

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

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 10245
(REOPEN)

IN THE MATTER OF CASE 10245 BEING
REOPENED PURSUANT TO THE PROVISIONS
OF DIVISION ORDER NO. R-9467-A, WHICH
ORDER STAYED DIVISION ORDER NO. 4-9467,
DATED MARCH 15, 1991, WHICH ORDER IN
TURN CREATED, DESIGNATED AND PROMULGATED
SPECIAL RULES AND REGULATIONS FOR THE
WARREN-BLINEBRY TUBB OIL AND GAS POOL,
LEA COUNTY, NEW MEXICO

RECEIVED

OIL CONSERVATION DIVISION

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by CONOCO, INC.
as required by the Oil Conservation Division.

APPEARANCE OF PARTIES

APPLICANT
(name, address, phone
and contact person)

Conoco Inc.
10 Desta Drive West
Midland, TX 79705
(915) 686-5400
Attn: Jerry Hoover

ATTORNEY

W. Thomas Kellahin
KELLAHIN, KELLAHIN & AUBREY
P.O. Box 2265
Santa Fe, New Mexico 87504
(505) 982-4285

STATEMENT OF CASE

APPLICANT

(Please make a concise statement of what is being sought with this application and the reasons therefore.)

Conoco obtained Division Order R-9467 effective March 1, 1991 which created the special rules and regulations for the Warren-Blinebry Tubb Oil and Gas Pool in conjunction with its expansion of the Southland Blinebry Cooperative Waterflood Project in Division Case No. 10220 (R-6906-B).

Subsequent to the entry of the referenced orders, Conoco discovered that the BLM would require an independent determination prior to approving the nomenclature changes set forth in Division Order R-9467.

As a result of Division action, Conoco sought and obtained from the Division a Stay of R-9467.

This hearing is to provide notice to and an opportunity for any party to appear and object to the stay.

Conoco seeks an order of the Division to coordinate the effective date of the pool nomenclature change with the BLM approval.

PROPOSED EVIDENCE

APPLICANT

WITNESSES (name and expertise)	EST. TIME	EXHIBITS
Jerry Hoover (Regulatory Coordinator)	30 Min.	4

OPPOSITION OR OTHER PARTY


WITNESSES (name and expertise)	EST. TIME	EXHIBITS
None.		

PROCEDURAL MATTERS

(Please identify any procedural matters which need to be resolved prior to the hearing)

None.

KELLAHIN, KELLAHIN & AUBREY

By: 
W. Thomas Kellahin
P.O. Box 2265
Santa Fe, New Mexico 87504
(505) 982-4285



Conoco Inc.

Request for Facsimile
Transmission

CASE FILE-10245

Date

5-30-91

From

Employee	Jerry W. Hoover	Ext.	(915) 686-6548
City, State, Country	Midland TX	Room No.	
Acct. No.			

To

Name	David Catanach	Phone No.	FAX (505) 827-574
Department	OCD	Room No.	
City, State, Country	Santa Fe, NM		

No. of Pages

3 + cover

Note

1. Your originals must have good contrast (dark detail on light background).
2. Legible.
3. 1/2-inch margin on all sides of sheet.
4. Number all pages.

Special Instructions

11-11 PB. 10-86



Midland Division
Exploration and Production

Conoco Inc.
10 Deste Drive West
Midland, TX 79705-4514
(915) 686-5400

May 30, 1991

Mr. David Catanach
Oil Conservation Division
P.O. Box 2088
Santa Fe, New Mexico 87501

Dear Mr. Catanach:

**Application To Form A Participating Area
For The Warren Blinebry-Tubb Oil & Gas
Pool In The Warren Blinebry-Tubb Waterflood
Project Area Of The Warren Unit,
Lea County, New Mexico**

The above described application was filed with and has been approved by the BLM effective June 1, 1991. A copy of this approval is attached to this letter.

Conoco had requested in the reopening of Case No. 10245 on May 16, 1991 that the OCD reset the effective date for the creation of the new Warren Blinebry-Tubb Oil & Gas Pool for the Warren Blinebry-Tubb Waterflood Project of the Warren Unit, to the first day of the month following BLM approval of a complimentary participating area for the pool. If such an effective date meets with your satisfaction, then the attached BLM approval would establish the new pool creation date as June 1, 1991.

If I can be of any further help in this matter please call me at (915) 686-6548.

Very truly yours,

A handwritten signature in cursive script, appearing to read "Jerry W. Hoover".

Jerry W. Hoover
Senior Conservation Coordinator

TRANSMITTED FROM

05.31.91 15:16 P.02 *ROSWELL D O

J. Smith 5-31-91

3180 (065)
I-SEC. No. 601

Conoco, Inc.
10 Desta Drive West
Midland, Texas 79705-4514

MAY 31 1991

Re: Warren Unit Area, Lea County, New Mexico
Blinebry-Tubb Waterflood Participating Area

Gentlemen:

This office is in receipt of your May 3, 1991, application requesting approval of the Blinebry-Tubb waterflood participating area for the Warren Unit Area, Lea County, New Mexico. In addition, this office has also received your applications dated May 17, 1991, for the approval of Fourteenth Amendment to the Tubb Participating Area and the Twenty-Fourth Amendment to the Blinebry Participating Area which delete lands that need to be included in the Blinebry-Tubb Waterflood Participating Area for the success of the project. Such applications are hereby approved on this date and are effective June 1, 1991. The Blinebry-Tubb Waterflood Participating Area will be assigned No. 891000601-E. This number is to be used for production reporting purposes.

The lands to be deleted from the Tubb Participating Area are described as follows:

Township 20 South, Range 38 East, NMPM

sec. 26, W1/2 E1/2 and W1/2;
sec. 27, all;
sec. 34, N1/2 N1/2;
sec. 35, N1/2 NW1/4.

The lands to be deleted from the Blinebry Participating Area are described as follows:

Township 20 South, Range 38 East, NMPM

sec. 26, NE1/4 NE1/4, W1/2 E1/2 and W1/2;
sec. 27, NE1/4 NE1/4, S1/2 N1/2 and S1/2;
sec. 33, all;
sec. 34, all.

TRANSMITTED FROM

05.31.91 15:16 P.03 *ROSWELL D O

2

The Blinebry-Tubb Waterflood participating area embraces 2800 acres, more or less and is described as follows:

Township 20 South, Range 38 East, NMPM

sec. 22, S1/2 S1/2;
sec. 26, all;
sec. 27, all;
sec. 33, all;
sec. 34, all;
sec. 35, N1/2 NW1/4.

Such participating area is based on the data submitted for the proposal to waterflood and commingle the Blinebry and Tubb reservoirs for the recovery of an additional of 4.5 MMBO.

Copies of the approved applications are being distributed to the appropriate offices and one copy of each is returned herewith. You are requested to furnish all interested principals with appropriate evidence of this approval.

If you have any questions, please contact the Branch of Fluid Minerals or John S. Simitz at (505) 622-9042.

Sincerely,

ORIG. SGD. James G. Pettengill

FOR Armando A. Lopez
Assistant District Manager,
Minerals

3 Enclosures

cc:

Commissioner of Public Lands

MMS (3240)

NM (943C)

NM (065, B. Lopez, J. Simitz)

NM (067)

NM (067A)

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 6, 1991

KELLAHIN, KELLAHIN & AUBREY
Attorneys at Law
P. O. Drawer 2265
Santa Fe, New Mexico 87504

RE: CASE NO. 10245
ORDER NO. R-9467-B

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 - Roswell

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



BRUCE KING
GOVERNOR

MEMORANDUM

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5600

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

Page -2-

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



TONEY ANAYA
GOVERNOR

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

50 YEARS



1935 - 1985

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-5800

No. 3-85

M E M O R A N D U M

TO: ALL ATTORNEYS PRACTICING BEFORE THE DIVISION

FROM: R. L. STAMETS, DIRECTOR *RLS*

SUBJECT: APPLICATION FOR HEARING DE NOVO AND GUIDELINES
FOR REQUESTS FOR STAYS OF ORDERS

The Division has recently been receiving requests for stays of orders appealed De Novo to the Commission. To assure a fair opportunity for all participants to comment on any proposed stay, The Division intends to follow the guidelines listed below:

- (1) Requests for stays must be filed with the Division at least seven day prior to the last day a De Novo hearing may be sought.
- (2) A copy of the request for stay must concurrently be furnished the attorney(s) for the other party(ies) in the case.
- (3) The request shall be accompanied by a draft stay order.

Notwithstanding these guidelines, the Director of the Division may grant stays under other circumstances should it prove necessary to prevent waste, to protect correlative rights, to protect fresh water, or to prevent gross negative consequences to any affected party.

September 23, 1985