



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

TONEY ANAYA
GOVERNOR

November 5, 1986

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-5800

Mr. George A. Graham, Jr. Re: CASE NO. 3911
Siegenthaler & Graham ORDER NO. R-3341
Attorneys at Law
Post Office Drawer Z Applicant:
Artesia, New Mexico 83211-0657 OCD (I & W, Inc.)

Dear Sir:

Enclosed herewith are two copies of the above-referenced Division order recently entered in the subject case.

Sincerely,

R. L. STAMETS
Director

RLS/fd

Copy of order also sent to:

Hobbs OCD x
Artesia OCD x
Aztec OCD x

Other _____

SIEGENTHALER & GRAHAM

ATTORNEYS & COUNSELORS AT LAW

212 SOUTH FOURTH STREET

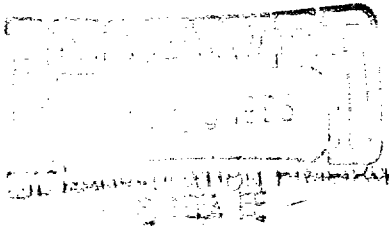
POST OFFICE DRAWER Z

ARTESIA, NEW MEXICO 88211-0657

(505) 746-9881

WILLIAM M. SIEGENTHALER
OF COUNSEL

GEORGE A. GRAHAM, JR.



June 16, 1986

*Case File
BFI*

State of New Mexico
Energy and Minerals Department
Oil Conservation Division
P. O. Box 2088
Santa Fe, NM 87501

ATTENTION: Jeffery Taylor
General Counsel

Re: Docket No. 18-86
Case 8911
I & W, Inc. Unauthorized Disposal of Produced Water

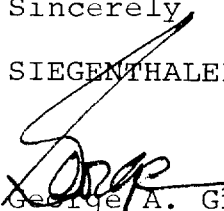
Dear Jeff:

Enclosed is a draft from my files of the Water Disposal Policy for I & W, Inc., which I referred to at the hearing on the 12th. If you have any suggestions in connection with this policy, I would appreciate them.

Thank you very much. Best regards.

Sincerely,

SIEGENTHALER & GRAHAM


George A. Graham, Jr.

GAG:pao

Enclosure

I & W, INC.

WATER DISPOSAL POLICY

It has always been the policy of I & W, Inc. to dispose of produced water in accord with the rules and regulations of the Oil Conservation Division.

Recently, I & W has been cited for illegal disposition of produced water.

The disposition of produced water in a manner contrary to the Oil Conservation Division rules and regulations is an extremely serious matter.

In accord with the policy of the company, produced water will be delivered to approved salt water disposal facilities, secondary recovery or pressure maintenance injection facilities, or to drillsites for use in drilling fluids, or to such locations as are the basis of the district office's granting of a temporary exception for emergency situations and for use of produced water in road construction or maintenance.

Any violation of this policy will be grounds for immediate dismissal from employment.

P 612 458 312
RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL

(See Reverse)

PS Form 3811, July 1983 447-845

PS Form 3800, Feb. 1982

Sent to Jack Case - I & W Inc.	
Street and No. Box 176	
P.O., State and ZIP Code Artesia, N.M. 88210	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to whom and Date Delivered	
Return receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees	\$
Postmark or Date	

PS Form 3811, July 1983 447-845

DOMESTIC RETURN RECEIPT

● **SENDER: Complete items 1, 2, 3 and 4.**

Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for service(s) requested.

- ☒ Show to whom, date and address of delivery.
- ☐ Restricted Delivery.

3. Article Addressed to:
Jack Case - I & W, Inc.
Box 176
Artesia, New Mexico 88210

4. Type of Service:	Article Number
<input type="checkbox"/> Registered <input checked="" type="checkbox"/> Certified <input type="checkbox"/> Express Mail	<input type="checkbox"/> Insured <input type="checkbox"/> COD P 612 458 312

Always obtain signature of addressee or agent and
DATE DELIVERED.

5. Signature - Addressee
X

6. Signature - Agent
X *Erwin Dickey*

7. Date of Delivery
5-9-86

8. Addressee's Address (ONLY if requested and fee paid)

TONEY ANAYA
GOVERNORSTATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

May 6, 1986



1935 - 1985

POST OFFICE BOX 3088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-5800CERTIFIED - RETURN
RECEIPT REQUESTED

Case 8911

Mr. Jack Case
I & W, Inc.
P. O. Box 176
Artesia, New Mexico 88210

Re: Unauthorized Disposal of Produced Water

Dear Mr. Case:

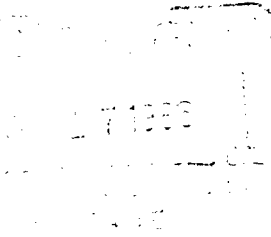
I have received your letter of April 14, 1986, in which you responded to our inquiry of April 7 regarding alleged unauthorized disposal of produced water. Because the explanation in your letter does not comport with the reports that we have received regarding this incident, a hearing has been scheduled for June 12, 1986 at 8:15 a.m. for I & W, Inc. to show cause why its Form C-133, Authorization to Transport Produced Water, should not be cancelled.

Please be advised that at this time the Division will present evidence that I & W, Inc. failed to comply with the rules of the Division regarding transportation and disposal of produced water. I & W should be prepared to present an explanation of the events relating to the unauthorized disposal of water on March 25 and 26, 1986. Failure to appear and present evidence will result in cancellation of Form C-133.

Sincerely,


JEFFERY TAYLOR
General Counselcc: Mike Williams - Artesia District Office
R. L. Stamets, Director
Jami Bailey, Field Representative

BEFORE MARY ANN ...
ON ...
OCD ... 6
CASE NO. 8911

*Jeff*

ARTESIA, NEW MEXICO - 88210

April 14, 1986

State of New Mexico
 Energy and Minerals Department
 Oil Conservation Division
 P. O. Box 2088
 Santa Fe, New Mexico 87501

Attention: Mr. Jeff Taylor
 General Counsel

Dear Sir:

On March 25 and 26, 1986, Carl Bell, a truck driver for I. & W, Inc. dumped produced water on his personal lot to kill the weeds.

Mr. Bell is well aware of the rule not to dump produced water on roads or locations, but since it was on this driver's personal property, he took the liberty of dumping this water on his lot, in the hope he could kill out unwanted brush and weeds.

Since this incident happened there has not been any more produced water dumped anywhere that was not legal.

It certainly was not I. & W. Inc. intent to dump produced water illegally. I have since talked to Mr. Bell and told him how serious a mistake this was, and what the results could be.

Sincerely,

Jack Case
 Jack Case
 Vice President

JC:plb

*Case 8911
 Does not comport with
 field inspection. Talk
 to be sure and
 then set a show cause
 hearing on canceling
 C-193 for Commission
 send letter to
 I & W
 BLL*

EXHIBIT A
OCD 5
CASE NO. 8911



ARTESIA, NEW MEXICO - 88210

April 14, 1986

State of New Mexico
Energy and Minerals Department
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Attention: Mr. Jeff Taylor
General Counsel

Dear Sir:

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It certainly was not I. & W. Inc. intent to dump produced water illegally. I have since talked to Mr. Bell and told him how serious a mistake this was, and what the results could be.

Sincerely,

Jack Case
Vice President

JC:plb

P 612 458 024

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL

(See Reverse)

★ U.S.G.P.O. 1983-403-517

PS Form 3800, Feb. 1982

Sent to MR. JACK CASE	
Street and No. P O. BOX 176	
P.O., State and ZIP Code ARTESIA, NEW MEXICO 88210	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to whom and Date Delivered	
Return receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees	\$
Postmark or Date	

PS Form 3811, July 1983 447-845

DOMESTIC RETURN RECEIPT

● **SENDER: Complete items 1, 2, 3 and 4.**

Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for service(s) requested.

1. ☐ Show to whom, date and address of delivery.

2. ☐ Restricted Delivery.

3. Article Addressed to:

MR. JACK CASE
I & W INC.
P. O. BOX 176
ARTESIA, NEW MEXICO 88210

4. Type of Service:

☐ Registered ☐ Insured
☒ Certified ☐ COD
☐ Express Mail

Article Number
P 612 458 024

Always obtain signature of addressee or agent and
DATE DELIVERED.

5. Signature - Addressee
X *Erwin Dufey*

6. Signature - Agent
X

7. Date of Delivery
4-11-86

8. Addressee's Address (ONLY if requested and fee paid)



TONEY ANAYA
GOVERNOR

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

April 7, 1986



1935 - 1985

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-5830

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Jack Case
I & W, Inc.
P. O. Box 176
Artesia, New Mexico 88210

Re: Illegal Disposal of Produced Water

Dear Mr. Case:

The Oil Conservation Division has received several reports, including one from the Eddy County Sheriff's Department relating to illegal disposal of produced water from one of your trucks on the nights of March 24 and 25, 1986. The truck, bearing New Mexico plates WD 06004 and FR 23335, was reported parked on East Compress Road in Artesia after midnight both nights. Produced water filled the ditch beside the truck. Analysis of the water indicated chlorides to be 126000 ppm. Although no driver was in the truck at the time, it appears that Carl Bell, who is employed by I & W, lived in the immediate area and was probably driving the truck prior to the incident in question.

Disposal of produced water onto the surface of the ground is a violation of OCD Rule 710. It is grounds for cancellation of Form 133, Authorization to Move Produced Water. The Division considers intentional dumping to be a serious matter. Moreover, in reviewing your file it appears that you have been cited in the past for illegal disposal. Because of the nature of this violation and the past record of I & W, we are considering calling a hearing to show cause why your Form 133, Authorization to Move Produced Water, should not be cancelled. In addition, the Division can file suit to collect civil or criminal damages of \$1000.00 and \$5000.00 per violation.

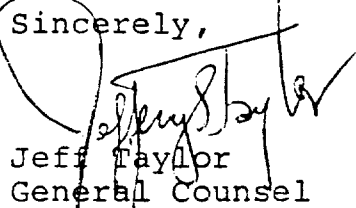
Prior to making any recommendations on this matter, I would like to hear any response you have to make to the above charges. I am therefore notifying you that I & W Inc. has

BEFORE EXAMINER CATAMACH
OIL CONSERVATION DIVISION
OCD EXHIBIT NO. 461
CASE NO. 8911

ten days from the receipt of this letter in which to explain, in writing, its account of the events surrounding the unauthorized discharges of produced water from one of its trucks on the nights of March 25 and 25, 1986.

If you have any questions regarding this matter, you may contact me at 827-5805.

Sincerely,



Jeff Taylor
General Counsel

JT/et

BEFORE EXAMINER CAP 61 106
OIL CONTROL DIVISION
OCD EXHIBIT NO. 4(p.2)
CASE NO. 8911