

JAN 13 2003

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

**APPLICATION OF THE NEW MEXICO OIL CONSERVATION DIVISION,
THROUGH THE ENVIRONMENTAL BUREAU CHIEF, FOR AN ORDER
DETERMINING THE RESPONSIBLE PARTY OR PARTIES AND ORDERING
THE RESPONSIBLE PARTY OR PARTIES TO CONDUCT DIVISION-
APPROVED CORRECTIVE ACTION WITH RESPECT TO A HYDROCARBON
RELEASE; LEA COUNTY, NEW MEXICO**

CASE NO. 13004

APPLICATION FOR COMPLIANCE ORDER

1. On January 3, 2000 Mr. Gary Johnson filed a complaint of oil-contaminated soil on his property located at 1831 Mobile Rd in the City of Hobbs, New Mexico. Said property is located within the North Hobbs Unit in Section 28, Township 18 South, Range 38 East, Lea County, New Mexico.

2. An OCD investigation determined that the surface of the land around Mr. Johnson's trailer house at the above-referenced property is contaminated with highly weathered asphaltic type oil. The footprint of a former oilfield tank battery associated with the Moon State "A" lease is located on the western fence line of the property. Highly viscous oil can be found approximately 6 inches to 1 foot below the surface of the ground. Laboratory analyses show that the contaminated soils contain 352 – 16520 parts per million (ppm) of total petroleum hydrocarbons (TPH); up to 0.234 ppm of benzene; 0.0474 – 1.16 ppm of ethylbenzene; and, 0.183 - 4.23 ppm of xylene. Information filed with the OCD also indicates that there were pits associated with the tank battery.

3. Samedan Oil Corporation ("Samedan") was the operator of the Moon State A lease prior to February 1, 1980. On information and belief, the Division alleges that Samedan constructed and operated a tank battery on Mr. Johnson's property that is the probable source of the existing contamination.

4. On February 1, 1980, the Moon State "A" lease was incorporated into the North Hobbs Unit, and Shell Oil Corporation ("Shell") assumed operation of the property. On information and belief, the Division alleges that Shell operated the tank battery on Mr. Johnson's property for approximately one year prior to causing the said tank battery to be dismantled.

5. In 1997, Occidental Permian Ltd., f/k/a/ Altura Energy Ltd., ("Occidental Permian") assumed operation of the North Hobbs Unit, including the Moon State "A" lease.

6. The above-described hydrocarbon contamination constitutes a potential danger to public health and the environment.

7. OCD Rule 116.D [19.15.3.166.D NMAC] provides:

D. Corrective Action. The responsible person must complete Division approved corrective action for releases which endanger public health or the environment. Releases will be addressed in accordance with a remediation plan submitted to and approved by the Division or with an abatement plan submitted in accordance with Section 19 of 19.15.1 NMAC.

8. OCD Rule 7.R(5) [19.15.1.7.R(5) NMAC] provides:

(5) Responsible Person shall mean the owner or operator who must complete Division approved corrective action for pollution from releases.

9. The Division's Environmental Bureau has determined that Samedan, Shell and Occidental Permian are responsible persons who should be required to complete

corrective action to remediate the contamination existing and that may exist at Mr. Johnson's property. However, Samedan and Shell have failed and refused to submit a plan of corrective action as demanded, and Occidental Permian has denied that they are a responsible person.

WHEREFORE, the Chief of the Environmental Bureau of the Division hereby applies to the Director to enter an order:

- A. Determining that Samedan, Shell and Occidental Permian are responsible persons with respect to the hydrocarbon release herein described, and, as such, are required by Rule 116.D to complete division-approved corrective action.
- B. Ordering each of said responsible persons, or all of them jointly, to submit a remediation plan for approval by the Division by a date fixed in said order, and thereafter to perform corrective action in accordance with a plan approved by the Environmental Bureau of the Division.
- C. For such other and further relief as the Division deems just and proper under the circumstances.

RESPECTFULLY SUBMITTED,



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Case No. 13004: **Application of the New Mexico Oil Conservation Division, through the Environmental Bureau Chief, for an Order Determining the Responsible Party or Parties and Ordering the Responsible Party or Parties to Conduct Division-Approved Corrective Action with respect to a Hydrocarbon Release; Lea County, New Mexico.** The Applicant seeks an order determining the responsible parties with respect to a release of hydrocarbons identified as a danger to public safety and the environment, located on the Moon State "A" lease in the North Hobbs Unit, in Section 28, Township 18 South, Range 38 East, NMPM, Lea County, New Mexico.

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