

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
Case No. 1143
Submitted by OCD
Hearing Date 5/11/95
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(as of 3-1-91)

RULE 707. - RECLASSIFICATION OF WELLS

The Division Director shall have authority to reclassify an injection well from any category defined in Rule 701-B to any other category without notice and hearing upon request and proper showing by the operator thereof.

RULE 708. - TRANSFER OF AUTHORITY TO INJECT

(as of 3-1-91)

A. Authority to inject granted under any order of the Division is not transferable except upon approval of the Division. Approval of transfer of authority to inject may be obtained by filing Form C-104 in accordance with Rule 1104 E.

B. The Division may require a demonstration of mechanical integrity prior to approving transfer of authority to inject.

RULE 709. - REMOVAL OF PRODUCED WATER FROM
LEASES AND FIELD FACILITIES

(as of 3-1-91)

A. Transportation of any produced water by motor vehicle from any lease, central tank battery, or other facility, without an approved Form C-133 (Authorization to Move Produced Water) is prohibited.

B. Authorization to transport produced water may be obtained by filing three copies of Form C-133 with the Director of the Division in Santa Fe.

C. No owner or operator shall permit produced water to be removed from its leases or field facilities by motor vehicle except by a person possessing an approved Form C-133.

RULE 710. - DISPOSITION OF TRANSPORTED PRODUCED WATER

(as of 3-1-91)

A. No person, including any transporter, may dispose of produced water on the surface of the ground, or in any pit, pond, lake, depression, draw, streambed, or arroyo, or in any watercourse, or in any other place or in any manner which will constitute a hazard to any fresh water supplies.

B. Delivery of produced water to approved salt water disposal facilities, secondary recovery or pressure maintenance injection facilities, or to a drill site for use in drilling fluid will not be construed as constituting a hazard to fresh water supplies provided the produced waters are placed in tanks or other impermeable storage at such facilities.

C. The supervisor of the appropriate district office of the Division may grant temporary exceptions to Paragraph A. above for emergency situations, for use of produced water in road construction or maintenance, or for use of produced waters for other construction purposes upon request and a proper showing by a holder of an approved Form C-133 (Authorization to Move Produced Water).

D. Vehicular movement or disposition of produced water in any manner contrary to these rules shall be considered cause, after notice and hearing, for cancellation of Form C-133.

RULE 711. - COMMERCIAL SURFACE WASTE DISPOSAL
FACILITIES

(as of 3-1-91)

A. A commercial surface waste disposal facility is defined as any facility that receives compensation for collection, disposal, evaporation or storage of produced water, drilling fluids, drill cuttings, completion fluids, and/or other approved oil field related waste in surface pits, ponds, or below grade tanks.

Such facility will not be allowed to operate unless it has been permitted in conformity with the following provisions:

(1) Prior to the construction, reconstruction or enlargement of a commercial surface waste disposal facility, application for a permit or a modification to an existing permit shall be filed in DUPLICATE with the Santa Fe Office of the Division and ONE COPY to the appropriate district office. The application shall be accompanied by:

- (a) A plat and topographic map showing the location of the facility in relation to governmental surveys (1/4 1/4 section, township, and range), highways or roads giving access to the facility site, and watercourses, water wells, and dwellings within one mile of the site;
- (b) The names and address of the landowner of the disposal facility site and landowners of record within one-half mile of the site;
- (c) A description of the facility with a diagram indicating location of fences and cattleguards, and detailed engineering construction/installation diagrams of any pits, liners, dikes, piping, sprayers, and tanks on the facility, prepared in accordance with Division "Guidelines for Permit Application, Design and Construction of Waste Storage/Disposal Pits;"
- (d) A plan for disposal of approved waste solids or liquids in accordance with Division rules, regulations and guidelines;
- (e) A contingency plan for reporting and cleanup of spills or releases;
- (f) A routine inspection and maintenance plan to ensure permit compliance;
- (g) A closure plan;
- (h) Geological/hydrological evidence demonstrating that disposal of oil field wastes will not adversely impact fresh water;
- (i) Proof that the notice requirements of this Rule have been met;
- (j) Certification by an authorized representative of the applicant that information submitted in the application is true, accurate, and complete to the best of the applicant's knowledge; and
- (k) Such other information as is necessary to demonstrate compliance with OCD rules and/or orders.

(2) The applicant shall give written notice of application to the owners of surface lands and occupants thereof within one-half (1/2) mile and a copy and proof of such notice will be furnished to the Division. The Division will issue public notice by advertisement in a paper of general circulation published in the county in which the disposal facility is to be located. For permit modifications, the Division may issue public notice and may require the applicant to give written notice as above. Any person seeking to comment on such application must file comments with the Division within 30 days of the date of public notice. If there is objection by owners or occupants of adjacent lands, the Director of the Division may set any application for a surface waste disposal permit for public hearing.

(3) Before commencing construction, all commercial surface waste disposal facilities shall have a surety or cash bond in the amount of \$25,000, in a form approved by the Division, conditioned upon compliance with statutes of the State of New Mexico and rules of the Division, and satisfactory cleanup of the site upon cessation of operation, in accordance with Part (10) of this Rule. If a bond has been secured for a treating plant permit at the location, that bond shall be sufficient for the surface waste disposal portion of

the facility, providing they are contiguous. If an adequate bond is posted by the applicant with a federal or state agency and the bond otherwise fulfills the requirements of this rule, the Division may consider the bond as satisfying the requirement of this rule. The applicant must notify the Division of any material change affecting the bond filed for the site and must, in any case, report the status of their bond annually to the Division;

(4) The Director of the Division may administratively issue a permit upon a finding that a complete and proper application has been filed and that no significant objections have been filed within 30 days following public notice. All permits shall be revocable, after notice and hearing, upon showing of good cause and are transferable only upon written approval of the Division Director. The permit shall be consistent with the application and appropriate requirements of Division rules and The Oil and Gas Act.

(5) All surface waste disposal facility operators shall file forms C-117-A, C-118, and C-120-A as required by OCD rules.

(6) Each operator of a commercial surface disposal facility shall keep and make available for inspection records for each calendar month on the source, location, volume and type of waste (produced water, acids, completion fluids, drilling mud, etc.), date of disposal, and hauling company that disposes of fluids or material in their facility. Such records shall be maintained for a period of two (2) years from the date of disposal.

(7) Disposal at a surface facility shall occur only when an attendant is on duty. The facility shall be secured when no attendant is present. When loads can be monitored or otherwise isolated for inspection before disposal, no attendant is required.

(8) No produced water shall be received at the facility from motor vehicles unless the transporter has a valid Form C-133, Authorization to Move Produced Water, on file with the Division.

(9) To protect migratory birds, all tanks exceeding 16 feet in diameter, and exposed pits and ponds shall be screened, netted or covered. Upon written application by the operator, an exception to screening, netting or covering of a facility may be granted by the district supervisor upon a showing that an alternative method will protect migratory birds or that the facility is not hazardous to migratory birds.

(10) Additional requirements or restrictions may be imposed by a written finding by the Division, including but not limited to the following:

- (a) An operator with a history of failure to comply with Division rules, regulations, and orders, or
- (b) Site suitability limitations.

(11) The operator shall notify the Division of cessation of operations. Upon cessation of disposal operations for six (6) consecutive months, the operator will complete cleanup of constructed facilities and restoration of the facility site within the following six (6) months, unless an extension of time is granted by the Director of the Division. Such closure shall be in accordance with the closure plan and any modifications approved by the Division Director and may include removal or demolition of buildings, removal of all tanks, vessels, equipment or hardware, containment and removal of fluids and chemicals, backfilling and grading of pits, removal of contaminated soil, aquifer restoration (if necessary) and reclamation of the general facility site. Prior to release of the bond covering the facility, a representative of the Division will inspect the site to determine that restoration is adequate.

(12) Upon showing of proper cause, the Director of the Division may order immediate cessation of any surface waste disposal operation. The cessation will remain in effect until withdrawn, or until an order is issued after notice and hearing, when it appears that such cessation is necessary to prevent waste, to protect fresh water, to protect public safety, or to assure compliance with Division rules or orders.