



Ms. Florene Davidson, Commission Clerk
New Mexico Oil Conservation Commission
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Monday, October 29, 2007

RE: Energen Resources written statement
Case No. 14015 (19.15.17 NMAC, Pit Rule amendments)

Dear members of the Oil Conservation Commission:

Pursuant to Order No.: R-12819 and 19.15.14.1204 NMAC, concerning the proposed Pit Rule (Case No.14015) Energen hereby offers the following written statement pertaining to the proposed definition of below grade tanks.

Energen Resources, Inc feels strongly the current rule is protective of human health and the environment. In addition, Energen believes that the proposed rule is not justified or supported with recent data. The new definition of below grade tank has removed the words "and not visible". In the past, tanks that operators could see the sidewalls on were excluded.

The below proposed definition will include open top tanks within a sloped depression into the below grade tank requirements.

[Below grade tank means a vessel, excluding sumps and pressurized pipeline drip traps, where a portion of the tank's sidewalls is below the surrounding ground surface's elevation.]

- The proposed rule will now require operators to obtain a permit (C-144) to set an open top tank in a sloped depression. (17.9.A)
 - All proposed facility equipment is listed in the APD and then additionally included in the site security diagram.
 - This is a duplication of paperwork and serves no purpose.

- If an existing tank in a depression does not have leak detection, then we would have 5 years to retrofit it w/ leak detection. (17.13.A.4)
 - Energen spent 2.5 million dollars in three years retrofitting open top tanks to meet the 2004 rule. Under the proposed rule we would have 5 years to complete the same tasks again, with the only addition being the inclusion of the liner.
 - Energen has not had any issues or breaches with the tanks that were retrofitted since 2004.
 - At a minimum, if the OCD did follow through with this change to the rule, operators should be afforded the opportunity to complete this task on new facilities or when major modifications are performed at existing facilities without a binding schedule requirement.
- To close any of these tanks, a five-point composite soil sample is required beneath the tank and it must pass the limits set for BTEX, TPH, and chlorides. (17.13.E.4)
 - If a pit is estimated at 15,000 square feet and requires a five point composite sample, why would a 400 square feet area require the same sampling scheme? This seems redundant and unnecessary.

All of the open pit tank issues could be resolved by simply maintaining existing below grade tank definition as written below:

[(5) Below-grade tank shall mean a vessel, excluding sumps and pressurized pipeline drip traps, where a portion of the tank's sidewalls is below the ground surface **and not visible.**]

Therefore, not requiring operators to re-do all of the production tanks that were recently retrofitted. It would appear that the newest rule is being written based on legacy issues that prompted the 2004 rule, instead of utilizing data from tanks the were retrofitted since then.

Respectfully submitted;



Kellie J. Skelton,
Environmental Coordinator
Energen Resources, Inc