

STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



BRUCE KING  
GOVERNOR

POST OFFICE BOX 2088  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87504  
(505) 827-5800

June 4, 1991

Mr. Tom Kimball  
Cibola Energy Corporation  
P. O. Box 1668  
Albuquerque, New Mexico 87103

RE: CASE NO. 10304  
ORDER NO. R-9512

Dear Sir:

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

Sincerely,

*Florene Davidson*

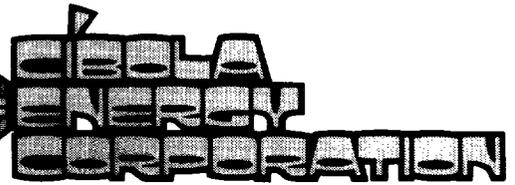
Florene Davidson  
OC Staff Specialist

FD/sl

cc: BLM Carlsbad Office

OIL CONSERVATION DIVISION  
RECEIVED

Post Office Box 166891 Albuquerque, New Mexico 87103 / (505) 843-6762



Reference \_\_\_\_\_

May 13, 1991

*ms  
D/C*

By Fax to: Michael Stogner  
Oil Conservation Division  
(505) 827-5741

Re: Case Number 10304

Dear Mr. Stogner:

Confirming my conversation with your office this morning, Cibola Energy Corporation is withdrawing its application (Case # 10304) for a unit agreement in Otero County, New Mexico.

Kindly remove our Case # 10304 from the Docket for this Thursday, May 16, 1991.

Yours truly,

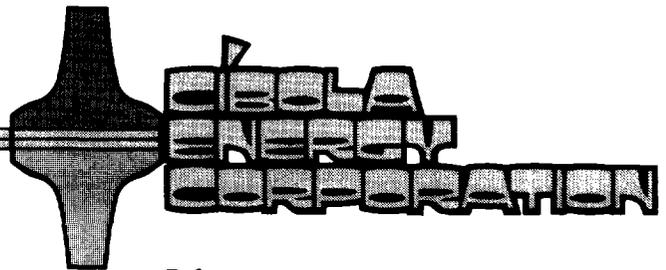
A handwritten signature in cursive script that reads "Tom Kimball".

Tom Kimball  
Landman

Sent from Fax: (505) 242-8501

Post Office Box 1668 / Albuquerque, New Mexico 87103 / (505) 843-6762

'91 MAY 9 AM 8 30



Monday, May 6, 1991

*Case 10304*

By Fax to: Michael Stogner  
Oil Conservation Division  
(505) 827-5741

Dear Mr. Stogner:

Confirming our telephone conversation of this afternoon, the BLM in Roswell has requested that the boundaries of our proposed Tularosa Federal Unit be changed to reflect a net addition of 800.00 acres. The revised Unit totals are as follows:

12,324.37 acres of Federal lands  
6,726.24 acres of State lands  
40.00 acres of Fee lands

19,090.61 acres in revised total

The same Townships and Ranges as advertised in your Case 10304 for the Docket for Thursday, May 16, 1991 remain.

Separately, as page two(2) of this fax, is the new unit area.

Yours truly,

A handwritten signature in cursive script that reads "Tom Kimball".

Tom Kimball  
Landman

wptUUNLAND  
April 29, 1991

TULAROSA FEDERAL UNIT  
All lands located in Otero County, New Mexico

Township 13 South, Range 10 East:

Section 13: S/2, NE/4  
Section 21: S/2  
Section 22: All  
Section 23: All  
Section 24: All  
Section 25: All  
Section 26: All  
Section 27: All  
Section 28: All  
Section 29: All  
Section 30: SE/4  
Section 31: E/2  
Section 32: All  
Section 33: All  
Section 34: All  
Section 35: All  
Section 36: All

Township 13 South, Range 11 East:

Section 7: Lots 7-12; E/2  
Section 18: Lots 1-12; E/2 (All)  
Section 19: Lots 1-12; E/2 (All)  
Section 20: S/2  
Section 21: SW/4  
Section 28: NW/4  
Section 29: N/2; SW/4; N/2 SE/4; SW/4 SE/4  
Section 30: Lots 1-12; E/2 (All)  
Section 31: Lots 1-11; N/2 NE/4; SW/4 NE/4; NW/4 SE/4

Township 14 South, Range 10 East:

Section 1: Lots 1-4; S/2 NW/4; SW/4  
Section 2: Lots 1-4; S/2 N/2; S/2 (All)  
Section 3: Lots 1-4; S/2 N/2; S/2 (All)  
Section 4: Lots 1-4; S/2 N/2; S/2 (All)  
Section 5: Lots 1-4; S/2 N/2; SE/4  
Section 8: NE/4  
Section 9: All  
Section 10: N/2; SW/4; N/2 SE/4; SW/4 SE/4  
Section 11: W/2 NE/4; NW/4; N/2 SW/4  
Section 15: NW/4  
Section 16: NE/4

Township 14 South, Range 11 East:

Section 6: Lots 4,5

## ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

BRUCE KING  
GOVERNORMEMORANDUMPOST OFFICE BOX 2088  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87504  
(505) 827-5800

TO: ALL OPERATORS

FROM: WILLIAM J. LEMAY, Director, Oil Conservation Division *WJL*

SUBJECT: RECENT FEDERAL ENVIRONMENTAL ACTION REGARDING  
EXPLORATION AND PRODUCTION WASTES

DATE: APRIL 25, 1991

This memo summarizes and provides information on three recent federal actions involving oil and gas exploration and production wastes.

1. On February 25, 1991, EPA Region 6, Dallas, issued final Clean Water Act NPDES General Permits for oil and gas facilities in the Onshore Subcategory of the Oil and Gas Extraction Point Source Category for the States of Louisiana, New Mexico, Oklahoma and Texas. These permits prohibit all discharges of pollutants to waters of the U.S. from these facilities consistent with the requirements codified at 40 CFR Part 435, Subpart C. The permits became effective on March 27, 1991. Under the New Mexico permit (NMG 320000), discharges to "waters of the United States" (e.g. watercourses, rivers, streams, lakes, and playas, etc.) are prohibited, and operators are directed to operate in accordance with OCD Rules and Regulations. The permit does not require the operator to make application or contact EPA unless a discharge actually occurs. In the event of bypass or upset discharge, 24-hour reporting to EPA is required. (Note: Discharges specifically authorized by EPA-issued NPDES permits under the Agriculture and Wildlife Water Use, or Stripper Subcategories are not affected by this rule).
2. In a legal opinion issued by letter from EPA Region 6 on March 26, 1991, Laguna Gatuna (a natural playa salt lake in western Lea County) is now considered to be a "water of the United States" for purposes of regulation under the Federal Clean Water Act, and discharges of oil and gas wastes to the playa are prohibited without a federal NPDES permit. The opinion was requested by the NM Environment Department as a result of information provided by the US Fish and Wildlife Service. In the opinion, EPA states that under EPA's current definition of "waters of the U.S.", "even potential use by migratory birds is sufficient to show a specific surface water is subject to federal jurisdiction under the Clean Water Act." As a result of this action and the effect of the new NPDES General Permit discussed above, facilities discharging oilfield wastes to

MEMORANDUM

April 25, 1991

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playas may not be in compliance with the federal Clean Water Act even though they have OCD-approved state permits. All operators discharging to such playas should review these developments with legal counsel familiar with federal environmental law and be prepared to modify discharge methods if necessary. This action does not change the status of OCD-approved permits; these permits remain in effect. Any modification to operations would be as a result of the requirements of federal law.

3. On April 2, 1991, EPA Washington, by letter, issued a preliminary determination that wastes generated by crude oil and tank bottom reclamation facilities are exempt from Subtitle C (Hazardous Waste) provisions of RCRA. This opinion was requested by several operators in southeast New Mexico and west Texas as a result of EPA's action, effective last fall, listing certain production-related wastes containing naturally occurring benzene as hazardous wastes. The April 2nd determination will be made final when published in the Federal Register, likely within the next 60 days. In the meantime, OCD believes the EPA letter serves as notification to treating plants and other reclamation facilities that they can again receive and treat these wastes under current OCD-approved permits. However, facilities can receive only production wastes for treatment (i.e. no used motor oils, or refined product tank bottoms) and no RCRA-regulated solvents may be used to treat production wastes (e.g. no chlorinated solvents or solvent mixtures containing xylenes, toluene and other mixtures as listed in 40 CFR Part 261.31).

Copies of all EPA documents mentioned in this memorandum are available at OCD district offices or through the Environmental Bureau in Santa Fe.

WJM/DGB/sl