



STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION



BRUCE KING  
GOVERNOR

ANITA LOCKWOOD  
CABINET SECRETARY

March 5, 1993

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

CERTIFIED MAIL  
RETURN RECEIPT NO. P-667-241-948

Mr. George E. Coleman, President  
Sunco Trucking Company  
P.O. Box 443  
Farmington, New Mexico 87499

**RE: Notification of Non-Compliance with OCD Rule 711  
Sunco Water Disposal Facility  
San Juan County, New Mexico**

Dear Mr. Coleman:

On July 19, 1991 the New Mexico Oil Conservation Commission issued Order No. R-9485-A for the Sunco Trucking Commercial Surface Disposal Facility located in the SW/4 NW/4, Section 2, Township 29 North, Range 12 West, NMPM, San Juan County New Mexico. The permit was submitted and approved pursuant to the Oil Conservation Division (OCD) Rule 711 under the conditions contained in the enclosed Order R-9485-A.

As an amendment to the above permit the OCD approved the request by Sunco Trucking Company to dispose of solids from the newly installed Double/Double Shale Shaker. Disposal of the solids is subject to the conditions contained in the attached OCD approval dated February 16, 1993.

Based on the recent site inspection and the conditions of approval in Order R-9485-A and the February 16, 1993 solids disposal approval, you are operating your facility in violation of the following permit conditions:

1. Order R-9485-A, Exhibit A, Part VI.B., states that oil will be skimmed off of the open skim tank and placed in the closed storage tanks until sold. Oil skimmed off of the open skim tank has been placed inside of the area permitted for the disposal of shale solids.

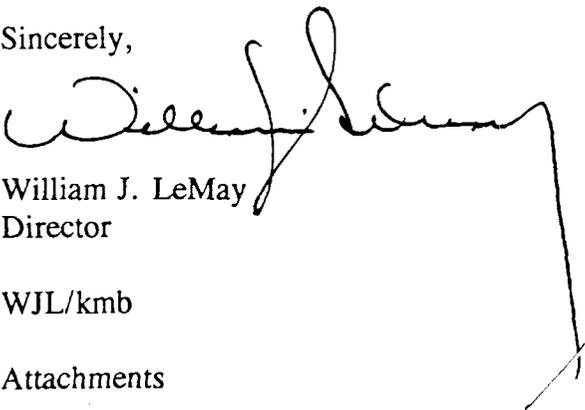
Mr. George E. Coleman  
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2. Order R-9485-A, Exhibit A, Part VII.B.5.b., states that per Division General Rule 310, no oil shall be stored or retained in earthen reservoirs or in open receptacles. There are excessive amounts of oil inside the bermed area which was designated for the disposal of shale solids.
3. Order R-9485-A, Exhibit A, Part VII.6.c., states that all exposed pits and ponds will be screened, netted or covered unless an exception is obtained from the district supervisor. There is no screening, netting or covering over the bermed area containing oil and water, and there is no record on the OCD file that an exemption was obtained.
4. The February 16, 1993 approval states that solids from the shale shaker will be placed in the previously constructed area designated for drying such solids. This area has been significantly enlarged in size without authorization.
5. The February 16, 1993 approval states that no liquids or solids with free liquids will be placed in the bermed drying area. The drying area contains solids, sludges and liquids (water and oil).

You are hereby directed to cease disposal of all materials into the bermed area designated for drying shale solids. You are further directed to remove all liquids from the referenced area within twenty-four (24) hours of receipt of this letter. Written approval from the OCD must be obtained prior to utilizing this area for any type of storage, disposal or drying operations.

If you have any questions, please contact Roger C. Anderson at (505) 827-5812.

Sincerely,



William J. LeMay  
Director

WJL/kmb

Attachments

xc: Denny Foust, OCD Aztec Office  
Ed Horst, NMED Hazardous & Radioactive Materials Bureau

**SENDER:**

- Complete items 1 and/or 2 for additional services.
- Complete items 3, and 4a & b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece next to the article number.

I also wish to receive the following services (for an extra fee):

- 1.  Addressee's Address
- 2.  Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

Mr. George E. Coleman  
Sunco Trucking Company  
P.O. Box 443  
Farmington, Wm 87499

4a. Article Number

P-667-241-948

4b. Service Type

- Registered  Insured
- Certified  COD
- Express Mail  Return Receipt for Merchandise

7. Date of Delivery

3-8-93

5. Signature (Addressee)

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

6. Signature (Agent)