

**NM1 - 27**

**PERMITS,  
RENEWALS, &  
MODS**



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

**GARY E. JOHNSON**  
Governor  
**Jennifer A. Salisbury**  
Cabinet Secretary

**Lori Wrotenbery**  
Director  
Oil Conservation Division

November 16, 2000

**CERTIFIED MAIL**  
**RETURN RECEIPT NO. 7099-3220-0000-5051-1224**

Mr. Kelly Maclaskey  
Kelly Maclaskey Oilfield Services, Inc.  
P.O. Box 580  
Hobbs, New Mexico 88241

**RE:   OCD Rule 711 Permit Approval NM-01-0027**  
**Kelly Maclaskey Oilfield Services, Inc.**  
**Commercial Surface Waste Management Facility**  
**NW/4 NW/4 Section 16, Township 20 South, Range 37 East, NMPM**  
**Lea County, New Mexico**

Dear Mr. Maclaskey

The permit application for the Kelly Maclaskey Oilfield Services, Inc. (Maclaskey) commercial surface waste management facility located in the NW/4 NW/4 Section 16, Township 20 South, Range 37 East, NMPM, Lea County, New Mexico is hereby approved in accordance with New Mexico Oil Conservation Division (OCD) Rule 711 under the conditions contained in the enclosed attachment. In addition, a \$25,000 cash bond CD#6965 has been submitted by Maclaskey and approved by the Director. The application consists of the permit application Form C-137 dated August 8, 1997.

The operation, monitoring and reporting shall be as specified in the enclosed attachment. All modifications and alternatives to the approved treating plant methods must receive prior OCD approval. Maclaskey is required to notify the Director of any facility expansion or process modification and to file the appropriate materials with the Division.

Please be advised approval of this facility permit does not relieve Maclaskey of liability should your operation result in pollution of surface water, ground water, or the environment. In addition, OCD approval does not relieve Maclaskey of responsibility for compliance with other federal, state or local laws and/or regulations.

Mr. Kelly Maclaskey

November 16, 2000

Page 2

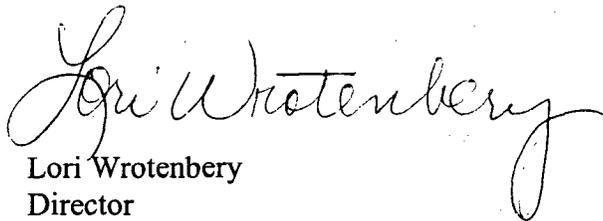
Please be advised that all tanks exceeding 16 feet in diameter and exposed pits, ponds or lagoons must be screened, netted or otherwise rendered nonhazardous to migratory birds. In addition, OCD Rule 310 prohibits oil from being stored or retained in earthen reservoirs or open receptacles.

The facility is subject to periodic inspections by the OCD. The conditions of this permit will be reviewed by the OCD no later than five (5) years from the date of this approval and the facility will be inspected at least once a year. In addition, the closure cost estimate will be reviewed according to prices and remedial work estimates at the time of the five (5) year review. The financial assurance may be adjusted to incorporate any closure cost changes.

Enclosed are two copies of the conditions of approval. **Please sign and return one copy to the OCD Santa Fe Office within five working days of receipt of this letter.**

If you have any questions please do not hesitate to contact Martyne J. Kieling at (505) 827-7153.

Sincerely,



Lori Wrotenbery  
Director

LW/mjk

xc with attachments:  
Hobbs OCD Office

**ATTACHMENT TO OCD 711 PERMIT APPROVAL  
PERMIT NM-01-0027  
KELLY MACLASKEY OILFIELD SERVICES, INC.  
NW/4 NW/4 of Section 16, Township 20 South, Range 37 East, NMPM,  
Lea County, New Mexico  
(November 16, 2000)**

**TREATING PLANT OPERATION**

- 1 The facility must be fenced and have a sign at the entrance. The sign must be legible from at least fifty (50) feet and contain the following information: a) name of the facility; b) location by section, township and range; and c) emergency phone number.
2. Disposal may occur only when an attendant is on duty. The facility must be secured when no attendant is present.
3. The facility must be maintained such that there will be no storm water runoff beyond the boundaries of the facility.
4. Any design changes to the treating plant must be submitted to the OCD Santa Fe office for approval and a copy must be sent to the Hobbs District office.
5. Facility inspection and maintenance must be conducted on at least a weekly basis and immediately following each consequential rainstorm or windstorm. The OCD Santa Fe and Hobbs offices must be notified within 24 hours if any defect is noted. Repairs must be made as soon as possible. If the defect will jeopardize the integrity of the tank(s), additional wastes may not be placed into the affected tank(s) until repairs have been completed.
6. All saddle tanks or drums located at the facility and containing materials other than fresh water must be placed on an impermeable pad with curb containment. The pad and curb containment must be able to hold one and one-third the volume of the largest tank or all interconnected tanks. The tanks and containers must be labeled as to contents and hazards.
7. All above-ground tanks located at the facility and containing materials other than fresh water must be placed on an impermeable pad and be bermed so that the area will contain one and one-third the volume of the largest tank or all interconnected tanks, whichever is greater. All above-ground tanks must be labeled as to contents and hazards.
8. Below-grade sumps and below-grade tanks must be inspected on a weekly basis and any fluid must be removed to prevent overflow.

9. Below-grade sumps and below-grade tanks must be cleaned and visually inspected annually. Results must be recorded and maintained at the facility for OCD review. If sump/tank integrity has failed the OCD must be notified within 48 hours of discovery and the sump/tank must be replaced.
10. All new or replacement below-grade sumps and below-grade tanks at the facility must have secondary impermeable containment with a leak detection system. The leak detection system must be inspected for fluids weekly. Results must be recorded and maintained at the facility for OCD review. If fluids are present they must be removed and properly disposed of or recycled and the primary containment checked for leaks and repaired or replaced. Records of inspections and repairs must be made available to the OCD upon request.
11. Liquid and solid waste generated at the treating plant must be disposed of at an OCD-approved disposal facility.
12. To protect migratory birds, all tanks exceeding 16 feet in diameter and exposed pits and ponds shall be screened, netted or covered.
13. Within 24 hours of receiving notification from the OCD that an objectionable odor has been detected or reported, the facility must implement the following response procedure:
  - a. log date and approximate time of notice that an odor exists;
  - b. log investigative steps taken, including date and time, and conclusions reached; and
  - c. log actions taken to alleviate the odor, which may include adjusting chemical treatment, air sparging, solidification, landfarming, or other similar responses.

A copy of the log, signed and dated by the facility manager, must be maintained for OCD review.

### **H<sub>2</sub>S PREVENTION & CONTINGENCY PLAN**

1. Maclaskey must develop a prevention and contingency plan for ambient H<sub>2</sub>S levels to protect public health. **The H<sub>2</sub>S prevention and contingency plan must be submitted to the OCD Santa Fe and Hobbs offices for approval by January 16, 2000.** The plan must address how Maclaskey will monitor for H<sub>2</sub>S to ensure the following:
  - a. If H<sub>2</sub>S of 1.0 ppm or greater leaves the property;

- i. the operator must notify the Hobbs office of the OCD immediately; and
  - ii. the operator must begin operations or treatment that will mitigate the source.
- b. If H<sub>2</sub>S of 10.0 ppm or greater leaves the property:
- i. the operator must immediately notify the Hobbs office of the OCD and the following public safety agencies:  
  
New Mexico State Police;  
Lea County Sheriff; and  
Lea County Fire Marshall; and
  - ii. the operator must notify all persons residing within one-half (½) mile of the fence line and assist public safety officials with evacuation as requested; and
  - iii. the operator must begin operations or treatment that will mitigate the source.

### **WASTE ACCEPTANCE CRITERIA**

1. The facility is authorized to accept only oilfield wastes that are exempt from RCRA Subtitle C regulations and that do not contain Naturally Occurring Radioactive Material regulated pursuant to 20 NMAC 3.1 Subpart 1403 (NORM). All loads of these wastes received at the facility shall be accompanied by a "Generator Certificate of Waste Status" signed by the generator.
2. At no time may any OCD-permitted surface waste management facility accept wastes that are hazardous by either listing or characteristic testing.
3. No waste will be accepted at the treating plant unless it is accompanied by an approved Form C-117-A.
4. No produced water may be received at the facility unless the transporter has a valid Form C-133, Authorization to Move Produced Water, on file with the Division.
5. The transporter of any wastes to the facility must supply a certification that wastes delivered are those wastes received from the generator and that no additional materials have been added.

## REPORTING

1. The Treating Plant Operator's Monthly Report (Form C-118 sheet 1 and 1-A), which details the oil recovered and sold during the preceding month, must be submitted to the OCD Hobbs office monthly.
2. The Tank Cleaning, Sediment Oil Removal, Transportation of Miscellaneous Hydrocarbons and Disposal Permit (Form C-117) must be submitted to the OCD Hobbs office according to form directions.
3. Records of treating plant inspections and maintenance must be kept and maintained for OCD review.
4. Maclaskey must notify the **OCD Santa Fe and Hobbs offices within 24 hours** of any fire, break, leak, spill, blow out or any other circumstance that could constitute a hazard or contamination in accordance with OCD Rule 116.
5. Comprehensive records of all material disposed of at the facility must be maintained. The records for each load must include: 1) generator; 2) origin; 3) date received; 4) quantity; 5) certification of waste status as exempt; 6) NORM status declaration; and 7) transporter.
6. The OCD must be notified prior to the installation of any pipelines or wells or other construction within the boundaries of the facility.

## FINANCIAL ASSURANCE

1. Financial assurance in the amount of **\$25,000** (the estimated cost of closure) in the form of a surety or cash bond or a letter of credit, which is approved by the Division, is required from Kelly Maclaskey Oilfield Services, Inc. for the commercial surface waste management facility.
2. The facility is subject to periodic inspections by the OCD. The conditions of this permit and the facility will be reviewed no later than five (5) years from the date of this approval. In addition, the closure cost estimate will be reviewed according to prices and remedial work estimates at the time of review. The financial assurance may be adjusted to incorporate any closure cost changes.

## CLOSURE

1. The OCD Santa Fe and Hobbs offices must be notified when operation of the facility is to be discontinued for a period in excess of six (6) months or when the facility is to be dismantled. Within six (6) months after discontinuing use or within 30 days of deciding to dismantle the facility a closure plan must be submitted to the OCD Santa Fe office for approval. The operator must complete cleanup of constructed facilities and restoration of the facility site within six (6) months of receiving the closure plan approval, unless an extension of time is granted by the Director.
  
2. The closure plan to be submitted must include the following procedures:
  - a. When the facility is to be closed no new material may be accepted.
  - b. All tanks must be emptied and any waste and recyclable material must be hauled to an OCD-approved facility. The empty tanks and equipment must be removed.
  - c. Contaminated soils exceeding OCD closure standards for the site must be removed or remediated.
  - d. The area must be contoured, seeded with native grasses and allowed to return to its natural state. If the landowner desires to keep existing structures, berms, or fences for future alternative uses, the structures, berms, or fences may be left in place.
  - e. Closure must be pursuant to all OCD requirements in effect at the time of closure, and any other applicable local, state and/or federal regulations.

## CERTIFICATION

Kelly Maclaskey Oilfield Services, Inc., by the officer whose signature appears below, accepts this permit and agrees to comply with all terms and conditions contained herein. Kelly Maclaskey Oilfield Services, Inc. further acknowledges that these conditions and requirements of this permit may be changed administratively by the Division for good cause shown as necessary to protect fresh water, public health and the environment.

Accepted:

**KELLY MACLASKEY OILFIELD SERVICES, INC.**

Signature \_\_\_\_\_ Title \_\_\_\_\_ Date \_\_\_\_\_



NEW MEXICO ENERGY, MINERALS  
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION  
2040 South Pacheco Street  
Santa Fe, New Mexico 87505  
(505) 827-7131

July 23, 1997

**CERTIFIED MAIL**  
**RETURN RECEIPT NO. P-326-936-313**

Mr. Kelly Maclaskey  
P.O. Box 580  
Hobbs, New Mexico 88241

**RE: Transfer of Bandera Petroleum, Inc. Waste Management Facility to  
Kelly Maclaskey Oilfield Services, Inc.  
NW/4 NW/4 of Section 16, Township 20 South, Range 37 East, NMPM  
Lea County, New Mexico  
Bond: Sunwest Bank of Hobbs, CD No. 6965**

Dear Mr. Maclaskey:

The New Mexico Oil Conservation Division (OCD) has received both a request from Kelly Maclaskey Oil Services (dated June 18, 1997) and Bandera Petroleum, Inc. (dated June 12, 1997) to transfer ownership of the Bandera Petroleum, Inc. Waste Management Facility, located in NW/4 NW/4 of Section 16, Township 20 South, Range 37 East, NMPM Lea County, New Mexico, to Kelly Maclaskey Oil Services, Inc. (Maclaskey). The request is hereby approved in accordance with OCD Rule 711.

The OCD has received the formal transfer acceptance letter from Sunwest Bank of Hobbs, dated July 9 1997, regarding the transfer of CD No. 6965 for twenty five thousand dollars (\$25,000) from Jimmy Curtis, President of Bandera Petroleum, Inc. to Kelly Maclaskey, President of Kelly Maclaskey Oilfield Services, Inc.

Please be advised, pursuant to Order R-10411-B the OCD General Rule 711 has been revised. The current \$25,000 bonded amount will have to be replaced by Maclaskey to equal the estimated closure cost of the facility. This facility will be subject to this modification upon notification and Maclaskey will be required to conform to the new bonding requirement.

All modifications and alternatives to the approved disposal methods must receive prior OCD approval. Maclaskey is required to notify the director of any facility expansion or process modification and to file the appropriate materials with the Division.

Please be advised approval of this transfer does not relieve Kelly Maclaskey Oilfield Services, Inc.

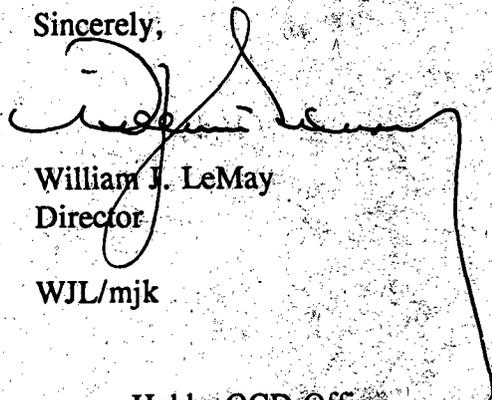
Mr. Kelly Maclaskey  
July 23, 1997  
Page 2

of liability should their operation result in pollution of surface waters, ground water or the environment.

Please be advised that all tanks exceeding 16 feet in diameter and exposed pits, ponds or lagoons must be screened, netted or otherwise rendered nonhazardous to migratory birds. In addition, OCD Rule 310 prohibits oil from being stored or retained in earthen reservoir, or in open receptacles.

If there are any questions, please contact Martyne Kieling at (505) 827-7153.

Sincerely,



William J. LeMay  
Director

WJL/mjk

xc: Hobbs OCD Office  
Jimmy Curtis, Bandera Petroleum, Inc. CERTIFIED MAIL RETURN RECEIPT NO. P-326-936-314

STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



BRUCE KING  
GOVERNOR

July 29, 1992

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

CERTIFIED MAIL  
RETURN RECEIPT NO. P-670-683-658

Mr. Jimmy C. Curtis  
Bandera Petroleum, Inc.  
P.O. Box 430  
Hobbs, New Mexico 88240

RE: **Bandera Petroleum, Inc.,  
Treating Plant Application  
OCD Rule 312 Permit Approval**

Dear Mr. Curtis:

The permit application for the Bandera Petroleum, Inc. Treating Plant located in the NW/4 NW/4, Section 16, Township 20 South, Range 37 East, NMPM, Lea County, New Mexico, is hereby approved in accordance with OCD Rule 312 under the conditions contained in the enclosed attachment. The application consists of the original application dated April 14, 1992, and the materials dated July 20, 1992 and July 27, 1992, submitted as supplements to the application.

The operation, monitoring and reporting shall be as specified in the enclosed attachment. All modifications and alternatives to the approved waste oil processing methods must receive prior OCD approval. You are required to notify the Director of any facility expansion or process modification and to file the appropriate materials with the Division.

Please be advised approval of this facility does not relieve you of liability should your operation result in actual pollution of surface or ground waters or the environment actionable under other laws and/or regulations.

Mr. Jimmy C. Curtis  
July 29, 1992  
Page 2

Please be advised that all tanks exceeding 16 feet in diameter and exposed pits, ponds or lagoons must be screened, netted or otherwise rendered nonhazardous to migratory birds.

If you have any questions, please do not hesitate to contact Kathy Brown at (505) 827-5884.

Sincerely,

*William J. LeMay*  
*by JJK*  
William J. LeMay  
Director

WJL/kmb

Attachment

xc: Chris Eustice, OCD Hobbs Office

**ATTACHMENT TO OCD 312 PERMIT APPROVAL  
BANDERA PETROLEUM, INC.  
TREATING PLANT  
(July 29, 1992)**

**WASTE OIL PROCESSING OPERATIONS**

1. No chemicals (ie. chlorinated solvents) will be used in the waste oil processing operation without obtaining prior OCD approval. At no time will the OCD approve the use of either chemicals which are a listed hazardous waste or chemicals which result in the creation of a hazardous waste as listed in the 40 Code of Federal Regulations, Part 261, Subparts C and D.
2. Only oil field wastes which are exempt from RCRA Subtitle C (Hazardous Waste) regulations or are non hazardous by characteristic testing analysis will be accepted at the treating plant. To accept wastes from operations not exempt under RCRA Subtitle C or mixed exempt/non exempt wastes, test results must be submitted to the OCD along with a request to receive the non-exempt waste, and a written OCD approval must be obtained prior to disposal. Any non-oilfield wastes which are RCRA Subtitle C exempt or are non-hazardous by characteristic testing will only be accepted on a case-by-case basis and with prior OCD approval.
3. No wastes will be accepted at the treating plant unless it is accompanied by an approved Form C-117-A.
4. Unmerchantable solids and liquids will be disposed of at an OCD approved disposal facility. Waste will be disposed of on a case-by-case basis after receiving OCD approval.
5. All drips, leaks and spills will be contained within the drip pans and disposed of periodically to prevent overflow. Additional containment will be installed in areas where repeated leaks, spills, overflows, etc. are reaching the ground surface.

**REPORTING**

1. The OCD will be notified of any break, spill, blow out, or fire or any other circumstance that could constitute a hazard or contamination in accordance with OCD Rule 116.
2. Bandera will file a monthly report (Form C-118) which details the net oil recovered and sold during the preceding month.

## CLOSURE

When the facility is to be closed no new material will be accepted. All tanks will be opened up and cleaned out. All wastes (tank cleaning waste, plastic pit lining, any contaminated soils, etc.) will be disposed of at an OCD approved disposal facility or remediated to the OCD standards in effect at the time of closure. The dikes will be leveled and the location backdragged to its original state. The area will then be reseeded with natural grasses and allowed to return to its natural state. Closure will be pursuant to all OCD requirements and standards in effect at the time of closure.