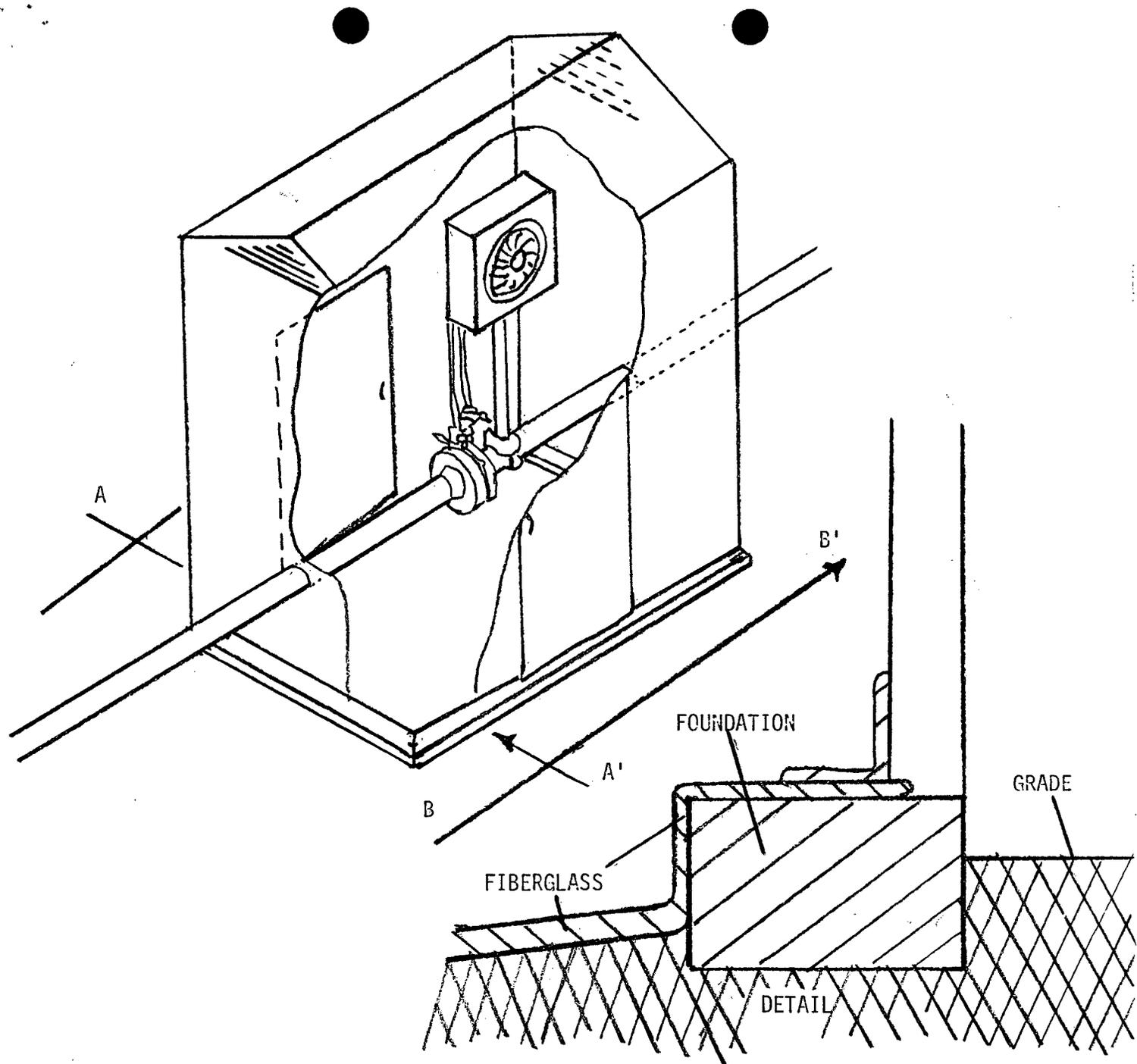
A. Mercury meters should be maintained to prevent escape or spill of mercury contaminants. The interior of the meter house is to be kept free of accumulations of liquid mercury. Spilled mercury is to be collected and removed from the site within 24 hours of discovery. Spilled mercury a hazard to worker safety and, when discovered by a Federal inspector/representative, will be considered an incident of noncompliance requiring corrective action within 24 hours.

B. The floor of the meter house is to be kept free of trash or other debris so that any spilled mercury may be easily identified and collected. Cracks or other damage to the floor structure may adversely affect containment characteristics of the meter house. Therefore; condition of the floor should be examined during regular meter maintenance. A crack or similar damage to the meter house floor will be considered an incident of noncompliance requiring corrective action within 60 days.

C. Air vents in the meter house walls shall be kept free of any clogs or other accumulations that may prevent circulation of interior air.

Date

New Mexico State Director



NOTIFICATION OF FIRE, BREAKS, SPILLS, LEAKS, AND BLOWOUTS

NAME OF OPERATOR El Paso Natural Gas Company ADDRESS P. O. Box 1492, El Paso, TX 79978

REPORT OF FIRE BREAK SPILL LEAK BLOWOUT OTHER*

TYPE OF FACILITY DRLG WELL PROD WELL TANK BTTY PIPE LINE GASO PLNT OIL RFY OTHER* meter house at a producing well

NAME OF FACILITY Mudge #8A, meter code 90507

LOCATION OF FACILITY (QUARTER/QUARTER SECTION OR FOOTAGE DESCRIPTION) SEC. 12 TWP. 31N RGE. 11W COUNTY San Juan

DISTANCE AND DIRECTION FROM NEAREST TOWN OR PROMINENT LANDMARK 8 miles west of Aztec, New Mexico

DATE AND HOUR OF OCCURENCE Sept. 19, 1990 - 10:30 a.m. DATE AND HOUR OF DISCOVERY Sept. 19, 1990 - 10:30 a.m.

WAS IMMEDIATE NOTICE GIVEN? YES NO NOT REQUIRED IF YES, TO WHOM NRC

BY WHOM Kenneth E. Beasley DATE AND HOUR 9/20/90 - 8:57 a.m.

TYPE OF FLUID LOST mercury QUANTITY OF LOSS 2 lbs. VOLUME RECOVERED 2 lbs.

DID ANY FLUIDS REACH A WATERCOURSE? YES NO QUANTITY

IF YES, DESCRIBE FULLY**

RECEIVED
OCT 3 1990

DESCRIBE CAUSE OF PROBLEM AND REMEDIAL ACTION TAKEN**

Apparent vandalism caused the release. The mercury-contaminated soil was removed and the meter area cleaned up.

OIL CON. DIV.
DIST. 3

DESCRIBE AREA AFFECTED AND CLEANUP ACTION TAKEN**

The affected area was the soil floor of a meter house, open range.

DESCRIPTION OF AREA	FARMING	GRAZING	URBAN	OTHER* hard-packed soil floor inside the meter house
SURFACE CONDITIONS	SANDY <input checked="" type="checkbox"/>	SANDY LOAM	CLAY	ROCKY
			WET	DRY
				SNOW

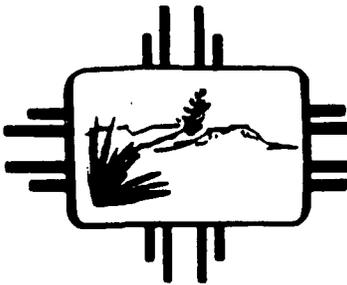
DESCRIBE GENERAL CONDITIONS PREVAILING (TEMPERATURE, PRECIPITATION, ETC.)**

Clear, dry 50°F

HEREBY CERTIFY THAT THE INFORMATION ABOVE IS TRUE AND COMPLETE TO THE BEST OF MY KNOWLEDGE AND BELIEF

SIGNED *[Signature]* TITLE Director, Safety & Health DATE 9/28/90

SPECIFY **ATTACH ADDITIONAL SHEETS IF NECESSARY



New Mexico Health and Environment Department

July 30, 1990

Robert T. Dale
District Manager
Bureau of Land Management
435 Montano N.E.
Albuquerque, NM 87107

GARREY CARRUTHERS
Governor

DENNIS BOYD
Secretary

MICHAEL J. BURKHART
Deputy Secretary

RICHARD MITZELFELT
Director

Dear Mr. Dale:

This letter concerns the El Paso Natural Gas Co. Mercury Meter Site Investigation/Remediation Project. By letter of July 6, 1990 to Coby Muckelroy of the New Mexico Hazardous Waste Bureau, you requested our opinion regarding regulatory authority over this project. We have determined that the spilled mercury is subject to New Mexico hazardous waste management regulations. This material is not within the exemption afforded oil and gas field production wastes under the Resource Conservation and Recovery Act. The U.S. EPA confirmed this determination in a communication with EID Director Richard Mitzelfelt.

El Paso Natural Gas has been informed regarding the authority of the EID in this matter. In addition, we have reviewed El Paso's work plan which has been previously submitted to your office. Attached for your information is our approval of the work plan which has been sent to El Paso today. We have approved the plan as written but will require El Paso to enter into a written agreement with the EID to implement the plan in a complete and timely manner.

I want to thank you for bringing this matter to our attention. You were correct in assuming authority for the regulation of hazardous waste rests solely with the EID in New Mexico.

Sincerely,

Bill Blankenship
Enforcement Supervisor
Hazardous Waste Bureau

cc: Richard Mitzelfelt, EID Director
Kirkland Jones, EID Deputy Director
Tracy Hughes, Office of General Counsel
David Boyer, OCD

NEW MEXICO HEALTH AND ENVIRONMENTAL DIVISION
New Mexico Health and Environment Department

'90 AUG 1 AM 8 52

GARREY CARRUTHERS
Governor

DENNIS BOYD
Secretary

MICHAEL J. BURKHART
Deputy Secretary

RICHARD MITZELFELT
Director

July 30, 1990

Gregory Odegard
Director, Environmental & Safety Affairs Department
El Paso Natural Gas Co.
P.O. Box 1492
El Paso, TX 79978

Dear Mr. Odegard:

This letter is in regards to El Paso's mercury meter site investigation/remediation program in the Farmington, New Mexico area. I have reviewed the following documents prepared by Woodward-Clyde Consultants which serve as your plan for the program: Work Plan, April 1990 and Quality Assurance Project Plan, April 1990. At this time, the New Mexico EID approves your procedures as described in these two documents for addressing the approximately 7000-8000 mercury spill sites.

By way of clarification, I would like to state my understanding of several points included in the work plan regarding this project:

1. Mercury is the only contaminant actually present at the spill sites. Based on EPA guidance, spilled mercury from a flowmeter is not a listed hazardous waste (U151) but can only be a characteristic waste (D009). El Paso will use the concentration established for mercury which defines when a solid waste is hazardous, 2 mg/L, as an action level for remediation of each site.
2. Remediation at each meter house will end with a final verification sample taken. This sample will be a composite of five samples taken and will include a sample from beneath the meter/orifice plate. The composite sample must have a mercury concentration below 1/5 of the action level of 2 mg/L for the site to be considered clean.
3. All contaminated soil, debris, and protective clothing will be collected at the Chaco Gas Plant pending sampling results. El Paso will ship all materials determined to be hazardous off site within 90 days from the date the sample analysis shows the material to be a hazardous waste.

As discussed previously, we will require El Paso to enter into a written agreement with the EID to remediate all contaminated sites. The primary elements of this agreement will be as follows:

Page 2
El Paso Natural Gas
July 30, 1990

1. The project will be conducted in accordance with the two documents cited above.
2. The agreement will list all contaminated sites, as well as can be determined at this point, and a schedule for remediation.
3. El Paso will submit a quarterly summary report which describes work completed in the previous quarter and the overall status of the remediation project.

I will be contacting you to discuss the construction of the agreement once I have this discussed this with our Office of General Counsel. I am sending a letter to the BLM today which will indicate EID approval of the work plan you have previously submitted to their attention. Please contact me if you have questions regarding our review of this project.

Sincerely,



Bill Blankenship
Enforcement Supervisor
Hazardous Waste Bureau

cc: Richard Mitzelfelt, Director, EID
Kirkland Jones, Deputy Director, EID
Tracy Hughes, Office of General Counsel
David Boyer, OCD

those pesticides; proper application techniques; and other consumer information.

(e) Subsections (a) and (b) of this section take effect on November 1, 1987. Subsections (c) and (d) of this section take effect on January 1, 1988.

This agency hereby certifies that the rule as adopted has been reviewed by legal counsel and found to be a valid exercise of the agency's legal authority.

Issued in Austin, Texas, on November 4, 1987.

TRD-8709793

Dolores Alvarado Hibbs
Director of Hearings
Texas Department of
Agriculture

Effective date: November 25, 1987
Proposal publication date: July 21, 1987
For further information, please call
(512) 483-7583.

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**TITLE 7. BANKING AND
SECURITIES**
**Part I. Finance Commission
of Texas**
Chapter 3. Banking Section
Subchapter B. General

★ 7 TAC §3.25

The Finance Commission of Texas, Banking Section, adopts new §3.25, with changes to the proposed text published in the July 17, 1987, issue of the *Texas Register* (12 TexReg 2327).

Guidance to state banks as to proper accounting for other real estate (ORE) is needed as a result of the repeal of Texas Civil Statutes, Article 342-502(c), which heretofore required state banks to depreciate ORE at the rate of 10% each year.

The new section provides that with reference to accounting for ORE, a state bank should follow generally accepted accounting principles (GAAP). The new section further requires a state bank to dispose of ORE within five years of its acquisition. However, one five-year extension may be granted by the banking commissioner.

A total of seven comments were received regarding adoption of the new section. The majority of commenters expressed opposition to establishing regulatory accounting treatment for ORE under the proposed section different than that imposed by GAAP. Several commenters also suggested that the section should address the question of whether previously taken depreciation under the recently repealed law could be restored to the particular asset account. Another commenter suggested that rather than imposing a requirement that a bank dispose of ORE within a maximum of 10 years, a bank should be allowed to simply write-off the asset and continue to

hold the asset for an indefinite period of time.

No comments were received against the adoption of the new section, however, commenters did suggest or recommend the changes as stated previously. Comments were received from Lloyd D. Ellison, Joe Fletcher, Daniel G. Jobe, Jimmy O. Junkin, Wayne McFaul, Steve Pace, and Larry T. Sanders.

The agency agrees with the commenters' suggestion that regulatory accounting treatment of ORE be consistent with GAAP treatment and therefore modified the section accordingly. The agency also believes that GAAP should be followed in determining whether any previously taken depreciation should be restored to the particular asset account. It is further the opinion of the agency that a maximum of 10 years (five years initially plus a possible five-year extension) should provide a state bank sufficient time in which to dispose of ORE without suffering an undue loss due to a short holding period.

The new section is adopted under Texas Civil Statutes, Article 342-113, which provide the Banking Section of the Finance Commission with authority to promulgate rules and regulations not inconsistent with the Texas Constitution and statutes of this state.

§3.25. *Accounting for Other Real Estate Owned by a State Bank.*

(a) Background and purpose. Texas Civil Statutes, Article 342-502(c), prior to its repeal by the 70th Legislature in 1987, provided that a bank may not assign an original book value to other real estate in excess of its reasonable value at the time of acquisition, and further required that such real estate be depreciated at the rate of 10% each year until charged down to 25% of its original book value. This law was repealed as of April 29, 1987. The purpose of this section is to establish the manner in which banks must, henceforth, account for other real estate and to set a time limit for holding such property.

(b) Accounting treatment. A state bank shall account for other real estate in accordance with generally accepted accounting principles (GAAP). The term "other real estate" (ORE) means and includes real property not used as banking facilities, nor intended for use as banking facilities. Real property becomes other real estate owned through:

- (1) purchase by bank under judicial or nonjudicial foreclosure where the real property was security for debts previously contracted;
- (2) purchase by the bank to protect its interest in debts previously contracted;
- (3) acquisition by the bank in partial or complete satisfaction of debts previously contracted;
- (4) owned by the bank and which has been, but is no longer, used or intended to be used as bank premises; or

JdB
(5) the acquisition of an employee's principal residence to facilitate a change of duty assignment.

(c) Holding period. A state bank shall dispose of other real estate within five years from the date it is acquired or transferred to that asset category. Provided, however, the banking commissioner may grant an extension of time of up to five additional years for disposing of such property if, in his opinion, the bank has made a good faith effort to dispose of such property, or if he determines that disposal of the property within the initial five-year period would be detrimental to the bank. Banks currently holding other real estate must dispose of the property within five years of the effective date of this regulation. However, extensions for such currently held other real estate will not normally be granted if the extended time exceeds 10 years from the original date of acquisition.

This agency hereby certifies that the rule as adopted has been reviewed by legal counsel and found to be a valid exercise of the agency's legal authority.

Issued in Austin, Texas, on November 4, 1987.

TRD-8709817

Jorge A. Gutierrez
General Counsel
Banking Department of
Texas

Effective date: November 25, 1987
Proposal publication date: July 17, 1987
For further information, please call
(512) 479-1200.

◆ ◆ ◆
**TITLE 16. ECONOMIC
REGULATION**
**Part I. Railroad
Commission of Texas**
**Chapter 3. Oil and Gas
Division**
**Conservation Rules and
Regulations**
★ 16 TAC §3.8

The Railroad Commission of Texas adopts an amendment to §3.8, with changes to the proposed text published in the August 11, 1987, issue of the *Texas Register* (12 TexReg 2610).

The amendment adopts by reference a revised memorandum of understanding (MOU) between the Railroad Commission of Texas, the Texas Water Commission, and the Texas Department of Health concerning the division of jurisdiction among the agencies over wastes that result from activities associated with the exploration, development, and production of oil or gas and the refining of oil. The MOU was originally executed by the agencies effective January 1, 1982, pursuant to House Bill 1407, 67th Legislature, 1981,

e El Paso

Memo

7-16-90

FROM: JAMYE BOONE WARD

TO: David Boyer

Attached are excerpts
from the Texas Register
and the Memo of Under-
standing among the 3
Texas agencies:

Tx Railroad Commission
Tx Water Commission
Tx Dept. of Health.

Let me know if I may
help in any other way:

Jamye

§10. The revisions to the MOU incorporate recent statutory amendments relating to the jurisdictional issues addressed by the MOU. The revisions also reflect the experience gained by the agencies in working with the MOU.

The revised MOU clarifies the division of waste management jurisdiction among the agencies over various oil and gas activities. This clarification will promote efficient administration of the agencies' waste management programs, avoid duplication of effort among the agencies, and aid the regulated community in its efforts to comply with applicable regulations.

The amendment adopts by reference the revised MOU between the Railroad Commission of Texas, the Texas Water Commission, and the Texas Department of Health. The revised MOU contains the agencies' interpretation of the division of jurisdiction among the agencies over wastes that result from activities associated with the exploration, development, and production of oil or gas and the refining of oil. The agencies have adopted the revised MOU as proposed. The Texas Water Commission and the Texas Department of Health have published their notices of adoption elsewhere in this issue of the *Texas Register*. The effective date of the revised MOU will be December 1, 1987.

The following commenters expressed general support for the proposed amendment, although they suggested some changes: Alice Specialty Company Inc.; Cities Service Oil and Gas Corporation; Conoco Inc.; Gas Processors Association; Texaco Inc.; and Texas Mid-Continent Oil and Gas Association. The Sierra Club also commented, expressing concern about certain aspects of the proposed amendment.

The Railroad Commission of Texas received several comments suggesting that §3.8(i), which adopts the revised MOU by reference, should identify the revised MOU by its effective date. The commenters believe this addition to §3.8(i) to be necessary to identify the document properly and to assure that any future amendments to the MOU will be made through rulemaking proceedings to amend §3.8(i).

The Railroad Commission of Texas believes that any future amendments to the MOU will have to be made through rulemaking proceedings regardless of whether the effective date of the current MOU is specified in §3.8(i). However, for the sake of clarity, the commission has changed the language of §3.8(i) to include the effective date of the revised MOU.

One commenter sought clarification on the question of which agency has jurisdiction over a drum of mystery chemical found at an oil and gas production facility. If it is reasonable for the Railroad Commission of Texas to assume that the drum

contains material associated with a production activity, then the Railroad Commission of Texas has jurisdiction. Under the Texas Natural Resources Code, §91.101, the Railroad Commission of Texas has jurisdiction over wastes and other substances and materials associated with the exploration, development, and production of oil or gas. The wastes and other substances and materials regulated by the Railroad Commission of Texas pursuant to §91.101 are excluded from regulation by the Texas Water Commission under the Solid Waste Disposal Act, Texas Civil Statutes, Article 4477-7.

This same commenter also sought confirmation that it is interpreting the MOU correctly with respect to tank bottoms from breakout tankage along crude oil pipelines. This commenter reads the MOU to place these wastes under the jurisdiction of the Railroad Commission of Texas, because they result from the storage of crude oil before it enters the refinery. The agencies agree with the commenter's reading of the MOU.

One commenter raised questions about which agency is responsible for wastes generated at station facilities of companies providing well treatment services to the oil and gas industry. The language in the revised MOU reflects an understanding reached by the agencies in response to inquiries from oil field service companies performing fracturing, acidizing, and cementing services. This understanding recognizes that the activities typically conducted at well treatment service company stations, in particular the mixing and storing of well treatment chemicals and the servicing of company vehicles, are not closely enough tied to exploration, development, and production operations to be subject to the jurisdiction of the Railroad Commission of Texas. Instead, the wastes generated at the station facilities are regulated as industrial wastes by the Texas Water Commission.

The commenter notes that the same wastes generated at the well treatment service company station facilities would be regulated by the Railroad Commission of Texas if they were generated at the well site, and suggests that the division of jurisdiction among the agencies should be based on the character of the wastes rather than the point of generation. The agencies disagree for the following reasons. First, although the wastes generated at the station facilities may be similar to some wastes generated at the well site, regulatory responsibility is based upon the nature of the waste-generating activity rather than the character of the waste. The activities of the well treatment service company at the well site, which are subject to the supervision of the well operator, are considered to be associated with exploration, development, and production. Therefore, they are subject to the jurisdiction of the Railroad Commission of Texas. The ac-

tivities at the station facilities are not considered to be associated with exploration, development, and production, and are therefore subject to Texas Water Commission jurisdiction. Second, the wastes described in the revised MOU as being generated at station facilities are not wastes that are typically generated at the well site. Wastes such as chemical residue rinsate and vehicle washbay wastewater are wastes generated during clean-up operations that typically occur at the station facility. Therefore, these wastes would seldom be subject to regulation by any agency other than the Texas Water Commission. Finally, the division of jurisdiction based upon the point of generation of the wastes is justified because it avoids the duplication of effort entailed when multiple agencies regulate the same site.

The commenter indicated that there are other types of well treatment services performed by service companies besides fracturing, acidizing, and cementing, although the commenter gave no specific examples. The agencies believe that the well treatment services listed in the revised MOU are the most common types of well treatment services performed by these service companies. The listed services are included solely for the purpose of identifying the type of service company being addressed.

One commenter expressed concern about the paragraph in the revised MOU entitled "Field Treatment of Produced Fluids." The commenter asserted that wastes from field treatment in facilities such as sweetening units are not subject to the jurisdiction of the Railroad Commission of Texas. The commenter states that field treatment processes are not listed in the Texas Water Code, §26.131, or the Solid Waste Disposal Act, Texas Civil Statutes, Article 4477-7, §2, as activities associated with the exploration, development, and production of oil or gas.

The agencies disagree with the commenter. It is true that field treatment processes are not specifically identified as activities associated with the exploration, development, or production of oil or gas in the Texas Natural Resources Code, §91.101, or in the counterparts in the Texas Water Code and the Solid Waste Disposal Act. However, a number of activities, including the drilling and operation of fluid injection wells for secondary or enhanced recovery of oil and gas, are not specifically listed in the status although they are clearly production activities. The agencies agree that the field treatment of produced fluids is an activity associated with the production of oil and gas and that wastes that result from this activity are subject to the jurisdiction of the Railroad Commission of Texas.

One commenter suggested that the revised MOU should be specific as to the ability of Texas Water Commission inspectors to gain entry to any facility at which

waste under its jurisdiction may be generated, stored, or disposed. The commenter also indicated that the revised MOU should address coordination of enforcement activities between the Texas Water Commission and the Railroad Commission of Texas, including provision for interagency notice of inspections and enforcement actions.

The agencies do not see the need to address enforcement issues in this MOU. The MOU interprets the division of jurisdiction among the agencies over the management of wastes from various activities. Each agency has its own statutes providing it authority to enter property for the purpose of inspecting and investigating conditions relating to its waste management jurisdiction. These statutes need not be enumerated in the MOU. With regard to the coordination of enforcement activities, the agencies have a practice of cooperating in matters of mutual concern.

One commenter states that reclamation plants that process both oil and gas wastes and other types of wastes should be subject to the primary jurisdiction of the Texas Water Commission. The agencies agree with the implication that this type of facility would be subject to the jurisdiction of both the Texas Water Commission and the Railroad Commission of Texas. However, it is not clear what the commenter intends by describing the Texas Water Commission as the agency of primary jurisdiction. The agencies would characterize the situation as one of joint jurisdiction.

One commenter expressed uncertainty over the nature of the Railroad Commission's jurisdiction over refining activities. The Railroad Commission of Texas has regulatory authority to prevent the waste of crude oil. The term "waste" is defined in the Texas Natural Resources Code, §85.046. For refineries, the applicable Railroad Commission rules require the reporting of crude oil streams into or out of the refinery for accounting purposes.

The amendment is adopted under the Texas Natural Resources Code, §§81.052, 85.201, 85.202, 91.101, and 141.012, and the Texas Water Code, §27.034, which provide authority for the Railroad Commission of Texas to adopt rules to prevent the waste of oil, gas, or geothermal resources and to prevent the pollution of surface and subsurface water that might result from activities associated with the exploration, development, and production of oil, gas, or geothermal resources. The amendment is also adopted under House Bill 1407, 67th Legislature, 1981, §10, which requires the Railroad Commission of Texas, the Texas Water Commission, and the Texas Department of Health to adopt and to amend, as necessary, a memorandum of understanding concerning the division of jurisdiction among the agencies over waste materials that result from, or are related to, activities associated with the

exploration, development, and production of oil or gas and the refining of oil.

§3.8. Water Protection.

(a)-(h) (No change.)

(i) Adoption of memorandum of understanding by reference. The memorandum of understanding between the Railroad Commission of Texas, the Texas Water Commission, and the Texas Department of Health, which concerns the division of jurisdiction among the agencies over wastes that result from, or are related to, activities associated with the exploration, development, and production of oil, gas, or geothermal resources, and the refining of oil, is adopted by reference. The effective date of the memorandum of understanding adopted by reference is December 1, 1987. Copies of the memorandum of understanding are available upon request from the Railroad Commission of Texas, Oil and Gas Division, Underground Injection Control Section, P.O. Drawer 12967, Austin, Texas 78711-2967, (512) 463-6790.

This agency hereby certifies that the rule as adopted has been reviewed by legal counsel and found to be a valid exercise of the agency's legal authority.

Issued in Austin, Texas, on October 26, 1987.

TRD-8709803

John Sharp
Commissioner
Railroad Commission of
Texas

Effective date: December 1, 1987

Proposal publication date: August 11, 1987

For further information, please call
(512) 463-7149.

TITLE 25. HEALTH SERVICES

Part I. Texas Department of Health Chapter 133. Hospital Licensing Standards

★25 TAC §133.21

The Texas Department of Health adopts an amendment to §133.21, without changes to the proposed text published in the August 11, 1987, issue of the *Texas Register* (12 TexReg 2620). However, the department made a few changes to the hospital licensing standards, which §133.21 adopts by reference.

The amendment establishes a specific licensure category for private college infirmaries, changes a present requirement in the dietary standards that is burdensome, and incorporates chemical dependency guidelines into the present psychiatric nursing unit standards.

The amendments establishes regulations for a new special hospital category for licensure of private college infirmaries for

the exclusive use of students enrolled in the college; changes a present standard for dietary equipment storage that is contradictory to dietary storage manufacturer's specifications; and, adds language to the present psychiatric nursing unit standards to include chemical dependency nursing units.

The following changes are made to the hospital licensing standards in response to comments received and department review.

Regarding proposed new §§1-2.9.5.—1-2.9.11., one commenter said the referenced sections contained standards that are already stated elsewhere in the standards. The agency agrees that some redundancy did occur and has made appropriate adjustments.

Regarding §7-7.1, a commenter recommended that language be added in the chemical dependency unit regulations pursuant to compliance with agency methadone detoxification and maintenance rules. The agency agrees and has added that the units must meet the standards of the Texas Department of Health Synthetic Narcotic Drug Program, Texas Civil Statutes, Article 4476-11, and regulations of the United States Food, Drug and Cosmetic Investigational Methadone Program, described in Title 21 Code of Federal Regulations §291.501.

The comments were made by the department's Office of General Counsel. The counsel supported of the adoption with no opposition to the adoption of the amendment.

The amendment is adopted under Texas Civil Statutes, Article 4437f, §5, which provide the Texas Board of Health with the authority to adopt minimum standards for staffing by physicians and nurses, hospital services relating to patient care, safety, fire prevention, and sanitary provisions of hospitals in Texas.

This agency hereby certifies that the rule as adopted has been reviewed by legal counsel and found to be a valid exercise of the agency's legal authority.

Issued in Austin, Texas, on November 3, 1987.

TRD-8709781

Robert A. Maclean
Deputy Commissioner
Professional Services
Texas Department of
Health

Effective date: December 1, 1987

Proposal publication date: August 11, 1987

For further information, please call
(512) 458-7531.

MEMORANDUM OF UNDERSTANDING

between

THE RAILROAD COMMISSION OF TEXAS,

THE TEXAS WATER COMMISSION, and

THE TEXAS DEPARTMENT OF HEALTH

Section 10 of H.B. 1407, passed by the 67th Legislature, 1981, and appearing as a footnote to the Texas Solid Waste Disposal Act, Texas Civil Statutes, Article 4477-7, provides as follows:

On or before January 1, 1982, the Texas Department of Water Resources, the Texas Department of Health, and the Railroad Commission of Texas shall execute a memorandum of understanding that specifies in detail these agencies' interpretation of the division of jurisdiction among the agencies over waste materials that result from or are related to activities associated with the exploration for and the development, production, and refining of oil or gas. The agencies shall amend the memorandum of understanding at any time that the agencies find it to be necessary.

Pursuant to Section 10 of H.B. 1407, the Railroad Commission of Texas, the Texas Department of Water Resources (predecessor agency to the Texas Water Commission), and the Texas Department of Health (hereinafter "agencies") began discussions to interpret their respective jurisdictions regarding waste materials that result from or are related to activities associated with the exploration, development, and production of oil or gas and the refining of oil. The clarification of the jurisdictions of the agencies benefits the general public as well as the affected industries by promoting efficient administration and avoiding duplication of effort. Therefore, the agencies agreed to interpret in this Memorandum of Understanding (MOU) the division of waste management jurisdiction under the various statutes applicable to oil, gas, or geothermal resource activities.

The original MOU between the agencies became effective on January 1, 1982. Staff members of the three agencies have met several times since that date to discuss revision of the MOU.

Since 1982, the agencies have acquired experience in working with the MOU and with various jurisdictional issues not addressed in the MOU. In addition, the Texas legislature has since enacted statutory language clarifying the Railroad Commission's jurisdiction over oil and gas waste and the Texas Water Commission's jurisdiction over industrial solid and hazardous waste. The agencies are attempting to incorporate their experience and the legislature's guidance into this revision.

Jurisdiction of the Railroad Commission of Texas

Generally, the Railroad Commission of Texas has jurisdiction over the discharge, storage, handling, transportation, reclamation, or disposal of waste materials that result from activities associated with the exploration, development, or production of oil, gas, or geothermal resources. These waste materials may be disposed of at a solid waste facility permitted by the Texas Water Commission or the Texas Department of Health with the concurrences of the facility owner or operator and the agency having jurisdiction over the facility, provided the Railroad Commission has either permitted the disposal or authorized the disposal by rule.

A list of the oil and gas activities that are subject to the Railroad Commission's jurisdiction appears in the Texas Natural Resources Code, §91.101. The Railroad Commission adopted this list by rule in 16 Texas Administrative Code (TAC) §3.8. The same list of activities appears in the Texas Water Commission regulations at 31 TAC §335.1.

Solid and Hazardous Waste Jurisdiction of the Texas Water Commission

The Texas Water Commission has jurisdiction over the management of industrial solid waste and hazardous waste under the Texas Solid Waste Disposal Act, Texas Civil Statutes, Article 4477-7. The Act defines "solid waste" in a manner that excludes "waste materials which result from activities associated with the exploration, development, or production of oil or gas or geothermal resources, and any other substance or material regulated by the Railroad Commission of Texas pursuant to Section 91.101, Natural Resources Code, unless such waste, substance, or material results from activities associated with gasoline plants, natural gas or natural gas liquids processing plants, pressure maintenance plants, or repressurizing plants and is a hazardous waste as defined by the administrator of the United States Environmental Protection Agency pursuant to the federal Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act, 42 U.S.C. 6901 et seq., as amended." Under the Texas Solid Waste Disposal Act, a "hazardous waste" is defined as "any solid waste identified or listed as a hazardous waste by the administrator of the United States Environmental Protection Agency (EPA) pursuant to the federal Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act, 42 U.S.C. 6901 et seq., as amended."

The EPA regulations which identify and list hazardous wastes appear at 40 Code of Federal Regulations (CFR) Part 261. These regulations contain an exclusion similar to the exclusion provided in the Texas Solid Waste Disposal Act for wastes that result from oil, gas, or geothermal resource activities. Under 40 CFR §261.4(b)(5), "drilling fluids, produced waters, and other wastes associated with the exploration, development, or production of crude oil, natural gas or geothermal energy" are described as solid wastes which are not hazardous wastes. All wastes that are currently considered to be subject to regulation as hazardous wastes under 40 CFR Part 261, including hazardous oil refinery wastes, are subject to regulation by the Texas Water Commission under the Texas Solid Waste Disposal Act.

Jurisdiction over Discharges under the Texas Water Code, Chapter 26

Under the Texas Water Code, Chapter 26, the Texas Water Commission has jurisdiction over discharges of waste into or adjacent to water in the state other than discharges regulated by the Railroad Commission of Texas. The Railroad Commission regulates discharges of waste from activities associated with the exploration, development, and production of oil, gas, or geothermal resources under the Texas Natural Resources Code, Chapters 91 and 141. However, the discharges of waste resulting from these activities may not cause the violation of the water quality standards established by the Texas Water Commission.

Jurisdiction over Disposal Wells under the Texas Water Code, Chapter 27

Jurisdiction over wastes disposed of by injection is divided between the Railroad Commission of Texas and the Texas Water Commission as set forth in the Texas Water Code, Chapter 27 (the Injection Well Act). The Railroad Commission has jurisdiction under Chapter 27 over injection wells used to dispose of oil and gas waste. Chapter 27 defines "oil and gas waste" to mean "waste arising out of or incidental to drilling for or producing of oil, gas, or geothermal resources, waste arising out of or incidental to the underground storage of hydrocarbons other than storage in artificial tanks or containers, or waste arising out of or incidental to the operation of gasoline plants, natural gas processing plants, or pressure maintenance or repressurizing plants." The Texas Water Commission has jurisdiction over injection wells used to dispose of other types of waste.

Jurisdiction of the Texas Department of Health

The Texas Department of Health has jurisdiction over the management of non-hazardous municipal solid waste. Where both non-hazardous municipal solid waste and industrial solid waste are involved, except Class I industrial solid waste which is not routinely collected with municipal solid waste and hazardous waste, the Texas Department of Health has jurisdiction. The Texas Department of Health also has jurisdiction over the licensing of receipt, possession, use, processing, storage, transport, and disposal of radioactive materials and low-level radioactive waste (radioactive waste that is not preemptively regulated by the federal government). The Texas Water Commission has jurisdiction over the management of the hazardous waste components of any radioactive waste under the jurisdiction of the Texas Department of Health.

Jurisdiction over Waste from Specific Oil and Gas Activities

Pursuant to Section 10 of H.B. 1407, 67th Legislature, 1981, and in an effort to clarify the division of waste management jurisdiction among the agencies over oil, gas, or geothermal resource activities, the Railroad Commission of Texas, the Texas Water Commission, and the Texas Department of Health hereby agree to the following interpretations of the division of

jurisdiction among the agencies over the management of waste from the following specific activities:

1. Drilling, Operation, and Plugging of Wells Associated with the Exploration, Development, or Production of Oil, Gas, or Geothermal Resources - Wells associated with the exploration, development, or production of oil, gas, or geothermal resources include exploratory wells, oil wells, gas wells, geothermal resource wells, fluid injection wells used for secondary and enhanced recovery of oil and gas, oil and gas waste disposal wells, and injection water source wells that penetrate the base of useable quality water. Several types of waste materials can be generated during the drilling, operation, and plugging of these wells. These waste materials include drilling fluids (including water-based and oil-based fluids), cuttings, produced water, produced sand, waste hydrocarbons (including used oil), fracturing fluids, spent acid, workover fluids, treating chemicals (including scale inhibitors, emulsion breakers, paraffin inhibitors, and surfactants), waste cement, filters, and trash (including barrels, dope cans, oily rags, mud sacks, and garbage). Generally, these wastes, whether disposed of by discharge, landfill, landfarm, evaporation, or injection, are subject to the jurisdiction of the Railroad Commission of Texas.

The Texas Water Commission has jurisdiction over wastes generated at station facilities operated by persons providing well treatment services--acidizing, fracturing, and cementing--to the oil and gas industry. These wastes include chemical residue rinsate from vehicles, vehicle washbay wastewater, waste motor oil, and empty chemical containers and sacks.

2. Field Treatment of Produced Fluids - Oil, gas, and water produced from oil, gas, or geothermal resource wells may be treated in the field in facilities such as separators, skimmers, heater treaters, dehydrators, and sweetening units. Waste materials that result from the field treatment of oil and gas include waste hydrocarbons (including used oil), produced water, hydrogen sulfide scavengers, treating and cleaning chemicals, filters, asbestos insulation, and trash. These wastes are subject to the jurisdiction of the Railroad Commission of Texas.

3. Storage of Oil - Tank bottoms, stormwater runoff, and other wastes from the storage of crude oil before it enters the refinery are under the jurisdiction of the Railroad Commission of Texas. Wastes generated from storage tanks which are part of the refinery, however, are subject to the jurisdiction of the Texas Water Commission, while non-hazardous solid wastes resulting from the wholesale and retail marketing of refined products are subject to the jurisdiction of the Texas Department of Health. Hazardous solid wastes resulting from the marketing of refined products are subject to the jurisdiction of the Texas Water Commission.

4. Underground Hydrocarbon Storage - The disposal of wastes, including saltwater, resulting from the construction, creation, operation, maintenance, closure, or abandonment of an "underground hydrocarbon storage facility" is subject to the jurisdiction of the Railroad Commission of Texas, provided the terms "hydrocarbons" and "underground hydrocarbon storage facility" have the meanings set out in the Texas Natural Resources Code, §91.201.

5. Underground Natural Gas Storage - The disposal of wastes resulting from the construction, operation, or abandonment of an "underground natural gas storage facility" is subject to the jurisdiction of the Railroad Commission of Texas, provided that the terms "natural gas" and "storage facility" have the meanings set out in the Texas Natural Resources Code, §91.173.

6. Transportation of Crude Oil or Natural Gas - Crude oil and natural gas are transported by railcars, tank trucks, barges, tankers, and pipelines. The Railroad Commission of Texas has jurisdiction over waste from the transportation of crude oil prior to the refining of the oil. The Railroad Commission has jurisdiction over waste from the transportation of natural gas, including natural gas liquids, prior to the use of the natural gas in any manufacturing process or as a residential or industrial fuel. The transportation wastes subject to the jurisdiction of the Railroad Commission include wastes from pipeline compressor or pressure stations, and wastes from pipeline hydrostatic pressure tests and other pipeline operations. These wastes include waste hydrocarbons (including used oil), treating and cleaning chemicals, filters, scraper trap sludge, trash, and hydrostatic test waters.

All crude oil spills that occur during transportation will be handled in accordance with the "State of Texas Oil and Hazardous Substances Spill Contingency Plan" and in accordance with Section 11 of this document, entitled "Spill Response."

7. Reclamation Plants - The Railroad Commission of Texas has jurisdiction over wastes from reclamation plants that process wastes from activities associated with the exploration, development, or production of oil, gas, or geothermal resources, such as lease tank bottoms. Waste management activities of reclamation plants for other materials are subject to the jurisdiction of the Texas Water Commission.

In addition to waste management jurisdiction, the Railroad Commission has jurisdiction over crude oil reclamation plants for the conservation and the prevention of waste of crude oil. The applicable statute and regulations consist primarily of reporting requirements for accounting purposes.

8. Refining of Oil - The management of waste streams resulting from oil refining operations, including spent caustics, spent catalysts, still bottoms or tars, and API separator sludges, is subject to the jurisdiction of the Texas Water Commission. The processing of light ends from the cracking of crude oil or crude oil products is considered to be a refining operation. The term "refining" does not include the processing of natural gas or natural gas liquids.

The Railroad Commission of Texas has jurisdiction over refining activities for the conservation and the prevention of waste of crude oil. The Railroad Commission requires that all crude oil streams into or out of a refinery be reported for accounting purposes. In addition, the Railroad Commission requires that materials recycled and used as a fuel, such as still bottoms or waste crude oil, be reported.

9. Gasoline Plants, Natural Gas or Natural Gas Liquids Processing Plants, and Pressure Maintenance or Repressurizing Plants - Wastes resulting from activities associated with these facilities include produced water, cooling tower water, sulfur bead, sulfides, spent caustics, sweetening agents, spent catalyst, waste hydrocarbons (including used oil), asbestos insulation, treating and cleaning chemicals, filters, trash, and dehydration materials. These wastes are subject to the jurisdiction of the Railroad Commission of Texas under the Texas Natural Resources Code, §91.101, unless the wastes are hazardous wastes as defined by the United States Environmental Protection Agency. If EPA makes a determination that wastes from these activities do not fall within the scope of the exclusion for oil and gas wastes in 40 C.F.R. §261.4(b)(5), then the Texas Water Commission will have jurisdiction to regulate any hazardous wastes from these activities under the Texas Solid Waste Disposal Act. Disposal of waste from these activities by injection is subject to the jurisdiction of the Railroad Commission under the Texas Water Code, Chapter 27.

10. Manufacturing Processes - Wastes that result from the use of natural gas, natural gas liquids, or products refined from crude oil in any manufacturing process, such as the production of petrochemicals or plastics, are industrial wastes subject to the jurisdiction of the Texas Water Commission. The term "manufacturing process" does not include the processing of natural gas or natural gas liquids at gasoline plants or at natural gas or natural gas liquids processing plants.

11. Spill Response -- Generally, the Railroad Commission of Texas has spill response authority over spills from activities associated with the exploration, development, and production of oil, gas, or geothermal resources and the Texas Water Commission has spill response authority over other spills, including those that occur at oil refineries. Incidents involving radioactive materials are handled by the Texas Department of Health.

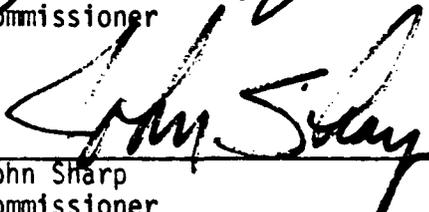
Both the Railroad Commission of Texas and the Texas Water Commission have spill response authority over spills of harmful quantities of crude oil that occur during transportation or in coastal waters. These spills will be handled in accordance with the "State of Texas Oil and Hazardous Substances Spill Contingency Plan." The plan defines a harmful quantity of crude oil spilled on the ground to be five or more barrels. Any quantity of crude oil spilled into water is defined to be harmful. Under the plan, a spill of a harmful quantity of crude oil from a rig or platform operating in coastal waters, from a crude oil pipeline, or from a truck on an oil and gas lease should be reported to the appropriate Railroad Commission district office. The Railroad Commission will in turn notify the Texas Water Commission about the spill and will take the lead in directing and approving the cleanup of the spill, unless Texas Water Commission authorization and administration of expenditures from the Texas Spill Response Fund is deemed necessary. The Texas Water Commission will take the lead in directing and approving the cleanup of a spill of a harmful quantity of crude oil from a truck on a highway, from a railcar, or from a vessel. Spills from those sources should be reported to the Texas Emergency Response Center at the Texas Water Commission (512/463-7727).

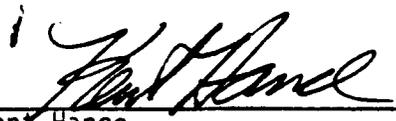
Contaminated soil and other wastes that result from a spill must be stored and disposed of in accordance with the statutes and rules of the agency responsible for directing and approving the cleanup of the spill and, when applicable, in accordance with the "State of Texas Oil and Hazardous Substances Spill Contingency Plan." The agencies consider any spilled material that is not recoverable to be a waste.

This Memorandum of Understanding shall take effect on December 1, 1987, and supersedes the prior Memorandum of Understanding between the agencies, which took effect on January 1, 1982.

FOR THE RAILROAD COMMISSION OF TEXAS:


James E. (Jim) Nugent
Commissioner

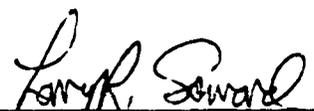

John Sharp
Commissioner


Kent Hance
Commissioner

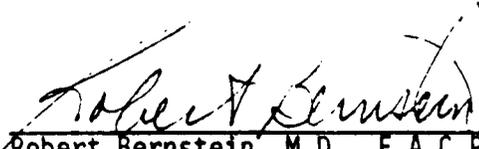


ATTEST: 
Secretary

FOR THE TEXAS WATER COMMISSION:


Larry R. Soward
Executive Director

FOR THE TEXAS DEPARTMENT OF HEALTH:


Robert Bernstein, M.D., F.A.C.P.
Commissioner of Health



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

MEMORANDUM

TO: WILLIAM J. LEMAY, Director
Oil Conservation Division

FROM: DAVID G. BOYER, Bureau Chief 
Environmental Bureau

SUBJECT: MERCURY REMEDIATION AT PRODUCTION WELL SITES

DATE: JULY 9, 1990

History

On December 20, 1989, OCD met with EPNG, at their request, to discuss EPNG's proposed mercury remediation program and jurisdictional issues regarding agency approval. At that meeting OCD agreed with EPNG's position that the remediation was under OCD's jurisdiction since the small volume spills occurred at and on the production site.

After the meeting, EPNG prepared a detailed work and remediation plan and presented the plan to OCD for our review at a meeting held on April 25, 1990. The plan and necessity for it are briefly described below:

1. Based on a spring 1989 statistical survey conducted by an EPNG consultant, an estimated 90% of the 8700 meter house sites in northern New Mexico may be potentially contaminated with mercury used to measure gas pressures and gas flow rates.
2. Releases from mercury can occur from leaks due to aging seals, severe fluctuations in pressure that exceed meter check valve capacity, droplets escaping during routine maintenance and vandalism.
3. EPNG prepared and submitted to OCD for approval an extensive investigation/remediation plan that includes a work plan, a quality assurance project plan, and guidelines for health and safety. OCD approved the plan on May 8, 1990, with some additional reporting conditions.

4. EPNG has begun the investigation and cleanup with EPNG personnel assisted by contract labor. In late June BLM ordered EPNG to halt investigation/cleanup on Federal lands until jurisdictional issues (EPA/EID /OCD) they raised are resolved. EPNG stated they can proceed for about an additional 30 days before they will have to demobilize crews since many sites are on federally managed lands. A copy of the BLM letter is attached.

Jurisdiction Issues

Under state law, including changes to the Oil and Gas Act in 1989 and the new Solid Waste Act (1990), OCD has jurisdiction over all spills, leaks and waste disposal at production sites. The question then becomes whether the mercury is a RCRA Subtitle C (Hazardous Waste), or whether it is included within the scope of the RCRA exemption for production activity and wastes at oil and gas sites. This issue is subject to differing interpretation, mainly whether gas metering is an activity intrinsic to oil and gas production and therefore included within the exemption irrespective of the composition of materials used in metering. EPNG has prepared a legal opinion on this issue which is attached. OCD and EPNG agree that once the material is removed from the production site to a central collection/storage area, it then becomes subject to the hazardous waste storage and tracking system, and appropriate notifications and manifesting will be instituted.

Possible Action

OCD is concerned that the environmental cleanup now underway will be seriously delayed if EID asserts jurisdiction in this matter. EPNG has expressed concern about some health danger to employees and welfare of the environment if the cleanup is long delayed, as well as the additional costs to remobilize after a shutdown of activity. Two additional pipeline companies (Gas Company of New Mexico, and Northwest Pipeline) are also beginning investigations of their meter sites, and their activity can be similarly delayed.

As a result of this problem and the lengthy delays that may occur if additional agencies are consulted, I recommend the following be considered for action:

1. That the EID be informed at the highest level of the necessity for this investigation/remediation to continue on schedule and of our position regarding jurisdiction in this matter.
2. That BLM be contacted to ascertain their objections with the current plan and suggest that BLM request EPNG modify the plan to allay BLM concerns, or, in the alternative, that OCD request EPNG modify the approved plan to incorporate BLM suggestions.

cc: R. Stovall

OIL CONSERVATION DIVISION
RECEIVED

'90 JUL 16 AM 9 13

El Paso
Natural Gas Company

P. O. BOX 1492
EL PASO, TEXAS 79978
PHONE: 915-541-5362

J. W. SOMERHALDER VICE PRESIDENT

July 9, 1990

Mr. David G. Boyer
Environmental Bureau Chief
Oil Conservation Division
P.O. Box 2088
Santa Fe, NM 87504-2088

REFERENCE: EPNG Mercury Meter Site Investigation/Remediation
Work Plan, Farmington, New Mexico

Dear Mr. Boyer:

As you are aware, El Paso Natural Gas (El Paso) presented the referenced project to BLM staff on June 8, 1990. Since that presentation, BLM has expressed concerns about potential regulatory overlaps which may exist between NMOCD and NMEID covering operational collection and waste disposal of mercury contaminated/containing materials. These regulatory concerns have already required El Paso to delay full implementation of the project and may well require the complete shutdown of the activities until the BLM's concerns are fully addressed. Such a shutdown will potentially jeopardize certain initial start-up expenditures. These expenditures relate to idled equipment, manpower and facilities, laboratory volume commitments, disposal guarantees and worker health and safety training to name a few. Obviously, El Paso's only desire is to undertake the investigation and remediation in an environmentally acceptable manner. We feel that the project has been well thought through and that all aspects of the project meet or exceed state and federal solid and hazardous waste rules.

We are hereby formally notifying your office of probable delays in implementation of the project. The jurisdictional issues that have arisen must be resolved before El Paso can determine a revised project schedule. We will keep you informed as updated information becomes available.

Sincerely,


John W. Somerhalder II

El Paso
Natural Gas CompanyP. O. BOX 1492
EL PASO, TEXAS 79978
PHONE: 915-541-5362

J. W. SOMERHALDER VICE PRESIDENT

July 9, 1990

Mr. David G. Boyer
Environmental Bureau Chief
Oil Conservation Division
P.O. Box 2088
Santa Fe, NM 87504-2088**REFERENCE: EPNG Mercury Meter Site Investigation/Remediation
Work Plan, Farmington, New Mexico**

Dear Mr. Boyer:

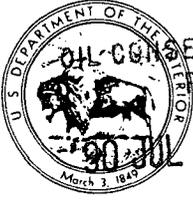
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We are hereby formally notifying your office of probable delays in implementation of the project. The jurisdictional issues that have arisen must be resolved before El Paso can determine a revised project schedule. We will keep you informed as updated information becomes available.

Sincerely,



John W. Somerhalder II



ENVIRONMENTAL DIVISION
RECEIVED

20 JUL 10 AM 8 37

United States Department of the Interior

BUREAU OF LAND MANAGEMENT
ALBUQUERQUE DISTRICT OFFICE
435 MONTANO N.E.
ALBUQUERQUE, NEW MEXICO 87107



1703 (014)
3160

JUL 6 1990

RETURN-RECEIPT-REQUESTED

Mr. Coby Muckelroy
Hazardous Waste Bureau
Environmental Improvement Division
1190 St. Francis Drive
Harold Runnels Building
Santa Fe, NM 87503

Dear Mr. Muckelroy:

This letter is in response to the phone conversations on June 21 and June 25, 1990, between yourself and Bill Murphy on the EPNG Mercury Meter Site Investigation/Remediation project. It was evident, based on the Work Plan submitted by EPNG, that a regulatory overlap exists between NMOC and NMEID covering operational collection and waste disposal of a known hazardous substance. As a landowner of the proposed sites, we are concerned that the necessary procedures are enacted and properly permitted under RCRA Subtitle C or, if warranted, CERCLA section 120 as amended by SARA.

As was discussed in the past phone conversations, remedial actions have been suspended on public lands that are supervised by the BLM. An awareness must also be directed toward the fact that other Federal surface owners are included in the project area, i.e., U.S. Forest Service, Bureau of Indian Affairs (allotted Indian lands and Jicarilla-Apache Indian Reservation).

In order that we may clarify our position with EPNG under Federal Onshore Oil and Gas Operations (43 CFR, Subchapter C, Part 3160) a clear position from the State regulatory authority is requested at this time. We hope that future proposals such as EPNG can be addressed both at State and Federal levels as a means to maintain environmental compliance throughout New Mexico.

If you have any questions regarding this matter or desire a meeting for further discussion, please contact Bill Murphy at (505) 761-4511.

Sincerely,

/s/ Patricia E. McLean

Robert T. Dale
District Manager

cc:

U.S. Environmental Protection Agency
ALONM Section 6H-C5
Attention: Randall Brown
1445 Ross Avenue
Dallas, TX 75202-2733

✓ NMOC - Environmental Bureau
Attention: Dave Boyer
P.O. Box 2088
Santa Fe, NM 87504

El Paso Natural Gas Company
Environmental and Safety Affairs Department
Attention: John C. Bridges
P.O. Box 1492
El Paso, TX 79978

NM (010, B. Dale)
NM (014, B. Murphy)
NM (015, S. Vogelwohl)
NM (017, S. Mondy)
NM (019, J. Keller)
NM (931, D. Schafersman)
NM (920, G. Stephens)

El Paso
Natural Gas Company

OIL CONSERVATION DIVISION
RECEIVED
'90 JUL 6 AM 8 57

P. O. BOX 1492
EL PASO, TEXAS 79978
PHONE: 915-541-3071

JAMYE BOONE WARD ATTORNEY AT LAW

July 3, 1990

HAND DELIVERED

Robert G. Stovall
General Counsel
New Mexico Oil Conservation Division
P.O. Box 2088
State Land Office Building
Santa Fe, New Mexico 87504

Re: Regulatory Jurisdiction of Remediation
of Mercury Attributable to Natural Gas
Wellhead Measurement

Dear Bob:

This letter is in response to recent initiatives by the New Mexico Environmental Improvement Division (EID) with respect to El Paso Natural Gas Company's (EPNG) mercury remediation project. As John Eichelmann made known to you at our meeting last Friday, June 29, 1990, EPNG asked the Bureau of Land Management (BLM) to approve its mercury remediation program before remediating sites on BLM lands. BLM then sought an opinion of the plan from the EID, which then requested EPNG to submit the plan to EID for review and approval by that agency.

El Paso Natural Gas Company will not seek approval of its wellsite mercury meter remediation program from the EID because EID does not have the authority to review and approve such a plan. EPNG contends that its mercury remediation program is within the jurisdiction of the New Mexico Oil Conservation Division (OCD) and is specifically exempted from EID's jurisdiction.

The meter sites at which EPNG is actively remediating mercury contamination of the soil are located at the natural gas wells. The well site measurement devices involved are designed and manufactured using mercury as part of the measurement function. During the many years of use, relatively small quantities of mercury have spilled out of the meters and onto the soil beneath the meters.

Robert G. Stovall
July 3, 1990
Page 2

The meter sites described above are situated at the natural gas wells and are a part of the production process for the respective wells. EID admitted that regulatory jurisdiction over the metering function is under OCD's jurisdiction in a February 17, 1989 Memorandum issued by C. Kelley Crossman (attached). In that memorandum, EID concludes that "[t]he pipeline segments marked W-A [which include well site measurement devices] are an integral part of the primary oilfield activity and are exempted [from EPA hazardous waste regulations.]"

Moreover, the New Mexico Legislature clarified jurisdictional limits for OCD and EID with the enactment of Chapter 289 (39th Legislature, 1st Session Laws 1989.) Effective June 16, 1989, the OCD's powers were expanded to include regulatory jurisdiction over "nondomestic wastes resulting from the exploration, development, production or storage of crude oil or natural gas" N.M.Stat. Ann. 1978 § 70-2-12 (21) (Repl. Pamp. 1989.)

In an effort to further clarify the powers delegated to OCD, Chapter 289 specifically denies EID the power to regulate "wastes resulting from the exploration, development, production, transportation, storage, treatment or refinement of crude oil or natural gas" N.M.Stat. Ann. 1978 § 74-1-7 A (3) (Repl. Pamp. 1989.)

Furthermore, EID's regulatory authority granted in New Mexico's Hazardous Waste Act excludes from the definition of hazardous waste "any of the following, until the board determines that they are subject to Subtitle C of the Resource Conservation and Recovery Act, as amended (42 U.S.C. 6921 et seq.): drilling fluids, produced waters and other wastes associated with the exploration, development or production of crude oil or natural gas" N.M.Stat. Ann. 1978 § 74-4-3 I (2) (Repl. Pamp. 1989.)

The Resource Conservation and Recovery Act (RCRA) authorizes the Environmental Protection Agency to promulgate regulations controlling the disposal of hazardous wastes except for "drilling fluids, produced waters, and other wastes associated with the exploration, development, or production of crude oil or natural gas" 42 U.S.C.A. § 6921 (2) (A) West 1983. In the legislative history for RCRA, the

Robert G. Stovall
July 3, 1990
Page 3

Conference Committee explained that

[t]he term 'other wastes associated' is specifically included to designate waste materials intrinsically derived from the primary field operations associated with the exploration, development, or production of crude oil, natural gas, or geothermal energy.

5 U.S. Code Congressional and Administrative News 96th Congress, Second Session 1980, Legislative History at 5031.

The New Mexico legislature looked to the U.S. Congressional definition of hazardous wastes and specific exemptions therein when it enacted the New Mexico Hazardous Waste Act. The U.S. Congress, in the legislative history, makes clear that waste materials intrinsically derived from production of natural gas are exempt from regulatory control as hazardous wastes. Production of natural gas cannot be accomplished without measurement of the natural gas produced to ensure that the mineral owner, in this instance BLM, receives its appropriate share of the gas. Thus, measurement or metering of gas is an intrinsic element of the production function. Therefore, the natural gas measurement function and all aspects of it are within the RCRA oil and gas exemption from hazardous waste regulation.

In conclusion, EPNG believes that under New Mexico statutory law OCD has jurisdiction over all aspects of natural gas production at the well sites including measurement.

I hope this opinion is useful to you in whatever context you choose to deal with EID and BLM. We are prepared to assist you in this matter any way you may consider appropriate.

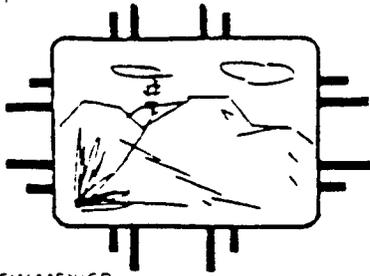
Sincerely,

Jamye Boone Ward

Enclosure

Robert G. Stovall
July 3, 1990
Page 4

c (w/enclosure):
David G. Boyer ✓



NEW MEXICO
HEALTH AND ENVIRONMENT
DEPARTMENT

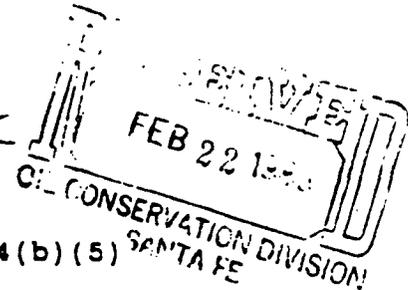
ENVIRONMENTAL IMPROVEMENT DIVISION
Harold Runnels Bldg.-1190 St. Francis Drive
Santa Fe, New Mexico 87503

Ronald M. Pfeiffer
Director

BARBARA BURGESS
Deputy
CAROL MOTT
Secretary
MICHAEL BURROUGHS
Deputy Secretary

M E M O R A N D U M

TO: Hazardous Waste Staff
FROM: C. Kelley Crossman, Supervisor *CKC*
DATE: February 17, 1989
SUBJECT: Oil and Gas Exclusion at 40CFR 261.4(b)(5)



Boyd and I met with OCD's David Boyer and Roger Anderson on February 17, 1989, to discuss the 7/6/88 Fed Reg interpretation by EPA of the oil and gas exclusion. Given the attached generic diagram, we concluded the following:

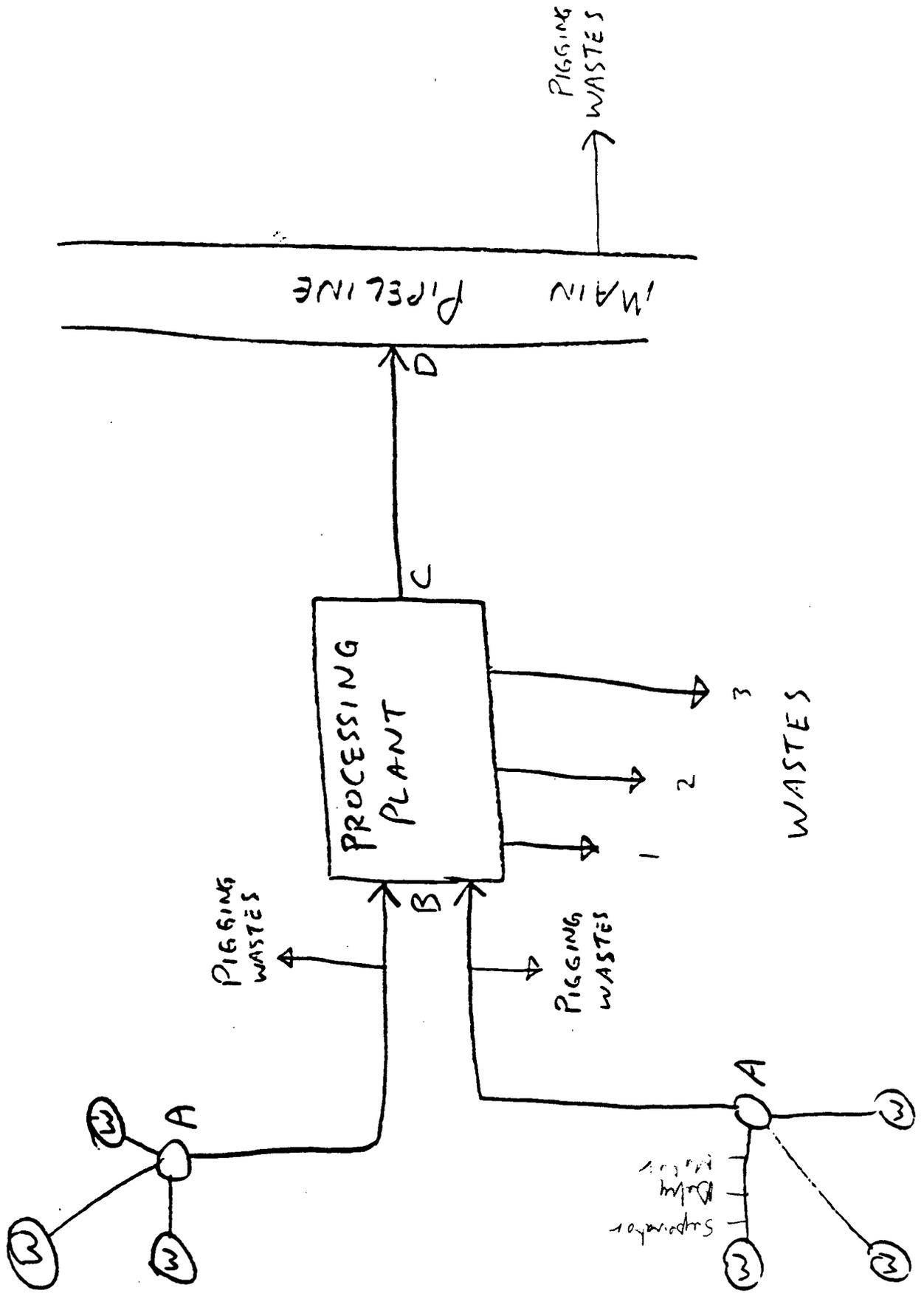
1. The pipeline segments marked W-A are an integral part of the primary oilfield activity and are exempted at 53FR26454 (Pipe scale etc removed prior to transportation and pigging waste from gathering lines)
2. The pipeline segment marked A-B is considered gathering line and a portion of the primary oilfield activity.
3. The processing plant marked B-C is the activity necessary to prepare the product for transportation to the customer and can be as simple as a single compressor or as complex as a refinery.
4. The processing plant generates one or more wastes in its preparation of the product for transportation. Each of these waste streams is subject to the RCRA regulatory status determination codified at HWMR-5, Part III, Section 262.11.
5. Each regulated waste is subject then to RCRA. Non-regulated wastes are not further subject to RCRA except by operation of the mixture rules codified at HWMR-5, Part II, Section 261.3.

6. Most processing plants generate at least one regulated waste stream and therefore the plant is subject to RCRA and EID inspection.
7. The level of RCRA activity at each processing plant is affected by the monthly generation rate of regulated wastes. These levels are codified at HWMR-5, Part II, Section 261.5, Part III, Section 262.44, and Part III en toto for the categories 0-100, 100-1000, 1000+ kg/mo.
8. EID/RCRA and OCD have overlapping authority and jurisdiction from point B on the attached diagram.

CKC/pv

cc: OCD, David Boyer
HED/OGC, Tracy Hughes

JULY 6, 1988 FED REG
OIL & GAS RULE



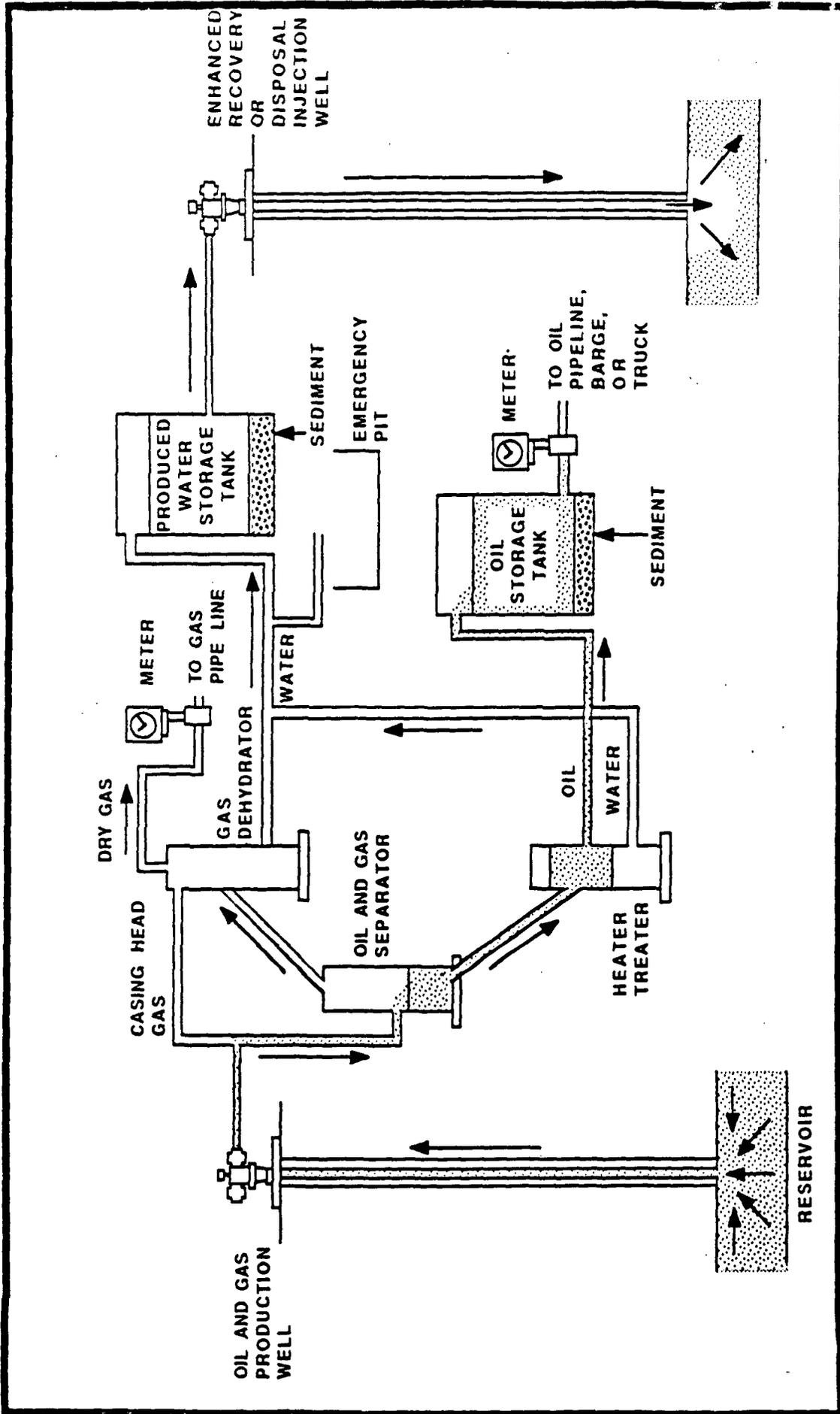


Figure 11-3 Oil Production With Average H₂O Production With Dissolved/Associated Gas

Produced waters are not always injected as indicated in this figure. Produced water may be trucked to central treatment and disposal facilities, discharged into disposal pits, discharged to surface or coastal waters, or used for beneficial or agricultural use.

MEMORANDUM OF MEETING OR CONVERSATION

Telephone

Personal

Time 9:40

Date 6/21/90

Originating Party

Other Parties

Ilyse Gold - BLM Farmington
ENV. Section 327-5344

DAVE BOYER - GCD

Subject

EPNG Mercury Investigation/Cleanup

Discussion

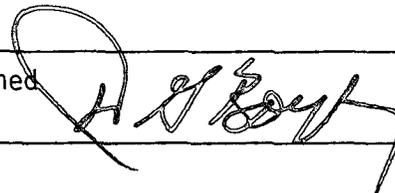
BLM called to ask about our approval of the work plan and whether we involved EPA. I said we did not since we had authority over all facilities in state (except maybe Indian lands). We evaluated the proposal - Excellent work plan, QA/QC, health & safety provisions. We felt no other agency (ie EPA, EID) needed to be involved but BLM could obviously involve others if they wish.

Conclusions or Agreements

Distribution

EPNG Mex. File.

Signed



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

GARREY CARRUTHERS
GOVERNOR

May 8, 1990

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

CERTIFIED MAIL
RETURN RECEIPT NO. P-918-402-245

Mr. John C. Bridges, Manager
Environmental and Safety Affairs Department
EL PASO NATURAL GAS COMPANY
P. O. Box 1492
El Paso, Texas 79978

RE: EPNG Mercury Meter Site Investigation/Remediation Work Plan,
Farmington, New Mexico

Dear Mr. Bridges:

On April 25, 1990, you and other EPNG employees met with Bill Olson and myself to present and discuss with OCD the above work plan. We have completed review of the plan and concur with the proposed work and completion schedule.

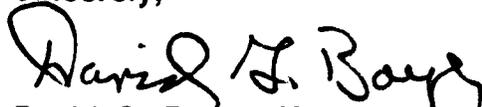
The work plan is hereby approved with the following conditions:

1. EPNG shall brief OCD semi-annually on the status of the project.
2. When selected and prior to moving the material, EPNG shall provide OCD with the names of the transportation company and disposal site.

We appreciate your concern about the impact spilled mercury might have on your workers and the environment, and applaud your decision in undertaking this investigation and remediation on your own initiative and not because of government requirements.

If you have any questions, please contact Bill Olson at (505) 827-5885.

Sincerely,



David G. Boyer, Hydrogeologist
Environmental Bureau Chief

DGB/si

cc: W. J. LeMay, Director
OCD Aztec District Office
K. Beasley, El Paso Natural Gas Company
J. Eichelmann, Burlington Northern Resources

4/25/90 EPNG - OCD Meetings

Attendees

Bill Olson	OCD - Santa Fe	827-5885
Sandra Miller	EPNG FARMINGTON	599-2141
Danny W. Hill	EPNG FARMINGTON	599-2200
David Boyer	OCD Santa Fe	827-5812
Kenneth Beasley	EPNG, ELPASO	915-541-2146
Miguel Blanco	EPNG, AZTEC NM	505-334-3807
John C. Bridges	EPNG, El Paso, TX	915-541-2879

4/25
1000 am

OCG-EPNG Meeting on Mercury

Objectives

- 1.) Maint H & Safety
- 2.) " Enviro Condition
- 3.) Install Mercury Containment

approx 8500 sites with mercury meters

2 crews will be set up (EPNG crews)

Five Steps

- 1.) Investigate - 3 types inspection
 - 1.) visual
 - 2.) mercury vapor time weighted avg. as instantaneous reading
 - 3.) statistically based sample
- 2.) Remediation
- 3.) Sample verification - 0.2 ppm TCLP
if clean
- 4.) Mercury containment for site meters
- 5.) Replace older meters (mercury free) (~900)
- 6.) Contaminated Soil Removal - to central processing area

Schedule - crews organized
2nd week of May tentative startup date
(May 8, 1990)

QA - CLP methods

length of project 3-4 yrs Dec. 1993

Cercla Notice - 1/6 within 24 hrs. will
require notification

EPNG Meeting 12/20/89

<u>Name</u>	<u>Representing</u>	<u>Phone</u>
David Boyer	NMOCA	(505) 827-5812
John C. Bridges	El Paso Natural Gas	(915) 541-2879
Kenneth E. Beasley	El Paso Natural Gas	(915) 541-2146
LARRY R. TARVER	EL PASO NATURAL GAS	(915) 541-5050
John M. Green, Jr.	EPNG	915-541-2297
DANNY W. HILL	EPNG	(505)-599-2200
John F. Eichelmann	Burlington Resources	(505) 988-9804
Bill LeMay	OCD	575 827-5802
Bob Stovall	OCD	827-5805

- ✓ 8500 wells w/ ^{mercury} meters, Houses in NM
- ✓ To install Hg containment device w/ replace
- ✓ Report time requirement - Circle ~ 900
To Soil - Yes, to Panel Floor, no. 103 ^{W/Response w/ dry meter}
Center

May 8 (Week
update)
6 months

OCIS letters - plan adequate to protect
gw, HH, & ENVIR.

✓ schedule & reports

Vapor
0.05 mg/m³
TCLP

✓ Indian lands / other state jurisdictions

✓ South Region work?

Thursday - scheduling

NOTIFICATION OF FIRE, BREAKS, SPILLS, LEAKS AND BLOWOUTS

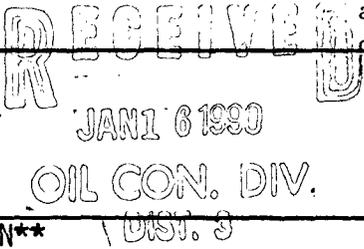
09

RECEIVED
OIL CON. DIVISION

NAME OF OPERATOR El Paso Natural Gas Company				ADDRESS P.O. Box 1492, El Paso, TX 79978				
REPORT OF	FIRE, 90	BREAKS	SPILLS	LEAK	BLOWOUT	OTHER*		
TYPE OF FACILITY	DRLG WELL	PROD WELL	TANK BTTY	PIPE LINE	GASO PLNT	OIL RFY	OTHER* Meter House, Producing Well	
NAME OF FACILITY Schlosser WN Fed 2E DK Meter (93319)								
LOCATION OF FACILITY (QUARTER/QUARTER SECTION OR FOOTAGE DESCRIPTION)					SEC. 3	TWP. 27 N	RGE. 11 W	COUNTY San Juan
DISTANCE AND DIRECTION FROM NEAREST TOWN OR PROMINENT LANDMARK 5 miles S. of Bloomfield								
DATE AND HOUR OF OCCURENCE 2/12/90 8:00 am				DATE AND HOUR OF DISCOVERY 2/12/90 8:00 am				
WAS IMMEDIATE NOTICE GIVEN?		YES	NO X	NOT REQUIRED X		IF YES, TO WHOM		
BY WHOM				DATE AND HOUR				
TYPE OF FLUID LOST Mercury				QUANTITY OF LOSS 2#-3#		VOLUME RECOVERED Mercury was		
DID ANY FLUIDS REACH A WATERCOURSE?		YES	NO X	QUANTITY recovered; dispersed in				
IF YES, DESCRIBE FULLY**								
<p>RECEIVED FEB 23 1990 OIL CON. DIV</p>								
DESCRIBE CAUSE OF PROBLEM AND REMEDIAL ACTION TAKEN** DIST								
A broken manifold at the meter site. Remove mercury-contaminated soil and clean up the meter area.								
DESCRIBE AREA AFFECTED AND CLEANUP ACTION TAKEN**								
The spill was confined to the meter house itself and no other cleanup action was required.								
DESCRIPTION OF AREA	FARMING	GRAZING	URBAN	OTHER* Open Range				
SOIL CONDITIONS	SANDY X	SANDY LOAM	CLAY	ROCKY	WET	DRY	SNOW	
DESCRIBE GENERAL CONDITIONS PREVAILING (TEMPERATURE, PRECIPITATION, ETC.)**								
Clear, 50°.								
HEREBY CERTIFY THAT THE INFORMATION ABOVE IS TRUE AND COMPLETE TO THE BEST OF MY KNOWLEDGE AND BELIEF								
SIGNED K. E. Beasley				TITLE Mgr., Compliance Engineer				
				DATE 2/20/90				

SPECIFY **ATTACH ADDITIONAL SHEETS IF NECESSARY

NOTIFICATION FIRE, BREAKS, SPILLS, LEAKS, AND BLOWOUTS

NAME OF OPERATOR El Paso Natural Gas Company					ADDRESS P.O. Box 1492, El Paso, Texas 79978			
REPORT OF	FIRE	BREAK	SPILL X	LEAK	BLOWOUT	OTHER*		
TYPE OF FACILITY	DRLG WELL	PROD WELL	TANK BTY	PIPE LINE	GASO PLNT	OIL RFY	OTHER* Producing well, Meter house.	
NAME OF FACILITY E. J. Johnson C #1E MC 93238								
LOCATION OF FACILITY (QUARTER/QUARTER SECTION OR FOOTAGE DESCRIPTION)					SEC. 21	TWP. 27-N	RGE. 10-W	COUNTY San Juan
DISTANCE AND DIRECTION FROM NEAREST TOWN OR PROMINENT LANDMARK					10 miles SSE from Bloomfield, New Mexico			
DATE AND HOUR OF OCCURENCE 11 am 1/10/90				DATE AND HOUR OF DISCOVERY 11 am 1/10/90				
WAS IMMEDIATE NOTICE GIVEN?		YES X	NO	NOT REQUIRED		IF YES, TO WHOM NMOCD Aztec, Ernie Bush.		
BY WHOM Kenneth E. Beasley				DATE AND HOUR 1/11/90 10:30 am				
TYPE OF FLUID LOST Mercury				QUANTITY OF LOSS 5 lbs.		VOLUME RECOVERED 4.5 lb of free mercury		
DID ANY FLUIDS REACH A WATERCOURSE?		YES	NO X	QUANTITY and the remainder dispersed in soil.				
IF YES, DESCRIBE FULLY**								
								
DESCRIBE CAUSE OF PROBLEM AND REMEDIAL ACTION TAKEN** A leak from the dampening assembly. Recovered all free mercury and adjacent soil.								
DESCRIBE AREA AFFECTED AND CLEANUP ACTION TAKEN** The spill was confined to the meter house itself and no other cleanup action was required.								
DESCRIPTION OF AREA		FARMING		GRAZING		URBAN		OTHER* Open range
SURFACE CONDITIONS		SANDY X	SANDY LOAM	CLAY	ROCKY	WET	DRY	SNOW
DESCRIBE GENERAL CONDITIONS PREVAILING (TEMPERATURE, PRECIPITATION, ETC.)** 45° F, Clear.								
I HEREBY CERTIFY THAT THE INFORMATION ABOVE IS TRUE AND COMPLETE TO THE BEST OF MY KNOWLEDGE AND BELIEF								

SIGNED Kenneth E. Beasley 77 NUP 06. TITLE Mgr., Compliance Engr. DATE 1/12/90

*SPECIFY 610-118 **ATTACH ADDITIONAL SHEETS IF NECESSARY

RECEIVED
OIL CONSERVATION DIVISION

NOTIFICATION OF FIRE, BREAKS, SPILLS, LEAKS, AND BLOWOUTS

NAME OF OPERATOR El Paso Natural Gas Company				ADDRESS P.O. Box 1492, El Paso, TX. 79978				DIVISION	
REPORT OF	FIRE	BREAK	SPILL X	LEAK	BLOWOUT	OTHER*			
TYPE OF FACILITY		DRLG WELL	PROD WELL	TANK BTTY	PIPE LINE	GASO PLNT	OIL RFY	OTHER*	
NAME OF FACILITY		Wright #1, MC 87590							
LOCATION OF FACILITY (QUARTER/QUARTER SECTION OR FOOTAGE DESCRIPTION)				SEC.	TWP.	RGE.	COUNTY		
SE 1/4				19	30	11	San Juan		
DISTANCE AND DIRECTION FROM NEAREST TOWN OR PROMINENT LANDMARK				1.5 miles E of Aztec					
DATE AND HOUR OF OCCURENCE				DATE AND HOUR OF DISCOVERY					
1/25/90 3pm MST				1/25/90 3pm MST					
WAS IMMEDIATE NOTICE GIVEN?		YES X	NO	NOT REQUIRED		IF YES, TO WHOM			
						NMOCD, Frank Chavez			
BY WHOM				DATE AND HOUR					
K.E. Beasley and S.D. Miller				1/26/89 4:49 pm					
TYPE OF FLUID LOST		Mercury		QUANTITY OF LOSS		VOLUME RECOVERED			
				5-1/8 lb.		5-1/8 lb.			
DID ANY FLUIDS REACH A WATERCOURSE?		YES	NO X	QUANTITY					
IF YES, DESCRIBE FULLY**									
<p>RECEIVED</p> <p>FEB 02 1990</p> <p>OIL CON. DIV.</p> <p>DIST. 3</p>									
DESCRIBE CAUSE OF PROBLEM AND REMEDIAL ACTION TAKEN**									
Packing was loose on dampening screw. Vacuumed up mercury and removed adjacent soil.									
DESCRIBE AREA AFFECTED AND CLEANUP ACTION TAKEN**									
The spill was confined to the meter house itself and no other cleanup action was required.									
DESCRIPTION OF AREA		FARMING		GRAZING		URBAN		OTHER*	
SURFACE CONDITIONS		SANDY X	SANDY LOAM	CLAY X	ROCKY	WET	DRY	SNOW	
DESCRIBE GENERAL CONDITIONS PREVAILING (TEMPERATURE, PRECIPITATION, ETC.)**									
Clear, 35°F.									
I HEREBY CERTIFY THAT THE INFORMATION ABOVE IS TRUE AND COMPLETE TO THE BEST OF MY KNOWLEDGE AND BELIEF									
SIGNED Kenneth E. Beasley				TITLE Mgr., Compliance Engr.			DATE 1/31/90		

*SPECIFY

**ATTACH ADDITIONAL SHEETS IF NECESSARY

NOTIFICATION OF FIRE, BREAKS, SPILLS, LEAKS, AND BLOWOUTS

RECEIVED

NAME OF OPERATOR El Paso Natural Gas Company				ADDRESS P.O. Box 14928 El Paso, TX 79978			
REPORT OF	FIRE	BREAK	SPILL X	LEAK	BLOWOUT	OTHER*	
TYPE OF FACILITY	DRLG WELL	PROD WELL	TANK BTTY	PIPE LINE	GASO PLNT	OIL RFY	OTHER* Meter House, Producing Well
NAME OF FACILITY Ballard #17, MC 89101							
LOCATION OF FACILITY (QUARTER/QUARTER SECTION OR FOOTAGE DESCRIPTION) SE 1/4				SEC. 15	TWP. 26	RGE. 9	COUNTY San Juan
DISTANCE AND DIRECTION FROM NEAREST TOWN OR PROMINENT LANDMARK 18.5 miles SE from Bloomfield							
DATE AND HOUR OF OCCURENCE 11 am MST 1/29/90				DATE AND HOUR OF DISCOVERY 11 am MST 1/29/90			
WAS IMMEDIATE NOTICE GIVEN?	YES X	NO	NOT REQUIRED	IF YES, TO WHOM NMOCD, Charles Gholson			
BY WHOM S.D. Miller				DATE AND HOUR 10:15 am 1/30/90			
TYPE OF FLUID LOST Mercury				QUANTITY OF LOSS 8 lb.	VOLUME RECOVERED 5 lb. Remainder		
DID ANY FLUIDS REACH A WATERCOURSE?	YES	NO X	QUANTITY dispersed in soil.				
IF YES, DESCRIBE FULLY**							
<p>RECEIVED FEB 02 1990 OIL CON. DIV.</p>							
DESCRIBE CAUSE OF PROBLEM AND REMEDIAL ACTION TAKEN** DIST 3 Leaking drain plug. Picked up 5 lb. free Mercury, will excavate additional soil.							
DESCRIBE AREA AFFECTED AND CLEANUP ACTION TAKEN** The spill was confined to the meter house itself and no other cleanup action was required.							
DESCRIPTION OF AREA	FARMING	GRAZING	URBAN	OTHER* Range land.			
SURFACE CONDITIONS	SANDY X	SANDY LOAM	CLAY X	ROCKY	WET	DRY	SNOW
DESCRIBE GENERAL CONDITIONS PREVAILING (TEMPERATURE, PRECIPITATION, ETC.)** Clear, 35° F.							
I HEREBY CERTIFY THAT THE INFORMATION ABOVE IS TRUE AND COMPLETE TO THE BEST OF MY KNOWLEDGE AND BELIEF							
SIGNED Kenneth E. Beasley				TITLE Mgr., Compliance Engr.		DATE 1/31/90	

*SPECIFY

**ATTACH ADDITIONAL SHEETS IF NECESSARY

NOTIFICATION OF FIRE, BREAKS, SPILLS, LEAKS, AND BLOWOUTS

RECEIVED
FEB 9 1990
OIL CON. DIV.

NAME OF OPERATOR El Paso Natural Gas Company				ADDRESS P.O. Box 2492, El Paso TX 79978			
REPORT OF	FIRE	BREAK	SPILL <input checked="" type="checkbox"/>	LEAK	BLOWOUT	OTHER* <input type="checkbox"/>	
TYPE OF FACILITY	DRLG WELL	PROD WELL	TANK BTTY	PIPE LINE	GASO PLNT	OIL RFY	OTHER* Meter Site, Producing Well
NAME OF FACILITY San Juan 30-6 #87, M.C. 70 936							
LOCATION OF FACILITY (QUARTER/QUARTER SECTION OR FOOTAGE DESCRIPTION) SW 1/4				SEC. 36	TWP. 30	RGE. 7	COUNTY Rio Arriba
DISTANCE AND DIRECTION FROM NEAREST TOWN OR PROMINENT LANDMARK 17.3 miles ENE from Blanco, N.M.							
DATE AND HOUR OF OCCURENCE 1/17/90 8:00 am MST				DATE AND HOUR OF DISCOVERY 1/17/90 8:00 am MST			
WAS IMMEDIATE NOTICE GIVEN?		YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>	NOT REQUIRED	IF YES, NMOCD, Frank Chavez TO WHOM		
BY WHOM Ken Beasley				DATE AND HOUR 8:00 am 1/18/90			
TYPE OF FLUID LOST Mercury				QUANTITY OF LOSS 7 lb. 8 oz.	VOLUME RECOVERED 7 lb. 4 oz. Remainder dispersed in soil.		
DID ANY FLUIDS REACH A WATERCOURSE?		YES <input type="checkbox"/>	NO <input checked="" type="checkbox"/>	QUANTITY			
IF YES, DESCRIBE FULLY**							
<p>RECEIVED JAN 26 1990 OIL CON. DIV. DIST. 3</p>							
DESCRIBE CAUSE OF PROBLEM AND REMEDIAL ACTION TAKEN** Failure of the U-tube gasket. Removed free mercury and adjacent soil.							
DESCRIBE AREA AFFECTED AND CLEANUP ACTION TAKEN** The spill was confined to the meter house itself and no other cleanup action was required.							
DESCRIPTION OF AREA		FARMING	GRAZING	URBAN	OTHER*		
SURFACE CONDITIONS		SANDY <input checked="" type="checkbox"/>	SANDY LOAM	CLAY <input checked="" type="checkbox"/>	ROCKY	WET	DRY
DESCRIBE GENERAL CONDITIONS PREVAILING (TEMPERATURE, PRECIPITATION, ETC.)** 48° F.							
HEREBY CERTIFY THAT THE INFORMATION ABOVE IS TRUE AND COMPLETE TO THE BEST OF MY KNOWLEDGE AND BELIEF							
SIGNED Kenneth E. Beasley				TITLE Mgr., Compliance Engr.		DATE 1/23/90	
SPECIFY **ATTACH ADDITIONAL SHEETS IF NECESSARY							

NOTIFICATION OF FIRE, BREAKS, SPILLS, LEAKS, AND BLOWOUTS

CS

NAME OF OPERATOR EL PASO NATURAL GAS CO.				ADDRESS P. O. Box 1492, El Paso, TX 79978			
REPORT OF	FIRE	BREAK	SPILL X	LEAK	BLOWOUT	OTHER* <i>RECEIVED</i>	
TYPE OF FACILITY	DRLG WELL	PROD WELL	TANK BTTY	PIPE LINE	GASO PLNT	OIL RFY	OTHER* <i>meter house producing well</i>
NAME OF FACILITY San Juan 29-7, Unit 48							
LOCATION OF FACILITY (QUARTER/QUARTER SECTION OR FOOTAGE DESCRIPTION)					SEC. 8	TWP. 29N	RGE. 7W
DISTANCE AND DIRECTION FROM NEAREST TOWN OR PROMINENT LANDMARK					10 miles east of Blanco, NM		
DATE AND HOUR OF OCCURENCE March 30, 1990 1:30pm				DATE AND HOUR OF DISCOVERY March 30, 1990 1:30pm			
WAS IMMEDIATE NOTICE GIVEN?	YES	NO X	NOT RE-REQUIRED X	IF YES, TO WHOM			
BY WHOM				DATE AND HOUR			
TYPE OF FLUID LOST mercury				QUANTITY OF LOSS 3 lbs.		VOLUME RECOVERED 2-1/2 lbs. Remainder dispersed in soil which was recovered	
DID ANY FLUIDS REACH A WATERCOURSE?	YES	NO X	QUANTITY				
IF YES, DESCRIBE FULLY**							
<div data-bbox="875 808 1255 1085" data-label="Text"> <p>RECEIVED APR 11 1990 OIL CON. DIV. DIST. 3</p> </div>							
DESCRIBE CAUSE OF PROBLEM AND REMEDIAL ACTION TAKEN** Leaking plug on a meter assembly. Recover all free mercury and adjacent soil.							
DESCRIBE AREA AFFECTED AND CLEANUP ACTION TAKEN** The spill was confined to the meter house itself and no other cleanup action was required.							
DESCRIPTION OF AREA	FARMING	GRAZING	URBAN	OTHER* Hard-packed soil floor inside meter house			
SURFACE CONDITIONS	SANDY X	SANDY LOAM	CLAY	ROCKY	WET	DRY	SNOW
DESCRIBE GENERAL CONDITIONS PREVAILING (TEMPERATURE, PRECIPITATION, ETC.)** Dry, 54°							
HEREBY CERTIFY THAT THE INFORMATION ABOVE IS TRUE AND COMPLETE TO THE BEST OF MY KNOWLEDGE AND BELIEF							
SIGNED	Kenneth E. Beasley <i>[Signature]</i>			TITLE Mgr., Compliance Eng.		DATE April 9, 1990	

SPECIFY **ATTACH ADDITIONAL SHEETS IF NECESSARY

NOTIFICATION FIRE, BREAKS, SPILLS, LEAKS, AND BLOWOUTS

NAME OF OPERATOR El Paso Natural Gas				ADDRESS P.O. Box 1492, El Paso, Texas 79978				
REPORT OF	FIRE	BREAK	SPILL	LEAK	BLOWOUT	OTHER*		
			X			89 DEC 7 AM 9 00		
TYPE OF FACILITY	DRLG WELL	PROD WELL	TANK BTY	PIPE LINE	GASO PLNT	OIL RFY	OTHER* Meter House at Well	
NAME OF FACILITY Day "A" LS #13 well								
LOCATION OF FACILITY (QUARTER/QUARTER SECTION OR FOOTAGE DESCRIPTION)					SEC.	TWP.	RGE.	COUNTY
					8	29	8	San Juan
DISTANCE AND DIRECTION FROM NEAREST TOWN OR PROMINENT LANDMARK 14 miles east of Bloomfield								
DATE AND HOUR OF OCCURENCE 11/9/89 3 P.M.				DATE AND HOUR OF DISCOVERY 11/9/89 3 P.M.				
WAS IMMEDIATE NOTICE GIVEN?	YES	NO	NOT RE-QUIRED	IF YES, TO WHOM Ernie Bush				
	X							
BY WHOM Kenneth Beasley				DATE AND HOUR 11/10/89 1:45 P.M.				
TYPE OF FLUID LOST Elemental Mercury				QUANTITY OF LOSS 7 lbs.		VOLUME RECOVERED 5 lbs measurable free mercury and small amounts dispersed in soil.		
DID ANY FLUIDS REACH A WATERCOURSE?	YES	NO	QUANTITY					
		X						
IF YES, DESCRIBE FULLY**								
DESCRIBE CAUSE OF PROBLEM AND REMEDIAL ACTION TAKEN** Mercury leaked from the meter assembly at the well. All free mercury and adjacent Soil was removed from the meter house floor.								
DESCRIBE AREA AFFECTED AND CLEANUP ACTION TAKEN** The spill was confined to the meter house itself and no other cleanup action was required.								
DESCRIPTION OF AREA	FARMING	GRAZING	URBAN	OTHER*				
				Open Range.				
SURFACE CONDITIONS	SANDY	SANDY LOAM	CLAY	ROCKY	WET	DRY	SNOW	
		X				X		
DESCRIBE GENERAL CONDITIONS PREVAILING (TEMPERATURE, PRECIPITATION, ETC.)** Dry conditions, ambient temperature approximately 55°								
HEREBY CERTIFY THAT THE INFORMATION ABOVE IS TRUE AND COMPLETE TO THE BEST OF MY KNOWLEDGE AND BELIEF								
SIGNED	Kenneth E. Beasley			TITLE Manager, Compliance Engr			DATE 11/17/89	
SPECIFY **ATTACH ADDITIONAL SHEETS IF NECESSARY								

NOTIFICATION OF FIRE, BREAKS, SPILLS, LEAKS, AND BLOWOUTS

RECEIVED SF
JAN 18 90

NAME OF OPERATOR EL PASO NATURAL GAS COMPANY				ADDRESS P.O. Box 1492, El Paso, TX 79978				
REPORT OF	FIRE	BREAK	SPILL X	LEAK	BLOWOUT	OTHER* Q.C.D. ARTESIA OFFICE		
TYPE OF FACILITY	DRLG WELL	PROD WELL	TANK BTTY	PIPE LINE	GASO PLNT	OIL RFY	OTHER* Producing Well, Meter House	
NAME OF FACILITY Superior - Federal #6								
LOCATION OF FACILITY (QUARTER/QUARTER SECTION OR FOOTAGE DESCRIPTION)					SEC. 6	TWP. 20-S	RGE. 29-E	COUNTY EDDY
DISTANCE AND DIRECTION FROM NEAREST TOWN OR PROMINENT LANDMARK 13 Miles NE of Carlsbad, New Mexico								
DATE AND HOUR OF OCCURENCE 1/12/90 8:30 a.m. MST				DATE AND HOUR OF DISCOVERY 1/12/90 8:30 a.m. MST				
WAS IMMEDIATE NOTICE GIVEN?		YES X	NO	NOT REQUIRED		IF YES, TO WHOM NMOCD Artesia, Betty Rollins		
BY WHOM Donald R. Payne				DATE AND HOUR 1/12/90 1:30 p.m. MST				
TYPE OF FLUID LOST Mercury				QUANTITY OF LOSS 7		VOLUME RECOVERED 51b of Free Mercury		
DID ANY FLUIDS REACH A WATERCOURSE?		YES	NO X	QUANTITY		and remainder dispersed in soil		
IF YES, DESCRIBE FULLY**								
DESCRIBE CAUSE OF PROBLEM AND REMEDIAL ACTION TAKEN** A Leak from a drain plug. Recovered all free mercury and adjacent soil.								
DESCRIBE AREA AFFECTED AND CLEANUP ACTION TAKEN** The spill was confined to the meter house and adjacent soil. Free mercury and adjacent soil and mercury was picked up.								
DESCRIPTION OF AREA	FARMING	GRAZING	URBAN	OTHER* Open range				
SURFACE CONDITIONS	SANDY	SANDY LOAM	CLAY C	ROCKY	WET	DRY	SNOW	
DESCRIBE GENERAL CONDITIONS PREVAILING (TEMPERATURE, PRECIPITATION, ETC.)** 45° F. Clear								
I HEREBY CERTIFY THAT THE INFORMATION ABOVE IS TRUE AND COMPLETE TO THE BEST OF MY KNOWLEDGE AND BELIEF								

DIVISION
 RECEIVED
 JAN 9 53 AM

SIGNED Donald R. Payne TITLE Mgr., Compliance Engr. DATE 1/15/90

*SPECIFY **ATTACH ADDITIONAL SHEETS IF NECESSARY

OIC
JR
1-19-90

NOTIFICATION FIRE, BREAKS, SPILLS, LEAKS, AND BLOWOUTS

NAME OF OPERATOR El Paso Natural Gas Company					ADDRESS P.O. Box 1492, El Paso, Texas 79978		
REPORT OF	FIRE	BREAK	SPILL <input checked="" type="checkbox"/>	LEAK	BLOWOUT	OTHER*	
TYPE OF FACILITY	DRLG WELL	PROD WELL	TANK BTTY	PIPE LINE	GASO PLNT	OIL RFY	OTHER* Meter house at Well.
NAME OF FACILITY Jaquez B #3 MC .75125							
LOCATION OF FACILITY (QUARTER/QUARTER SECTION OR FOOTAGE DESCRIPTION) SW 1/4				SEC. 4	TWP 29-N	RGE. 9-W	COUNTY San Juan
DISTANCE AND DIRECTION FROM NEAREST TOWN OR PROMINENT LANDMARK 3.5 miles NE of town of Blanco, New Mexico							
DATE AND HOUR OF OCCURENCE 1/11/90 12:00 Noon				DATE AND HOUR OF DISCOVERY 1/11/90 12:00 Noon			
WAS IMMEDIATE NOTICE GIVEN?		YES <input checked="" type="checkbox"/>	NO	NOT RE-QUIRED	IF YES, TO WHOM NMOCD Aztec, Ernie Bush		
BY WHOM Kenneth E. Beasley				DATE AND HOUR 11:00 am 1/12/90			
TYPE OF FLUID LOST Mercury				QUANTITY OF LOSS 7 lb. 13 oz.		VOLUME RECOVERED 7 lb. 13 oz.	
DID ANY FLUIDS REACH A WATERCOURSE?		YES	NO <input checked="" type="checkbox"/>	QUANTITY			
IF YES, DESCRIBE FULLY**							
DESCRIBE CAUSE OF PROBLEM AND REMEDIAL ACTION TAKEN**							
The upper range chamber gasket failed. Recovered free mecury and adjacent soil.							
DESCRIBE AREA AFFECTED AND CLEANUP ACTION TAKEN**							
The spill was confined to the meter house itself and no other cleanup action was required.							
DESCRIPTION OF AREA	FARMING	GRAZING	URBAN	OTHER* Range land.			
SURFACE CONDITIONS	SANDY	SANDY LOAM	CLAY <input checked="" type="checkbox"/>	ROCKY	WET	DRY	SNOW
DESCRIBE GENERAL CONDITIONS PREVAILING (TEMPERATURE, PRECIPITATION, ETC.)**							
50° F. and Clear.							
I HEREBY CERTIFY THAT THE INFORMATION ABOVE IS TRUE AND COMPLETE TO THE BEST OF MY KNOWLEDGE AND BELIEF							
SIGNED Kenneth E. Beasley				TITLE Mgr., Compliance Engr.		DATE 1/12/90	

RECEIVED
JAN 16 1990

OIL CON. DIV.
DIST. 3

OIL CONSERVATION DIVISION RECEIVED JAN 22 AM 10 18 1990

*SPECIFY **ATTACH ADDITIONAL SHEETS IF NECESSARY

EPNG Meeting 12/20/89

<u>Name</u>	<u>Representing</u>	<u>Phone</u>
David Boyer	NMOCD	(505) 827-5812
John C. Bingham	El Paso Natural Gas	(915) 541-2879
Kenneth E. Beasley	El Paso Natural Gas	(915) 541-2146
LARRY R. TARVER	EL PASO NATURAL GAS	(915) 541-5050
John M. Green, Jr.	EPNG	915-541-2297
DANNY W. HILL	EPNG	(505)-599-2200
John F. Eichenman	Burlington Resources	(505) 988-9804
Bill LeMay	OCD	575 827-5802
Bob Stovall	OCD	827-5805

Notes of Boyer:

Met on Mercury meters - replacement
& clean-up

Conclusions: My interpretation of the EPA regulatory exemption is that OGD has authority for any spills of materials at a primary field site or wellhead. Because of the exemption (and in absence of any other EPA rules, eg PCB, asbestos), OGD will review and approve of a remedial plan providing for environmentally sound cleanup and disposal. EIS does not need

to be involved for this cleanup.

EPNG (via Danny Hill) will provide a plan for site remediation for San Juan Basin wells concentrating first on spills, sites in the vulnerable area and in population areas.

The matter of low-flow metering is a separate issue to be decided by a O&E/Industry committee.

Bill Lemay Concur

DGB

REGISTRATION OF PINK, BREAKS, SPILLS, LEAKS, AND BLOWOUTS

CONSERVATION DIVISION

NAME OF OPERATOR		RECEIVED			ADDRESS			
El Paso Natural Gas Company					P.O. Box 1492, El Paso, Texas 79912			
REPORT	FIRE	BREAK	89 DEC 1	BLOWOUT	OTHER*			
TYPE OF FACILITY		DRLG WELL	PROD WELL	TANK BTY	PIPE LINE	GASO PLNT	OIL RFY	OTHER* Meter facility
NAME OF FACILITY		Warren G Com 26 #2						
LOCATION OF FACILITY (QUARTER/QUARTER SECTION OR FOOTAGE DESCRIPTION)				SEC.	TWP.	RGE.	COUNTY	
NW 1/4				26	25N	6W	Rio Arriba	
DISTANCE AND DIRECTION FROM NEAREST TOWN OR PROMINENT LANDMARK								
12 miles N. of Lybrook, New Mexico								
DATE AND HOUR OF OCCURENCE				DATE AND HOUR OF DISCOVERY				
11/18/89 10:00am				11/18/89				
WAS IMMEDIATE NOTICE GIVEN?		YES	NO	NOT RE-QUIRED		IF YES, TO WHOM		
		X						
BY WHOM				DATE AND HOUR				
TYPE OF FLUID LOST				QUANTITY OF LOSS		VOLUME RECOVERED		
Mercury				4 lbs.		4 lbs.		
DID ANY FLUIDS REACH A WATERCOURSE?		YES	NO	QUANTITY				
			X					
IF YES, DESCRIBE FULLY**								
DESCRIBE CAUSE OF PROBLEM AND REMEDIAL ACTION TAKEN**								
Due to a leak from the dampening screw on the Mercury metering facility four pounds of Mercury was spilled. We have recovered the four pounds of Mercury.								
DESCRIBE AREA AFFECTED AND CLEANUP ACTION TAKEN**								
The dirt floor of a covered meter house. All free mercury was recovered.								
DESCRIPTION OF AREA		FARMING	GRAZING	URBAN	OTHER*			
					Open Range			
SURFACE CONDITIONS		SANDY soil	SANDY LOAM	CLAY	ROCKY	WET	DRY	SNOW
		X						
DESCRIBE GENERAL CONDITIONS PREVAILING (TEMPERATURE, PRECIPITATION, ETC.)**								
50°; Cool and dry								
I HEREBY CERTIFY THAT THE INFORMATION ABOVE IS TRUE AND COMPLETE TO THE BEST OF MY KNOWLEDGE AND BELIEF								
SIGNED		Kenneth E. Beasley, III			TITLE		DATE	
					Mgr., Compliance Engr.		11/28/89	
*SPECIFY **ATTACH ADDITIONAL SHEETS IF NECESSARY								

NOV 26 1989
CON. DIV
DIST. 2