

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

OIL CONSERVATION DIV
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**IN THE MATTER OF THE APPLICATION OF
BP/AMOCO PRODUCTION COMPANY FOR
PERMIT MODIFICATION AND AN EXEMPTION
TO THE PROVISIONS OF OIL CONSERVATION
DIVISION RULE 711, SAN JUAN COUNTY,
NEW MEXICO.**

CASE NO. 12707

APPLICATION

BP/Amoco Production Company (“BP/Amoco”) hereby makes application for an order modifying OCD Rule 711 Permit Approval No. NM-02-0003 and exempting it from certain provisions of Oil Conservation Division Rule 711 to permit it to accept and remediate crude oil contaminated soil from three oil pump stations located outside New Mexico at the BP Crouch Mesa Centralized Surface Waste Management Facility located in San Juan County, New Mexico, and in support of its application states:

1. By application dated March 27, 1998 (OCD Form C-137), Amoco Production Company sought approval from the Oil Conservation Division of its Crouch Mesa Centralized Waste Management Facility (“Crouch Mesa Facility”). This application was approved subject to certain conditions by the Oil Conservation Division on November 30, 1998 by OCD Rule 711 Permit Approval NM-02-0003.

2. OCD Permit Approval NM-02-0003 provides that this facility may accept certain oilfield wastes “that are generated in the State of New Mexico.” (Waste Acceptance Criteria, Paragraph 1).

3. Environmental Protection Company (“EPC”) operates the Crouch Mesa Facility located in the SW/4 SE/4 of Section 2, Township 29 North, Range 12 West,

NMPM, San Juan County, New Mexico pursuant to an agreement with BP Amoco. The Financial Assurance Requirements of OCD Rule 711 have been met.

4. Oil Conservation Division Rule 711 provides that a centralized surface waste management facility may only accept wastes generated in New Mexico.

5. Pursuant to OCD Rule 711 Permit Approval NM-02-003, the Crouch Mesa Facility "...is authorized to accept only exempt and "non-hazardous" non-exempt oil field wastes that are generated in the State of New Mexico by Amoco Production Company."

6. BP/Amoco conducts land farming operations at the Crouch Mesa Facility and seeks authorization to bring to this facility for remediation crude oil contaminated soils from five former BP/Amoco crude oil pump stations which are part of the former Line 90 crude oil pipeline (Line 90) that runs from New Mexico to southern California.

7. The remediation of these five sites is being overseen by the Navajo EPA and remediation activities at the two sites located in New Mexico is also being overseen by the Oil Conservation Division.

8. BP/Amoco seeks authorization to bring to the Crouch Mesa Facility for landfarming crude oil contaminated soils from the Red Mesa Pump Station located in the state of Utah and from the Tonalea Pump Station and the Cameron Pump Station located in the State of Arizona.

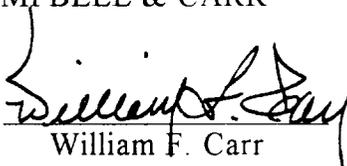
9. Approval of this application will result in the efficient management of these approved wastes in a manner which will not impair fresh water nor adversely impact public health or the environment.

WHEREFORE, BP/Amoco Production Company hereby requests that this application be set for hearing on August 9, 2001 before an examiner of the Oil Conservation Division and that after notice and hearing as required by law and the rules of the Division that the Division enter its order granting this application(1) modifying OCD Rule 711 Permit NM-02-0003 and (2) granting an exemption to Rule 711 to authorize BP/Amoco to accept for remediation non-New Mexico generated crude oil contaminated soils from the BP/Amoco operated Red Mesa Pump Station, the Tonalea Pump Station and the Cameron Pump Station.

Respectfully submitted,

HOLLAND & HART LLP
AND
CAMPBELL & CARR

By:


William F. Carr

ATTORNEYS FOR BP/AMOCO
PRODUCTION COMPANY

Case 12707 **Application of BP/Amoco Production Company for permit modification and an exemption to certain provisions of Oil Conservation Division Rule 711, San Juan County, New Mexico.** Applicant in the above-styled cause seeks an order modifying OCD Rule 711 Permit Approval NM-02-0003 for the BP Crouch Mesa Centralized Waste Management Facility and an exemption from the provision of Oil Conservation Division Rule 711 to permits it to accept wastes generated outside New Mexico at this centralized surface waste management facility. Applicant accepts for remediation by land farming crude oil contaminated soils from pump stations operated by BP which are part of the former ARCO Pipe Line crude oil pipeline (Line 90) that runs from New Mexico to southern California. Applicant seeks authorization to accept crude oil contaminated soils from two pump stations on this pipeline located in the state of Arizona and one pump station on this line located in the state of Utah. The BP Crouch Mesa Centralized Waste Management Facility is located in the SW/4 SE/4 of Section 2, Township 29 North, Range 12 West, NMPM which is approximately 4 miles southeast of Farmington, New Mexico.