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March 26, 2001

Mr. Steve Ross
State of New Mexico
Oil Conservation Division
1220 St. Francis Drive
Santa Fe, NM 87505

Dear Mr. Ross:

After reviewing proposed Rule 712, it is unclear the purpose and intent of the Order. The draft language, as written, reveals several concerns. To address these concerns, Williams respectfully asks the Oil Conservation Division (OCD) to review the following comments and consider the impact to current oil field waste management practices if the Order were to be approved as written.

Concern No. 1

In Subsection B(4) OCD has defined the term "EPA Clean". "EPA Clean" is especially confusing because the term "clean" normally results from some act of "cleaning". The terms "clean" and "cleaning" are used in 40 CFR Part 261.7 when a container with acute hazardous waste is triple rinsed to render the container "clean" and "empty". It appears the OCD intended to use the term "empty" synonymously with clean as these terms are used in D(1)(f), D(1)(g), D(1)(h), and D(1)(l), however, OCD should better define the term or use the term "RCRA empty". The term "RCRA empty" is commonly used and understood by individuals and companies involved in waste management. Please clarify.

Concern No. 2

Subsection D(1)(b) lists "Contaminated brush and vegetation arising from clearing operations". Since there is no testing requirement, does OCD intend to disregard the nature or type of contamination? OCD should evaluate aspects of 40 CFR Part 268 which defines debris and treatments standards for "hazardous debris" and consider revising this description.

Concern No. 3

Please define the term "cleaned well" as used in D(1)(m).

Concern No. 4

Has OCD considered the nature of chromium contamination? A review of 40 CFR Part 261.4 (b)(6)(i), reveals an exclusion for chromium contaminated waste if the chromium is trivalent chromium. OCD could avoid future waste characterization disputes by eliminating this test or include language recognizing the exclusions found in 40 CFR Part 261.4.

Concern No. 5

Why should gas condensate filters be tested for TPH and BTEX? The vast majority of filters will likely fail at least one of the limits in E(3) even after a period of 48 hours. The rationale for this type of analysis seems arbitrary and perhaps capricious, and no different than sampling used oil filters for oil and grease. Please explain and /or revise testing requirements or disposal limits.

Concern No. 6

What is meant by the term molecular sleeves as used in D(2)(k)?

Concern No. 7

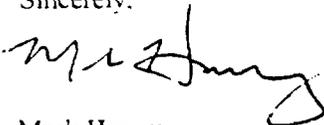
It is unclear if testing would be required for all wastes listed in D(3). If testing is required, would the limits used in Subsection E(3) be used? Do the limits specified in E(3) somehow incorporate NESHAP limits for Hazardous Air Pollutants and apply same to all oilfield wastes regardless of whether or not the NESHAP notification and control requirement applies? Please clarify. Further, Subsection E(2) lists test methods for various parameters but no limits for disposal acceptance / eligibility are defined.

Concern No. 8

Most of the wastes listed in the proposed Rule 712 are exempt from regulation as hazardous wastes under Section 3001 (b) (2) (A) of the Resource Conservation and Recovery Act (RCRA). With the limits specified in Subsection E(3), OCD in effect negates the RCRA exemption. Wastes, which are tested and found to exceed the limits, would have to be disposed of out of state in either Subtitle D or Subtitle C facilities. While it is recognized that not all wastes listed in proposed Order 712 would be found to exceed the limits in E(3) after testing, a large volume of these wastes would fail. Is it the intent of OCD to require generators to essentially determine if their oilfield waste is hazardous and then handle the waste differently than has been the historical practice? Does the OCD intend to have generators of oilfield wastes in New Mexico begin making arrangements for handling a portion of these wastes out of state? Has there been consideration given to the impact Rule 712 would have on waste disposal facilities in southwest Colorado or west Texas?

Williams appreciates the opportunity to provide comments and asks the OCD to consider other options over what appears to be development of more stringent criteria for disposing of Exploration and Production Waste in New Mexico. Perhaps further discussion with representatives of industry would be beneficial in developing improved waste management regulations to at least give OCD a chance to convey the overall intent of new regulations. With that understanding, the nature of the concerns expressed by industry may differ. Your review and consideration is appreciated.

Sincerely,



Mark Harvey
Project Coordinator

Cc: FCA file