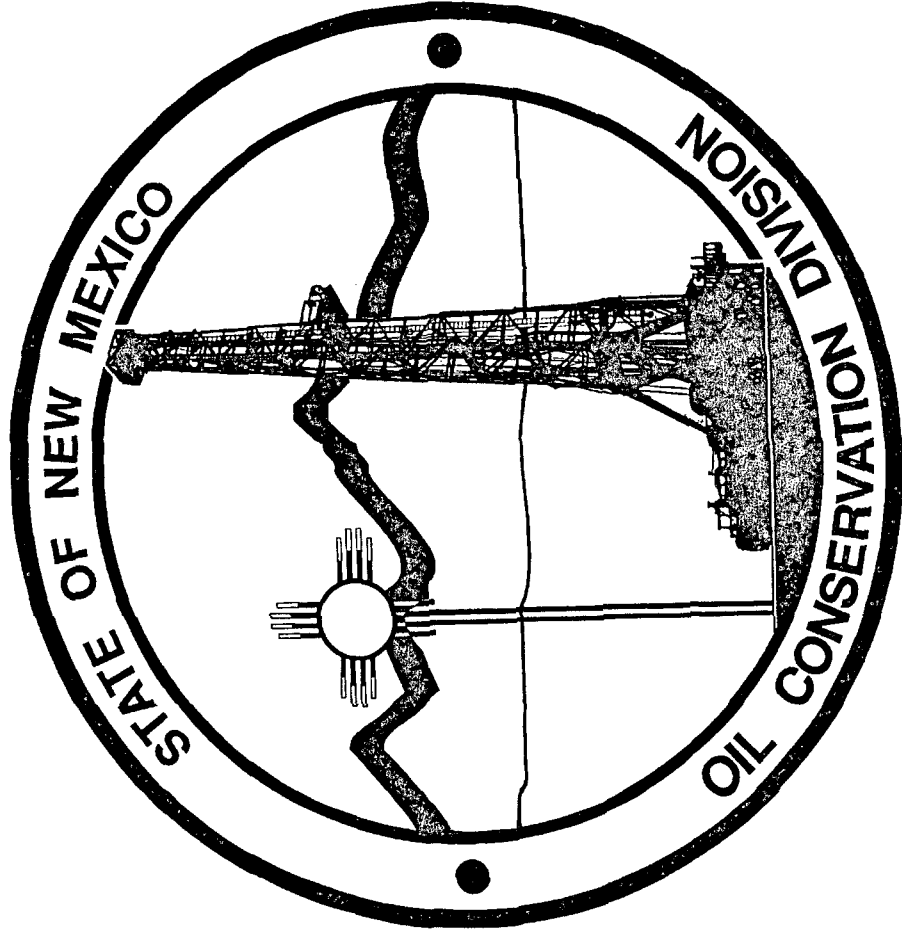


CASE NO. 14015
OCD EXHIBIT 18



EXPLORATION AND PRODUCTION WASTE MANAGEMENT

WHAT IS PART 17?

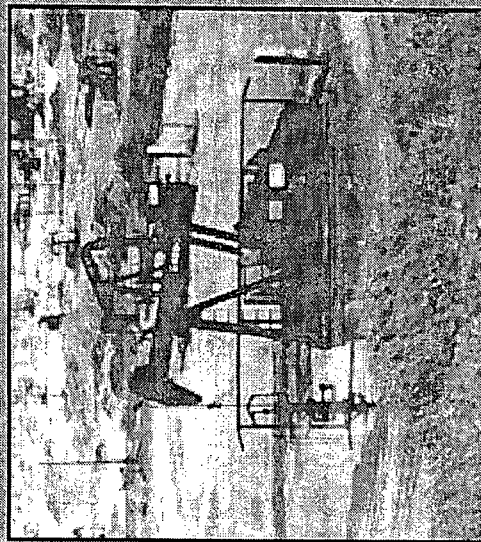
- OCD determined that "Sensible Waste Management" for E&P wastes, just as with Part 36 (originally known as Rule 53) could best be achieved by requiring industry to follow specified Best Management Plans (BMPs) using the Best Demonstrated Available Technology (BDAT) while still allowing the opportunity for exceptions under appropriate circumstances.

WHAT IS PART 17?

- Part 17 is also designed to strike a balance between the operator's need for *practicability* and the OCD's need for *enforceability* by specifying both general performance standards and technical standards.



Exemption of Oil and Gas Exploration and Production Wastes from Federal Hazardous Waste Regulations



U.S. Environmental Protection Agency
Office of Research and Development
Washington, D.C. 20460

Sensible Waste Management

Sensible waste management begins with "good housekeeping." Prudent operators design E&P facilities and processes to minimize potential environmental threats and legal liabilities. EPA promotes sensible waste management practices through a number of joint efforts with organizations such as API, individual states, and the Interstate Oil and Gas Compact Commission (IOGCC). The following waste management suggestions have been compiled from publications produced by these organizations as well as from literature available from industry trade associations, trade journals, and EPA.

SUGGESTED E&P WASTE MANAGEMENT PRACTICES

- Use closed loop mud systems when practical, particularly with oil-based muds.
- Review material safety data sheets (MSDSs) of materials used, and select less toxic alternatives when possible.
- Minimize waste generation, such as by designing systems with the smallest volumes possible (e.g., drilling mud systems).
- Reduce the amount of excess fluids entering reserve and production pits.

SUGGESTED E&P WASTE MANAGEMENT PRACTICES

- Keep non-exempt wastes out of reserve or production pits.
- Design the drilling pad to contain storm water and rigwash.
- Recycle and reuse oil-based muds and high density brines when practical.
- Perform routine equipment inspections and maintenance to prevent leaks or emissions.

SUGGESTED E&P WASTE MANAGEMENT PRACTICES

- Reclaim oily debris and tank bottoms when practical.
- Minimize the volume of materials stored at facilities.
- Construct adequate berms around materials and waste storage areas to contain spills.
- Perform routine inspections of materials and waste storage areas to locate damaged or leaking containers.
- Train personnel to use sensible waste management practices.

100 MILE RADIUS PROVISION

100 Mile Radius Provision Required Because:

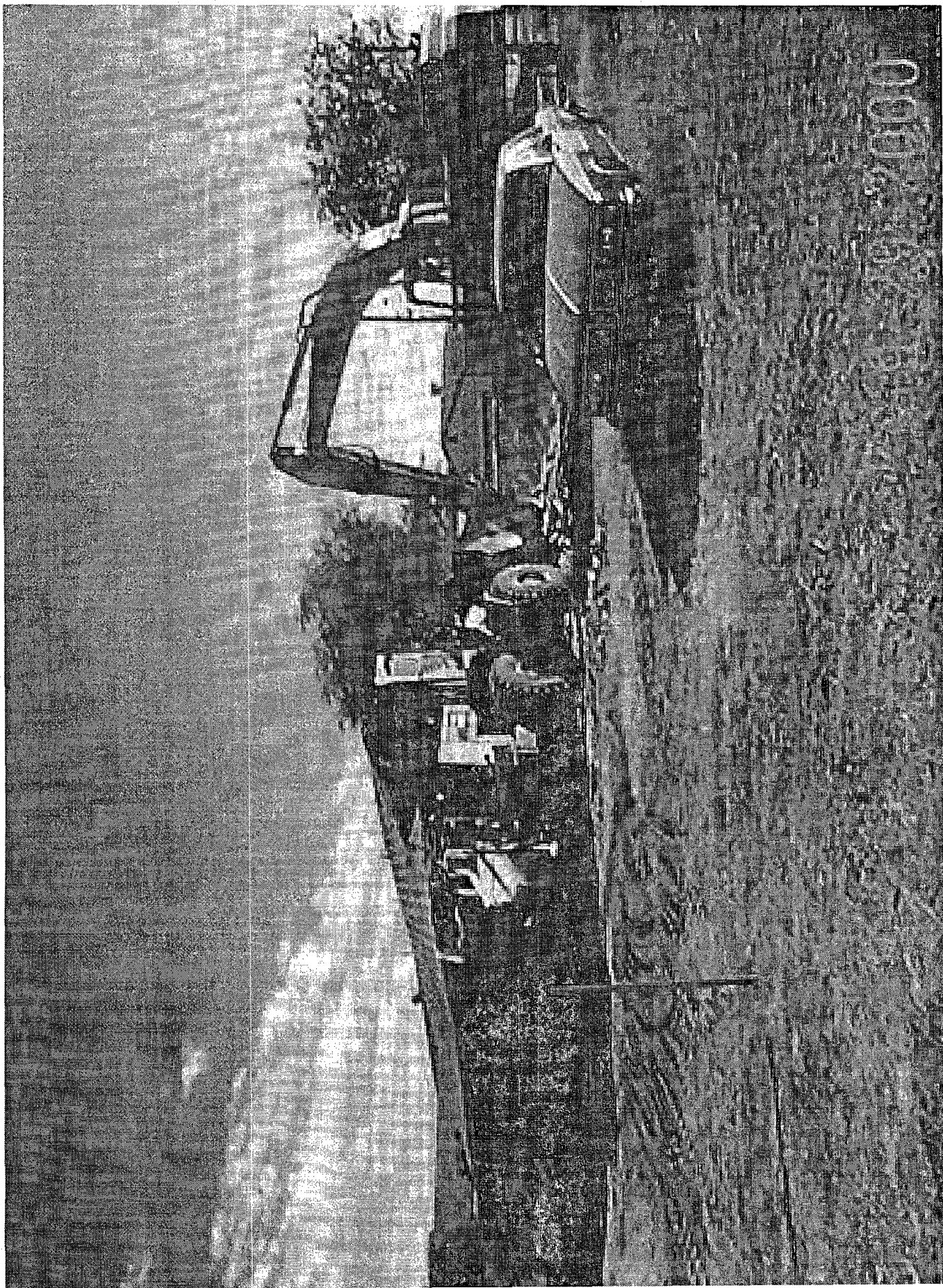
- OCD does not want to encourage industry to dispose of pit contents onsite because onsite disposal is the *least desirable* type of waste management.
- Onsite disposal has led to an unknown and unknowable number of unmarked pits (probably several hundred thousand open dumps).

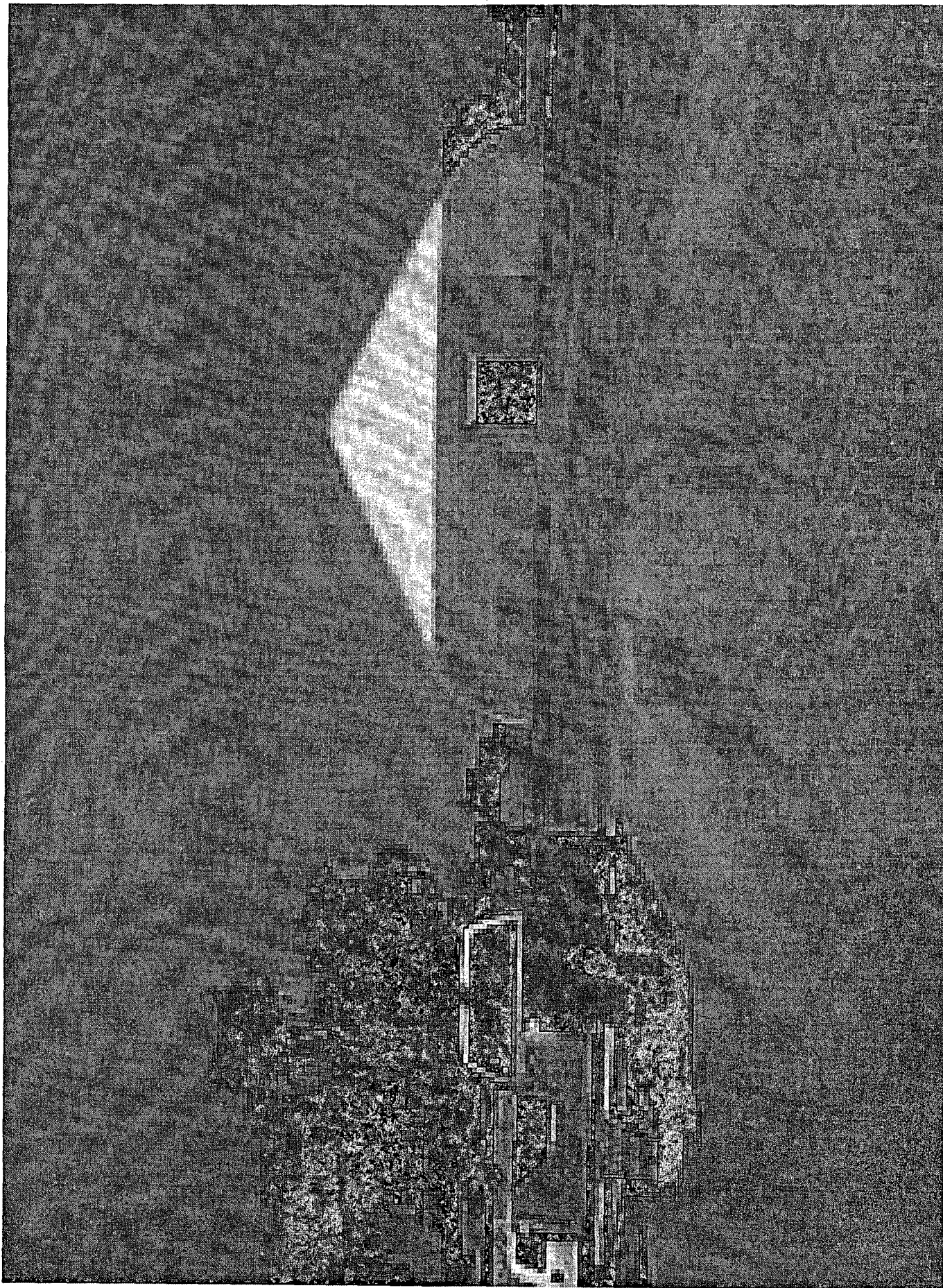
100 MILE RADIUS PROVISION

- The cumulative effect of these sites cannot be calculated with certainty, but it certainly must have a strongly negative effect on the environment because the unstabilized waste contents have the potential to migrate vertically downward and contaminate ground water and migrate horizontally to contaminate surface water.

100 MILE RADIUS PROVISION

- Onsite disposal of pit contents in disposal trenches or where a pit has been abandoned after bulldozing fill on top of unstabilized oil field wastes means that there will always be the risk that individuals would dig or trench into the dump and cause additional new releases.





100 MILE RADIUS PROVISION

- The only reason to allow onsite disposal in the future is when that there is a clear economic burden that results as a consequence of new operations outside the existing infrastructure of the O&G gas waste management industry.
- If there are new discoveries which lead to a new trend located in an area not serviced by the O&G waste management industry, then market forces will step in to fill that gap.

100 MILE RADIUS PROVISION

- Industry should not be allowed to dispose of oil field waste onsite except in certain limited circumstances; that is – only with landowner approval and only in properly engineered deep trenches.

TPH CLOSURE STANDARD FOR DEEP TRENCH BURIAL

- **2500 mg/kg TPH for onsite disposal.**
 - It encourages operators to promptly remove free oil and condensate from pits.
 - To allow hydrocarbon contaminated soil to remove in place is not proper waste management.
 - It is consistent with Part 36 and has been reviewed and approved by OCC.

TPH CLOSURE STANDARD FOR DEEP TRENCH BURIAL

- If the pit has been compromised, then it is a conservative and protective concentration.
- Volatile fractions (e.g.; BTEX) will usually have been almost completely volatilized.
- It is consistent with, but not identical to the NMED 1000 mg/kg standard for solid waste landfills.

TPH CLOSURE STANDARD FOR DEEP TRENCH BURIAL

- Data shows that the standard is achievable, even in landfills with degraded heavy hydrocarbons.
- It ensures that oily waste will not aerobically degrade after initially being buried followed by long term anaerobic degradation resulting in the formation of organic acids or other undesirable degradation by-products such as gases.

TPH CLOSURE STANDARD FOR DEEP TRENCH BURIAL

- Sampling data have documented that organic compounds are routinely managed in pits and that testing and treatment for these organics should logically be part of the closure and disposal process pursuant to subsection A of 19.15.17.11 NMAC.