



70-2-12 NMSA 1978

B (15) to regulate the disposition of water produced or used in connection with the drilling for or producing of oil or gas or both and to direct surface or subsurface disposal of the water in a manner that will afford reasonable protection against contamination of fresh water supplies designated by the state engineer;

70-2-12 NMSA 1978

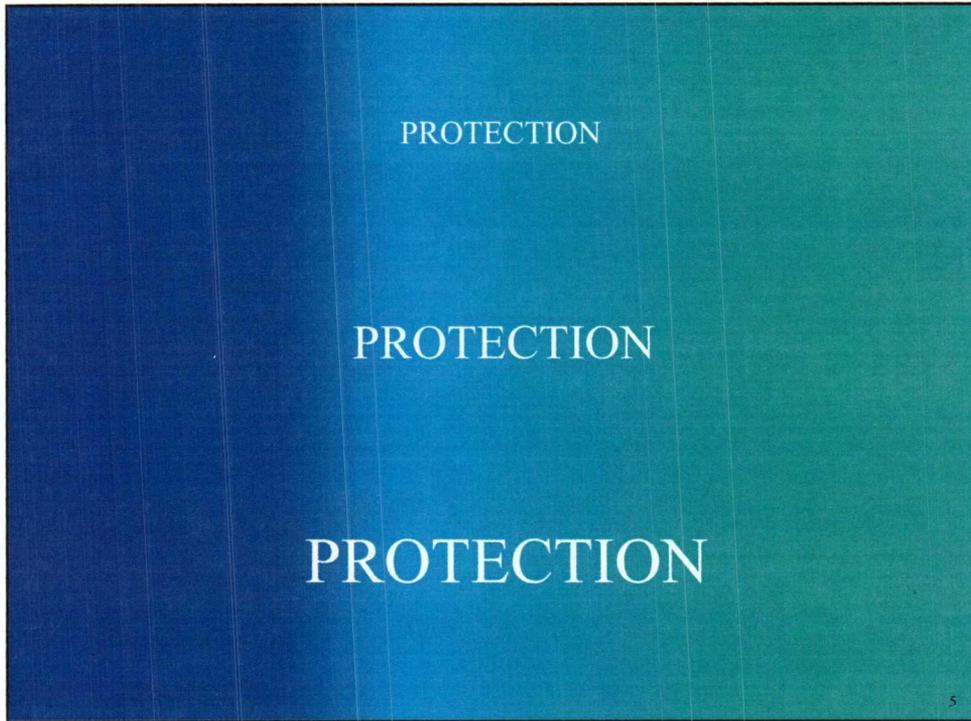
B (21) to regulate the disposition of non-domestic wastes resulting from the exploration, development, production or storage of crude oil or natural gas to protect public health and the environment; and

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70-2-12 NMSA 1978

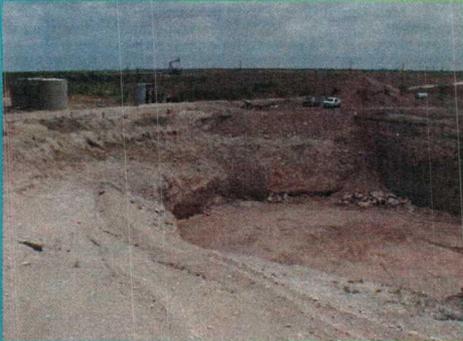
B (22) to regulate the disposition of non-domestic wastes resulting from the oil field service industry, the transportation of crude oil or natural gas, the treatment of natural gas or the refinement of crude oil to protect public health and the environment, including administering the Water Quality Act [Chapter 74, Article 6 NMSA 1978] as provided in Subsection E of Section 74-6-4 NMSA 1978.

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Environmental Regulatory Programs
Contamination Investigation and Remediation

Conduct hydrologic studies to assess the extent and cause of existing contamination. Investigate reports of contamination and require cleanup by the responsible party.



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Pit Registration

TYPE	NO.	LINED	UNLINED
LOCATION	12166	5475	6691
FACILITY	137	118	19
TRANSPORTATION	340	0	340
EMERGENCY	266	0	266
MISCELLANEOUS	330	16	314
UNKNOWN	9	0	9
TOTAL	13248	5609	7639

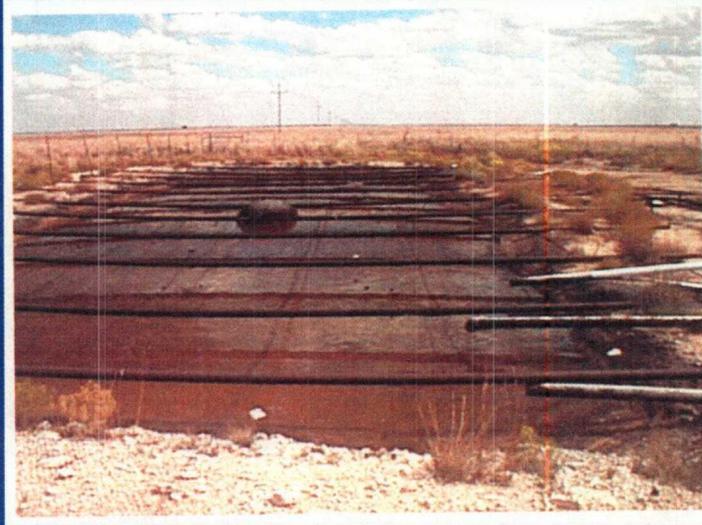
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PIT-CAUSED CONTAMINATION

TYPE	NO.	GW
LOCATION	6536	430
Drilling/Reserve	13	2
Workover	1	?
FACILITY	132	72
TRANSPORTATION	21	21
EMERGENCY	49	26
UNKNOWN	10	8
TOTAL	6748	557

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INJECTION PIT



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DRILLING PIT



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DRILLING PIT



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SEPARATOR PIT



12

PLAYA PIT



13

EMERGENCY PIT



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EMERGENCY PIT



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EMERGENCY PIT



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COST OF REMEDIATION

Soil	-	excavation costs
	-	disposal costs
	-	trucking costs
	-	\$3000 to \$100,000 range
Ground Water	-	Monitoring and recovery wells
-	-	Water sampling and monitoring
-	-	Remediation (installation/ O&M)
	-	\$10,000 - \$20,000 (minor sites)
	-	\$100,000 - \$millions (major sites)

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COST OF PREVENTION

Double Bottom Tank	-	\$2,000 - 5,000
Lined containment	-	\$2,500 - 3,500
Concrete containment	-	\$5,000 - 10,000

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Existing rules that apply to pits and below-grade tanks:

- Rule 105
- Rule 313
- Rule 18
- 19.15.2.1 - 15; The codification of R-7940 and R-3221

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Interstate Oil & Gas Compact Commission

June 1994 Recommendation VI-4 :

“OCD should develop requirements for the siting, construction, operation, and closure of reserve pits. In addition, OCD should develop and adopt requirements for construction and operation of on-site production and ancillary pits. Technical criteria to implement these requirements should allow for sufficient flexibility to accommodate any design which prevents contamination of fresh water, the health and safety of the public, and the quality of the environment. (IOGCC Guidelines, sections 5.3.4., 5.3.5., 5.3.6., 5.3.3., 5.1.2., and 5.1.c.)”

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STRONGER

August 2001 Follow-up Review Recommendation VI-4:

“This recommendation has been met with regard to lined pits and below-grade tanks. This recommendation has not been specifically met with regard to reserve pits. However, OCD has initiated rulemaking to clearly address reserve pits. **The Review Team recommends that OCD adopt these rules consistent with Section 5.5 (sic) of the 2000 Guidelines.**”

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June 2000 STRONGER Guidelines

“5.2.2 Permitting

a. A permitting or review process should be in place for all pits. Pits may be authorized by rule, general permit, individual permit, or as a part of an operational permit or program.”

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WORKGROUP MEMBERS

- New Mexico Oil & Gas Association
- Independent Petroleum Association of New Mexico
- Permian Basin Petroleum Association
- Sierra Club
- New Mexico Citizens for Clean Air & Water
- Fee & Public Land Users Association
- US Bureau of Land Management
- NM State Land Office
- NM Oil Conservation Division
- Jicarilla Tribe

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Highlights of Proposed Rule

- Consolidates and strengthens existing pit and below-grade tank rules
- Establishes a permitting and review process for all pits including drilling/reserve, emergency, and other pits that were previously excluded
- Eliminates “low volume exemptions” for unlined pits
- Establishes siting, construction, operation, and closure standards for pits
- Provides a mechanism for the division to evaluate the environmental effectiveness of the standards
- Affords the division sufficient flexibility to consider and approve innovative technology
- Increases public notification of proposed pits

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