

**GW - 318**

---

**ENFORCMENT**

**DATE:**

**1988 - 1999**

---



STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

2040 S. PACHECO  
SANTA FE, NEW MEXICO 87505  
(505) 827-7131

IN THE MATTER OF  
RANDY KINNIBRUGH, dba  
OK HOT OIL  
Respondent.

COMPLIANCE ORDER  
NM-OGA 00-1

**ADMINISTRATIVE ORDER REQUIRING COMPLIANCE  
AND ASSESSING A CIVIL PENALTY**

Pursuant to the New Mexico Oil and Gas Act, N.M.S.A. 1978, Sections 70-2-1 through 70-2-38, as amended (the "OGA"), the Director of the Oil Conservation Division (OCD) issues this Compliance Order (Order) to Randy Kinnibrugh, dba OK Hot Oil Service, Inc. (OK), to enforce the OGA and the OCD Rules and to assess a civil penalty for violations of the Act and Rules.

**FINDINGS**

1. The OCD is an agency of the executive branch of the government of the State of New Mexico and is charged with administration and enforcement of the OGA and OCD Rules.
2. Randy Kinnibrugh is a resident of Artesia, Eddy County, New Mexico.
3. Randy Kinnibrugh owns and operates OK, which is located in Section 4, T6S, R2E, Eddy County, New Mexico.
4. On or about May 27, 1998, the OCD received information that on four (4) occasions OK had picked up waste from the sump of Drifters Car Wash located in Carlsbad, New Mexico.

5. On the first occasion, June 20, 1997, the waste was represented by OK as sand, rocks, mud and water originating at Old Loco Treating Plant and was delivered to Controlled Recovery Inc. (CRI), an OCD permitted surface waste management facility.

6. On the second occasion, January 2, 1998, the waste was represented by OK as "reverse pit mud/water" originating at the Phillips Petroleum Company (Phillips) State M lease and was delivered to CRI.

7. On the third occasion, March 3, 1998, the waste was represented by OK as "sand water" originating at the Phillips State M lease and was delivered to CRI.

8. On the fourth occasion, March 4, 1998, the waste was represented by OK as sand and water originating at the Phillips State M lease and was delivered to CRI.

9. On April 28, 1999, the OCD received notification from Phillips that no wastes from the Phillips State M lease were transported by OK to CRI on the above dates.

10. On June 10, 1999, Randy Kinnibrough admitted to the OCD that OK had transported the car wash waste to CRI and had falsified the load waste receiving forms.

11. CRI is a surface waste management facility under the jurisdiction of the OCD pursuant to the OGA and permitted by the OCD pursuant to OCD Rule 711 (19 NMAC 15.I.711).

12. OK Hot Oil Service Yard located in Loco Hills, New Mexico is an oilfield service facility under the jurisdiction of the OCD pursuant to Water Quality Control Commission (WQCC) regulations (20 NMAC 6.2) and the WQCC delegation of authority to the OCD dated July 21, 1989.

13. Old Loco Treating Plant is an OCD permitted surface waste management facility.

14. Permitting of the OK Hot Oil Service Yard as an oilfield service facility is necessary and appropriate to eliminate the potential for future violations.

### **CONCLUSIONS**

1. The OCD Director has jurisdiction over the parties and subject matter in this proceeding.

2. Randy Kinnibrough and OK are "persons" as defined in OCD Rule 7(65) (19 NMAC 15.A 7(65)).

3. Randy Kinnibrough has falsified paperwork and disposed of an unauthorized waste at a permitted waste management facility in violation of Section 70-2-31.B(2), NMSA 1978, as amended.

### **COMPLIANCE ORDER**

Based on the foregoing findings and conclusions, the Respondent is hereby ordered to comply with the following:

1. Respondent must submit accurate load receipt tickets to the surface waste management facility for wastes delivered.

2. Respondent must correct previously falsified documents and file copies of the corrected documents with the OCD.

3. Respondent may transport and deliver to a permitted surface waste management facility only those wastes authorized by the facility's permit.

4. No later than thirty (30) days from receipt of this Order, Respondent must submit a Discharge Plan Application for the OK Hot Oil Service Yard located in Section 4, T6N, R2E, Eddy County, New Mexico.

### **CIVIL PENALTY**

Sections 70-2-31.B and 74-6-10.1(A), NMSA 1978, authorize the assessment of civil penalties of up to one thousand dollars (\$1,000) per day per violation of the Oil and Gas Act and/or any rule or regulation adopted pursuant to that Act and fifteen thousand dollars (\$15,000) per day per violation of the Water Quality Act and/or any rule or regulation adopted pursuant to that Act. Taking into consideration mitigating and other factors, OCD hereby assesses a civil penalty of two thousand dollars (\$2,000.00).

The civil penalty shall be paid within sixty (60) days of receipt of this Order by certified or cashier's check made payable to the "New Mexico Oil Conservation Division" and mailed or hand-delivered to the Oil Conservation Division, Attention: Rand Carroll, Legal Counsel, 2040 S. Pacheco, Santa Fe, New Mexico 87505.

### **RIGHT TO REQUEST A HEARING**

Under OCD Rule 1203, the Respondent has the right to submit a written request for hearing to the OCD within thirty (30) days of receipt of this Order. The procedures in OCD Rules 1201 to 1223 shall govern hearing and pre-hearing procedures.

### **FINALITY OF ORDER**

This Order shall become final unless the Respondent files a Request for Hearing with the OCD within thirty (30) days of receipt of this Order.

### **SETTLEMENT CONFERENCE**

Whether or not the Respondent requests a hearing, the Respondent may confer with the OCD concerning settlement. The OCD encourages settlement consistent with the provisions and objectives of the Act and OCD Rules. Settlement discussions do not extend the thirty (30) day deadline for filing a Request for Hearing, or alter the deadlines for compliance with this Order.

Settlement discussions may be pursued as an alternative to and simultaneously with the hearing proceedings. The Respondent may appear at the settlement conference itself and/or be represented by legal counsel.

Any settlement reached by the parties shall be finalized by a Settlement Agreement approved by the Director, or, if a Request for Hearing is filed, a Stipulated Final Order approved by the Director. A Settlement Agreement or Stipulated Final Order shall be final and binding on all parties, and shall not be appealable.

To explore the possibility of settlement in this matter, contact the Division Legal Counsel Rand Carroll, New Mexico Oil Conservation Division, 2040 S. Pacheco, Santa Fe, New Mexico 87505; Phone number (505) 827-8156.

Compliance with the requirements of this Order does not relieve the Respondent of the obligation to comply with all other applicable laws and regulations.

9-28-99  
DATE

By Lori Wrotenbery  
LORI WROTENBERY, Director

**CERTIFICATE OF SERVICE**

The undersigned hereby certifies that the original of the foregoing Administrative Order Requiring Compliance and Assessing a Civil Penalty was served by first-class mail, return-receipt requested on Randy Kinnibrugh, P.O. Box 146, Loco Hills, New Mexico, 88255, on this 28 day of Sept, 1999.

Roger Anderson

To: David

From: Wayne

David please find attached the file of OK Hot Oil Compliance Order for your reference.  
Roger is thinking of two Compliance issues:

1. Submitting false paper work
2. Disposing of un-authorized waste and failing to perform testing.



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

**GARY E. JOHNSON**

Governor

**Jennifer A. Salisbury**

Cabinet Secretary

**Lori Wrotenbery**

Director

**Oil Conservation Division**

July 26, 2000

To: OK Hot Oil Compliance Order File NM-OGA00-1

From: Wayne Price-OCD Environmental Bureau

Subject: Payment of Fine

Attached is EMNRD documentation showing Ok Hot Oil paid a \$2,000.00 fine.

OK Hot Oil Co has fulfilled their requirement #4 of the Compliance Order. The Service Co. yard has applied for and received approval of a Discharge Plan # GW-318.



ACTION: R SCREEN: OLGL USERID: afin

07/26/00 10:16:42 AM

ONLINE GENERAL LEDGER INQUIRY (1 OF 2)

FY= 00 FUND= 311 AGENCY= 521 ORG= 2501 ACTV=  
FUNC= OBJ/REV= 9990 BS ACCT= AT= 31 SUB-ORG=  
SUB-OBJ/SUB-REV= JOB NUMBER= REPT CAT=

-----  
TRANS DATE FM TRANSACTION ID VENDOR NAME DESCR/VI  
=====

AMOUNT  
-----

01- 00 04 14 10 CR 105456

-36,577.00

02- 99 11 16 05 CR 104618

-2,000.00

03- 99 10 13 04 CR 104454

-7,500.00

04- 99 08 17 02 CR 104192

-20,396.46

05-

05-\*L009 HEADER CHANGE

Wayne - Joe  
Moulton brought  
me this paperwork  
re the \$2000<sup>00</sup>  
fine  
byn

60				
60				
60				
1040232DL TOTAL			10.00	
			By	JUS

ENERGY, MINERALS AND NATURAL RESOURCES DEPT. 25-52125				NO. 104618	
Official Receipt			Date: 11/16 1999		
Received from: ROCK HOT OIL SERVICE			Dollar Amount 2,000.00		
DR CR	AMOUNT NUMBER	CENTER NUMBER	CREDIT AMOUNT	DEPOSIT NUMBER	WORK ORDER NO.
60	4290				
60	4291				
60	3450				
60	3451				
60	3410				
60	4210				
60	4240				
60	9490	2501	2,000.00	469687	
60					
60					
60					
10406A 001 TOTAL			2,000.00		
			By	JCS	



STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION  
2040 S. PACHECO  
SANTA FE, NEW MEXICO 87505  
(505) 827-7131

IN THE MATTER OF  
RANDY KINNIBRUGH, dba  
OK HOT OIL  
Respondent.

COMPLIANCE ORDER  
NM-OGA 00-1

**ADMINISTRATIVE ORDER REQUIRING COMPLIANCE  
AND ASSESSING A CIVIL PENALTY**

Pursuant to the New Mexico Oil and Gas Act, N.M.S.A. 1978, Sections 70-2-1 through 70-2-38, as amended (the "OGA"), the Director of the Oil Conservation Division (OCD) issues this Compliance Order (Order) to Randy Kinnibrugh, dba OK Hot Oil Service, Inc. (OK), to enforce the OGA and the OCD Rules and to assess a civil penalty for violations of the Act and Rules.

**FINDINGS**

1. The OCD is an agency of the executive branch of the government of the State of New Mexico and is charged with administration and enforcement of the OGA and OCD Rules.
2. Randy Kinnibrugh is a resident of Artesia, Eddy County, New Mexico.
3. Randy Kinnibrugh owns and operates OK, which is located in Section 4, T6S, R2E, Eddy County, New Mexico.
4. On or about May 27, 1998, the OCD received information that on four (4) occasions OK had picked up waste from the sump of Drifters Car Wash located in Carlsbad, New Mexico.

5. On the first occasion, June 20, 1997, the waste was represented by OK as sand, rocks, mud and water originating at Old Loco Treating Plant and was delivered to Controlled Recovery Inc. (CRI), an OCD permitted surface waste management facility.

6. On the second occasion, January 2, 1998, the waste was represented by OK as "reverse pit mud/water" originating at the Phillips Petroleum Company (Phillips) State M lease and was delivered to CRI.

7. On the third occasion, March 3, 1998, the waste was represented by OK as "sand water" originating at the Phillips State M lease and was delivered to CRI.

8. On the fourth occasion, March 4, 1998, the waste was represented by OK as sand and water originating at the Phillips State M lease and was delivered to CRI.

9. On April 28, 1999, the OCD received notification from Phillips that no wastes from the Phillips State M lease were transported by OK to CRI on the above dates.

10. On June 10, 1999, Randy Kinnibrugh admitted to the OCD that OK had transported the car wash waste to CRI and had falsified the load waste receiving forms.

11. CRI is a surface waste management facility under the jurisdiction of the OCD pursuant to the OGA and permitted by the OCD pursuant to OCD Rule 711 (19 NMAC 15.I.711).

12. OK Hot Oil Service Yard located in Loco Hills, New Mexico is an oilfield service facility under the jurisdiction of the OCD pursuant to Water Quality Control Commission (WQCC) regulations (20 NMAC 6.2) and the WQCC delegation of authority to the OCD dated July 21, 1989.

13. Old Loco Treating Plant is an OCD permitted surface waste management facility.

14. Permitting of the OK Hot Oil Service Yard as an oilfield service facility is necessary and appropriate to eliminate the potential for future violations.

### **CONCLUSIONS**

1. The OCD Director has jurisdiction over the parties and subject matter in this proceeding.

2. Randy Kinnibrugh and OK are "persons" as defined in OCD Rule 7(65) (19 NMAC 15.A 7(65)).

3. Randy Kinnibrugh has falsified paperwork and disposed of an unauthorized waste at a permitted waste management facility in violation of Section 70-2-31.B(2), NMSA 1978, as amended.

### **COMPLIANCE ORDER**

Based on the foregoing findings and conclusions, the Respondent is hereby ordered to comply with the following:

1. Respondent must submit accurate load receipt tickets to the surface waste management facility for wastes delivered.

2. Respondent must correct previously falsified documents and file copies of the corrected documents with the OCD.

3. Respondent may transport and deliver to a permitted surface waste management facility only those wastes authorized by the facility's permit.

4. No later than thirty (30) days from receipt of this Order, Respondent must submit a Discharge Plan Application for the OK Hot Oil Service Yard located in Section 4, T6N, R2E, Eddy County, New Mexico.

### **CIVIL PENALTY**

Sections 70-2-31.B and 74-6-10.1(A), NMSA 1978, authorize the assessment of civil penalties of up to one thousand dollars (\$1,000) per day per violation of the Oil and Gas Act and/or any rule or regulation adopted pursuant to that Act and fifteen thousand dollars (\$15,000) per day per violation of the Water Quality Act and/or any rule or regulation adopted pursuant to that Act. Taking into consideration mitigating and other factors, OCD hereby assesses a civil penalty of two thousand dollars (\$2,000.00).

The civil penalty shall be paid within sixty (60) days of receipt of this Order by certified or cashier's check made payable to the "New Mexico Oil Conservation Division" and mailed or hand-delivered to the Oil Conservation Division, Attention: Rand Carroll, Legal Counsel, 2040 S. Pacheco, Santa Fe, New Mexico 87505.

### **RIGHT TO REQUEST A HEARING**

Under OCD Rule 1203, the Respondent has the right to submit a written request for hearing to the OCD within thirty (30) days of receipt of this Order. The procedures in OCD Rules 1201 to 1223 shall govern hearing and pre-hearing procedures.

### **FINALITY OF ORDER**

This Order shall become final unless the Respondent files a Request for Hearing with the OCD within thirty (30) days of receipt of this Order.

### **SETTLEMENT CONFERENCE**

Whether or not the Respondent requests a hearing, the Respondent may confer with the OCD concerning settlement. The OCD encourages settlement consistent with the provisions and objectives of the Act and OCD Rules. Settlement discussions do not extend the thirty (30) day deadline for filing a Request for Hearing, or alter the deadlines for compliance with this Order.

Settlement discussions may be pursued as an alternative to and simultaneously with the hearing proceedings. The Respondent may appear at the settlement conference itself and/or be represented by legal counsel.

Any settlement reached by the parties shall be finalized by a Settlement Agreement approved by the Director, or, if a Request for Hearing is filed, a Stipulated Final Order approved by the Director. A Settlement Agreement or Stipulated Final Order shall be final and binding on all parties, and shall not be appealable.

To explore the possibility of settlement in this matter, contact the Division Legal Counsel Rand Carroll, New Mexico Oil Conservation Division, 2040 S. Pacheco, Santa Fe, New Mexico 87505; Phone number (505) 827-8156.

Compliance with the requirements of this Order does not relieve the Respondent of the obligation to comply with all other applicable laws and regulations.

9-28-99  
DATE

By Lori Wrotenbery  
LORI WROTENBERY, Director

#### CERTIFICATE OF SERVICE

The undersigned hereby certifies that the original of the foregoing Administrative Order Requiring Compliance and Assessing a Civil Penalty was served by first-class mail, return-receipt requested on Randy Kinnibrugh, P.O. Box 146, Loco Hills, New Mexico, 88255, on this 28 day of Sept, 1999.

Roger Anderson



Office and shop- looking south



Inside shop area



Shop- looking SE



Floor drain for waste oil goes to below-grade waste oil tank.



Yard area in between the shop and highway-  
Looking east- background shows fuel tanks  
and residence which has water well.



Wash bay-looking south. Wash bay has  
sump and drain going to below-grade waste  
water tank.





Wash bay sump-looking east sump drains to below grade tank shown in background. Below-grade tank does not have secondary containment.



Waste oil tank pipe.



old below-grade tank-not used, has no secondary containment.



Empty drum storage.



Below-grade waste oil tank drain pipe sticking up from tank. Tank has no secondary containment.



Contaminated oily soil





Chemical and KCL mixing station.



Old water well house east of yard.



Raw water Tank. Water from on-site water well.



Actual water well.



Back yard area.



Drum storage east of shop.

OK HOT OIL SERVICE COMPANY GW-318  
LOCO HILLS, NM NE/4 SEC 29-TS17S-R29E  
DATE JULY 16, 1999 PICTURES BY WAYNE PRICE  
Page 4



Fuel tanks east side of yard.

## PENALTY COMPUTATION WORKSHEET

Company Name OK Hot Oil

Address \_\_\_\_\_

Violation False paperwork

### PENALTY AMOUNT FOR COMPLAINT

1. Potential for harm ..... Minor  
Extent of Deviation ..... Major 1<sup>st</sup> offense
2. Gravity based penalty from matrix ..... 500
3. Multiply line 2 by number of violations and/or days  
of violation minus 1 (or other number, as appropriate.  
Provide narrative explanation)..... 4 violations 3x 1500
4. Add lines 2 and 3 ..... 2000
5. Percent increase/decrease for good faith -50
6. Percent increase for willfulness/negligence +50
7. Percent increase for history of noncompliance \_\_\_\_\_
8. Percent increase/decrease for other unique factors \_\_\_\_\_
9. Total lines 5 through 8 0
10. Multiply line 4 by line 9 .....
11. Add lines 4 and 10 for penalty amount ..... 2000
12. Adjustment amount for environmental project .....
13. Subtract line 12 from line 11 ..... final penalty amount. 2000

This procedure should be repeated for each violation.

## NARRATIVE EXPLANATION

### 1. Gravity Based Penalty

(a) Potential for Harm (attach additional sheets if necessary) Waste was disposed in an authorized facility

(b) Extent of Deviation (attach additional sheets if necessary) OK but oil submitted false paperwork to disposal facility indicating waste was exempt oilfield waste. Facility accepted waste, violating their permit conditions that prohibits them from accepting non oilfield wastes

(c) Multiple/Multi-day (attach additional sheets if necessary) Violations occurred on four separate occasions

### 2. Adjustment Factors (Good faith, willfulness/negligence, history of compliance, ability to pay, environmental credits, and other unique factors must be justified, if applied.)

(a) Good Faith (attach additional sheets if necessary) Respondent willingly admitted wrong doing. He

(b) Willfulness (attach additional sheets if necessary) Respondent admitted requiring the falsification was a violation at the time it was done

(c) History of compliance (attach additional sheets if necessary) 710 post  
history of non-compliance

(d) Environmental project (attach additional sheets if necessary) \_\_\_\_\_

(e) Other unique factors (attach additional sheets if necessary) \_\_\_\_\_

4. Recalculation of penalty based on new information (attach additional sheets if necessary)



# NEW MEXICO ENERGY, MINERALS & NATURAL RESOURCES DEPARTMENT

Jennifer A. Salisbury  
CABINET SECRETARY

Oil Conservation Div.  
Environmental Bureau  
2040 S. Pacheco  
Santa Fe, NM 87505

## Memorandum of Meeting or Conversation

Telephone \_\_\_\_\_  
Personal   X  

Time: 9-11 am  
Date: June 10, 1999

**Originating Party:** OCD-Santa Fe Environmental Bureau-  
Roger Anderson, Martyne Kieling, Wayne Price.

**Other Parties:** Randy Kinnibrugh-OK Hot Oil Service, Inc.

**Subject:** Disposing of non-oilfield waste into an OCD permitted facility and falsifying  
subsequent paperwork.

### **Discussion:**

OCD had received a complaint approximately one year ago concerning waste being generated in Carlsbad NM at the Drifters Convenience store car wash and being disposed of at the CRI oilfield permitted facility which is only permitted to take oilfield material. OCD's investigation revealed that OK Hot Oil would pick-up waste material at the car wash and deliver this material to CRI. OK would falsify CRI's load waste receiving sheets as material coming from either their Treating plant and on three occasions they falsified that this material came from Phillips St-M leases.

OCD performed audits verifying that OK had falsified reports.

### **Conclusions or Agreements:**

Randy Kinnibrugh admitted that his company had picked up the waste at Drifters Car Wash and carried it to CRI and falsified CRI's load waste receiving sheets. He indicated this was done as a favor to the owners of the car wash.

Mr. Anderson indicated this was a possible criminal offense but after checking with the OCD Director there might not be any criminal action taken due to Mr. Kinnibrugh's honesty. However there probably will be civil penalties.

Signed: Wayne Price *Wayne Price*



## PHILLIPS PETROLEUM COMPANY

4001 PENBROOK  
ODESSA, TEXAS 79762

EXPLORATION AND PRODUCTION  
Southwest Region

April 28, 1999

Wayne Price  
New Mexico Oil Conservation Division  
2040 South Pacheco Street  
Santa Fe, New Mexico 87505

**Re: Waste Disposal Issue**

Dear Mr. Price:

On February 17, 1999 this office received your fax transmittal copies of 3 disposal tickets from Controlled Recovery, Inc. These tickets reflected waste disposals from the Phillips State M Lease on the following dates:

- January 2, 1998
- March 3, 1998
- March 4, 1998

From a review of Phillips electronic invoice images system (Dataplex), no corresponding information was found to confirm the waste disposal reflected on these tickets. This review was done at your request, and we do not guarantee its accuracy.

If you have any further questions concerning this matter, please feel free to contact me at this office.

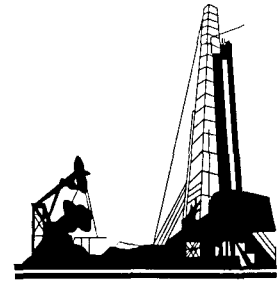
Sincerely,

Sam E. Christy  
Safety & Environmental Analyst



# OIL CONSERVATION DIVISION

2040 South Pacheco  
Santa Fe, NM 87505  
(505) 827-7133  
Fax: (505) 827-8177



(PLEASE DELIVER THIS FAX)

To: SAM CHRISTY <sup>07</sup> fax 915-368-1570

From: WAYNE PRICE

Date: 2/16/79

Message: PLEASE VERIFY THESE TRANSACTIONS!

\_\_\_\_\_

\_\_\_\_\_

4 ps's INCL COVER

\_\_\_\_\_

If you have any trouble receiving this, please call:  
(505) 827-7133

1/2/78  
3/4/78  
3/6/78



PHILLIPS PETROLEUM COMPANY

4001 PENBROOK

ODESSA, TEXAS 79762

## FACSIMILE COVER SHEET

DATE: 4-28-99TO: Wayne PriceLOCATION: NMOC D - Santa FeFROM: Sam ChristyLOCATION: PPCo - Odessa

TOTAL PAGES TRANSMITTED (INCLUDING THIS COVER SHEET)

2
---

PLEASE CALL (915) 368-1620, IF TRANSMISSION PROBLEMCOMMENTS: Finally! The original is  
in the mail.  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**PHILLIPS PETROLEUM COMPANY**4001 FENBROOK  
ODESSA, TEXAS 79762EXPLORATION AND PRODUCTION  
Southwest Region

April 28, 1999

Wayne Price  
New Mexico Oil Conservation Division  
2040 South Pacheco Street  
Santa Fe, New Mexico 87505

**Re: Waste Disposal Issue**

Dear Mr. Price:

On February 17, 1999 this office received your fax transmittal copies of 3 disposal tickets from Controlled Recovery, Inc. These tickets reflected waste disposals from the Phillips State M Lease on the following dates:

- January 2, 1998
- March 3, 1998
- March 4, 1998

From a review of Phillips electronic invoice images system (Dataplex), no corresponding information was found to confirm the waste disposal reflected on these tickets. This review was done at your request, and we do not guarantee its accuracy.

If you have any further questions concerning this matter, please feel free to contact me at this office.

Sincerely,

Sam E. Christy  
Safety & Environmental Analyst

**Kieling, Martyne**

---

**From:** Price, Wayne  
**Sent:** Thursday, June 18, 1998 9:47 AM  
**To:** Roger Anderson; Martyne Kieling  
**Cc:** Chris Williams  
**Subject:** CRI- Hot oil non-oilfield waste issue.

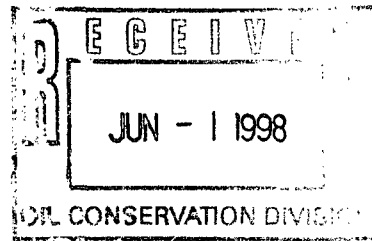
Dear Team:

Mr. Marsh called and expressed his concern about this issue and wanted to know what progress has been made. I advised him to contact you.

cc: Ken Marsh

**Price, Wayne**

**From:** Price, Wayne  
**Sent:** Thursday, May 28, 1998 4:04 PM  
**To:** Martyne Kieling  
**Cc:** Chris Williams; Roger Anderson  
**Subject:** Non-oilfield waste being sent to CRI



Dear Martyne:

Please find attached Wang Imaging file called CRIhotoil. This is a letter we sent to CRI requesting information. Ken Marsh has discovered that a transport company called OK Hot Oil Service out of Loco Hills (NMOCD District II) is picking up non-oilfield waste in Carlsbad NM i.e. car washes, etc and then re-naming it as E&P waste from oil field production sites.

Mr. Marsh has provided us Invoices that reflect this to be true.

Mr. Marsh is requesting to remain anonymous concerning how the NMOCD became aware of this. We are honoring his request at the District Level.

I will drop in the mail today all of the information we have as of to date.

After your review please inform us on how we can assist in this investigation.



crihotoil.tif.tif

## HOT OIL SERVICE INC.

P.O. BOX 146 677-2262  
LOCO HILLS, NM 88255

## INVOICE

\*\*\*\*\*

Invoice Number: 012156

Invoice Date: 02/18/97

Page: 1

Sold QUEEN OIL & GAS  
To: P.O. BOX 388  
ARTESIA, NEW MEXICO  
88210

Ship QUEEN OIL & GAS  
To: P.O. BOX 388  
ARTESIA, NEW MEXICO  
88210

Ship Via: DRIFTERS CAR WASH  
Ship Date: 02/18/97  
Due Date: 02/18/97  
Terms: NET 30

Cust I.D.: QUEEN  
P.O. Number...  
P.O. Date: 02/17/97  
Job/Order No.: 1322  
Salesperson: V.T. #70

Item I.D./Desc.

Price

EMPTIED AND CLEANED SUMPS, HAULED 50  
BBLs. TO CRI DISPOSAL.  
4 AND HALF HOURS @ 54.00

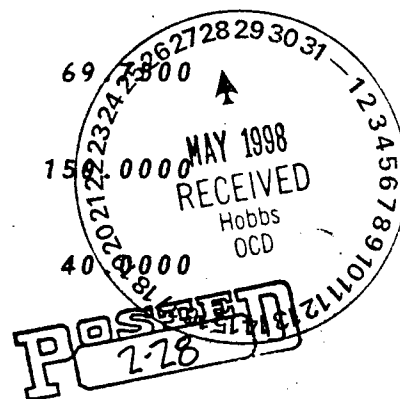
243.0000

HELPER 4 AND HALF HOURS @ 15.50

50 BARRELS DISPOSAL CHARGE @ 3.00

WASHED OUT TRUCK

5211



OK R. Hunt  
2-3 car washes

70362-11

Subtotal: 502.75  
Tax: 28.28  
Total: 531.03

# CONTROLLED RECOVERY INC.

P.O. BOX 369 • HOBBS, NEW MEXICO 88241

(505) 393-1079

Bill To: \_\_\_\_\_

Address: \_\_\_\_\_

COMPANY/GENERATOR: O.K. Hot Oil

LEASE NAME: Old Loco

TRUCKING COMPANY: O.K. Hot oil service TIME: 10:15 ☒ AM/PM

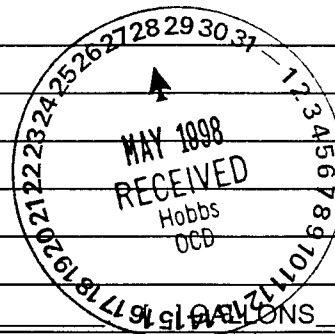
DATE: 2-17-97 VEHICLE No.: 72 DRIVER No.: \_\_\_\_\_

## TYPE OF MATERIAL

- |  |  |   |
|--|--|---|
| <input type="checkbox"/> DRILLING FLUIDS   | <input type="checkbox"/> TANK BOTTOMS              | <input type="checkbox"/> EXEMPT FLUIDS                        |
| <input type="checkbox"/> COMPLETION FLUIDS | <input type="checkbox"/> GAS PLANT WASTE           | <input type="checkbox"/> C-117 No.: <u>A10066</u>             |
| <input type="checkbox"/> CONTAMINATED SOIL | <input checked="" type="checkbox"/> OTHER MATERIAL | <input checked="" type="checkbox"/> Pit No.: <u>South pit</u> |

## DESCRIPTION

Nasty ~~water~~ Water



VOLUME OF MATERIAL ☐ BBLS. \_\_\_\_\_ : ☐ YARD \_\_\_\_\_

☒ WASH OUT ☐ CALL OUT ☐ AFTER HOURS ☐ DEBRIS CHARGE

I, represent and warrant that the wastes are: generated from oil and gas exploration and production operations; exempt from Resource Conservation and Recovery Act (RCRA) Subtitle C Regulations; and not mixed with non-exempt wastes.

AGENT: Michael Otley  
(SIGNATURE)

CRI REPRESENTATIVE: Jeremy A. Worden  
(SIGNATURE)

TANK NO. \_\_\_\_\_ OFFICE USE: \_\_\_\_\_

OIL LEVELS	FEET	INCHES	GROSS BBLS	DEDUCTIONS	NET BBLS
1ST GAUGE					
2ND GAUGE					
MEASURE RECEIVED					
BS & W <u>100</u>		%	<u>10</u>		
FREE WATER	<u>40</u>	BBLS	<u>50</u>		

42 24066

White - CRI

Canary - CRI Accounting

Pink - CRI Plant

Gold - Transporter

CONTROLLED RECOVER INC  
P.O. BOX 369  
HOBBS, NM 88241

\*\*\*\*\*  
\* INVOICE \*  
\*\*\*\*\*

Invoice Number: 003299

Invoice Date: 02/18/97

Page: 1

OK HOT OIL  
P.O. BOX 146  
LOCO HILLS, NM  
88255

OK HOT OIL  
OLD LOCO

Cust I.D.....: OK400

Ship Via.: OK HOT OIL V-72  
Ship Date: 02/17/97  
Due Date.: 03/20/97  
Terms.....: 30 days net

Item I.D./Desc.	Shipped	Unit	Price	Net	T
WASH OUT 24066	1.00		40.0000	40.00	
SPECIAL FLUIDS 24066	50.00		2.5000	125.00	



WE APPRECIATE YOUR BUSINESS !

Subtotal: 165.00  
Tax.....: 9.90  
Total....: 174.90



OK HOT OIL SERVICE INC.

P.O. BOX 146 677-2262  
LOCO HILLS, NM 88255

7-2ck# 11757

\*\*\*\*\*  
\* I N V O I C E \*  
\*\*\*\*\*

Invoice Number: 015688

Invoice Date: 06/23/97

Page: 1

~~Sold~~ QUEEN OIL & GAS  
To: P.O. BOX 388  
ARTESIA, NEW MEXICO  
88210

Ship QUEEN OIL & GAS  
To: P.O. BOX 388  
ARTESIA, NEW MEXICO  
88210

Ship Via.: DRIFTERS CONVENIENCE STORE  
Ship Date: 06/23/97  
Due Date.: 06/23/97  
Terms.....: NET 30

Cust I.D.....: QUEEN  
P.O. Number...:  
P.O. Date.....: 06/20/97  
Job/Order No.: 4450  
Salesperson...: V.T. #70

Item I.D./Desc.

Price

EMPTIED AND CLEANED SUMP, HAULED 55 BBL.  
TO CRI, WASHED OUT TRUCK.  
5 AND HALF HRS. @54.00

297.0000

HELPER-5 AND HALF HRS. @15.50

85.2500

55 BARRELS DISPOSAL CHARGE @3.00

165.0000



15325/667002

Subtotal: 547.25  
Tax.....: 30.78  
Total....: 578.03

# CONTROLLED RECOVERY INC.

P.O. BOX 369 • HOBBS, NEW MEXICO 88241  
(505) 393-1079

Bill To: \_\_\_\_\_

Address: \_\_\_\_\_

COMPANY/GENERATOR: OK. Hot oil Ser.

LEASE NAME: Old Loco

TRUCKING COMPANY: OK. Hot oil TIME: 10:00-17:35 (AM/PM)

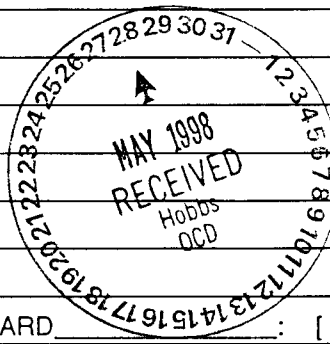
DATE: 6-20-97 VEHICLE No.: 72 DRIVER No.: \_\_\_\_\_

## TYPE OF MATERIAL

<input type="checkbox"/> DRILLING FLUIDS	<input type="checkbox"/> TANK BOTTOMS	<input type="checkbox"/> EXEMPT FLUIDS
<input type="checkbox"/> COMPLETION FLUIDS	<input type="checkbox"/> GAS PLANT WASTE	<input checked="" type="checkbox"/> C-117 No.: <u>A-1013</u>
<input type="checkbox"/> CONTAMINATED SOIL	<input checked="" type="checkbox"/> OTHER MATERIAL	<input checked="" type="checkbox"/> Pit No.: <u>12</u>

## DESCRIPTION

Sand Rocks mud + Oil



VOLUME OF MATERIAL ☒ BBLs. 65 : ☐ YARD : ☐ GALLONS

☒ WASH OUT X3 ☐ CALL OUT ☐ AFTER HOURS ☐ DEBRIS CHARGE

I, represent and warrant that the wastes are: generated from oil and gas exploration and production operations; exempt from Resource Conservation and Recovery Act (RCRA) Subtitle C Regulations; and not mixed with non-exempt wastes.

AGENT: Michael Btley  
(SIGNATURE)

CRI REPRESENTATIVE: Bill Williams  
(SIGNATURE)

TANK NO.

OFFICE USE:

OIL LEVELS	FEET	INCHES	GROSS BBLs	DEDUCTIONS	
1ST GAUGE				NET BBLs	
2ND GAUGE					
MEASURE RECEIVED					
BS & W		%			
FREE WATER		BBLs			

No 25060

White - CRI

Canary - CRI Accounting

Pink - CRI Plant

Gold - Transporter

CONTROLLED RECOVERY, INC  
P.O. BOX 369  
HOBBS, NM 88241

\*\*\*\*\*  
\* I N V O I C E \*  
\*\*\*\*\*

Invoice Number: 003802

Invoice Date: 06/23/97

Page: 1

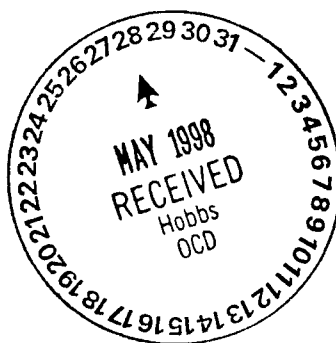
OK HOT OIL  
P.O. BOX 146  
LOCO HILLS, NM  
88255

OK HOT OIL  
OLD LOCO

Cust I.D.....: OK400

Ship Via.: OK HOT OIL  
Ship Date: 06/20/97  
Due Date.: 07/23/97  
Terms.....: 30 days net

Item I.D./Desc.	Shipped	Unit	Price	Net	TX
SPECIAL FLUIDS 25060	65.00		2.5000	162.50	T
WASH OUT 25060	3.00		40.0000	120.00	T



WE APPRECIATE YOUR BUSINESS !

Subtotal: 282.50  
Tax.....: 16.95  
Total....: 299.45

# OK HOT OIL SERVICE INC.

P.O. BOX 146 677-2262  
LOCO HILLS, NM 88255

1-21 CR # 14047

\*\*\*\*\*  
\* I N V O I C E \*  
\*\*\*\*\*

Document Number: 021355

Document Date: 01/05/98

Page: 1

Sold QUEEN OIL & GAS  
To: P.O. BOX 388  
ARTESIA, NEW MEXICO  
88210

Ship QUEEN OIL & GAS  
To: P.O. BOX 388  
ARTESIA, NEW MEXICO  
88210

Ship Via.: DRIFTERS CAR WASH-CARLSBAD  
Ship Date: 01/05/98  
Due Date.: 01/05/98  
Terms.....: NET 30

Cust I.D.....: QUEEN  
P.O. Number...:  
P.O. Date.....: 01/02/98  
Job/Order No.: 147  
Salesperson...: V.T. #65

Item I.D./Desc.	Ordered	Shipped	Unit	Price	Net	TX
PULLED 90 BBLs. MUD OFF 150 BBL. SUMP, TOOK TO CRI IN HOBBS. 6 HRS. @ 54.00					324.00	T
HELPER 6 HRS. @ 15.50					93.00	T
90 BARRELS DISPOSAL CHARGE @ 3.00					270.00	T
WASH OUT TRUCK					100.00	T



2 TRIPS  
Average 57800 Trip

137, 300

1200 GAL TANK

#3 CW

15325 / 467002

ALLEN

Subtotal: 787.00  
Tax.....: 44.27  
Total.....: 831.27

45 BBLs CRI

# CONTROLLED RECOVERY INC.

P. O. BOX 369 • HOBBS, NEW MEXICO 88241

(505) 393-1079

Bill To: \_\_\_\_\_

Address: \_\_\_\_\_

COMPANY/GENERATOR: \_\_\_\_\_

LEASE NAME: \_\_\_\_\_

TRUCKING COMPANY: \_\_\_\_\_

DATE: \_\_\_\_\_

VEHICLE No.: \_\_\_\_\_

TIME: 1005 1030 AM - PM

DRIVER No.: \_\_\_\_\_

## TYPE OF MATERIAL

☐ DRILLING FLUIDS

☐ TANK BOTTOMS

☐ EXEMPT FLUIDS

☒ COMPLETION FLUIDS

☐ GAS PLANT WASTE

☐ C-117 No.: \_\_\_\_\_

☐ CONTAMINATED SOIL

☒ OTHER MATERIAL

☐ Pit No.: \_\_\_\_\_

## DESCRIPTION

Reverse Pit Mud/Water

VOLUME OF MATERIAL

☒ BBLs.

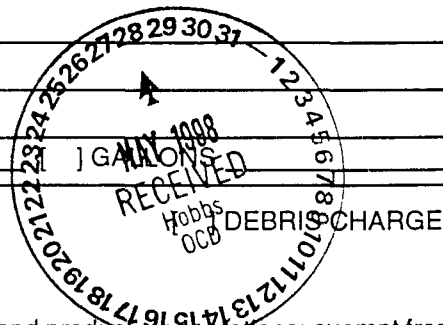
45

☐ YARD

☒ WASH OUT

☐ CALL OUT

☐ AFTER HOURS



I, represent and warrant that the wastes are: generated from oil and gas exploration and production operations; exempt from Resource Conservation and Recovery Act (RCRA) Subtitle C Regulations; and not mixed with non-exempt wastes.

AGENT: \_\_\_\_\_

(SIGNATURE)

CRI REPRESENTATIVE: \_\_\_\_\_

(SIGNATURE)

TANK NO.

OFFICE USE:

OIL LEVELS	FEET	INCHES	GROSS BBLs.	DEDUCTIONS	
1ST GAUGE				NET BBLs.	
2ND GAUGE					
MEASURE RECEIVED					
BS&W		%			
FREE WATER		BBLs.			

Nº 026330

White - CRI

Canary - CRI Accounting

Pink - CRI Plant

Gold - Transporter

CONTROLLED RECOVERY, INC  
P.O. BOX 369  
HOBBS, NM 88241

\*\*\*\*\*  
\* I N V O I C E \*  
\*\*\*\*\*

Invoice Number: 004611

Invoice Date: 01/12/98

Page: 1

OK HOT OIL  
P.O. BOX 146  
LOCO HILLS, NM  
88255

PHILLIPS  
STATE M

Cust I.D.....: OK400

Ship Via.: OK HOT OIL V-65  
Ship Date: 01/02/98  
Due Date.: 02/11/98  
Terms.....: 30 days net

Item I.D./Desc.	Shipped	Unit	Price	Net	TX
SPECIAL FLUIDS 26330	45.00		3.2500	146.25	E
WASH OUT 26330	1.00		50.0000	50.00	E



WE APPRECIATE YOUR BUSINESS !

Subtotal: 196.25  
Tax.....: 0.00  
Total....: 196.25

# OK HOT OIL SERVICE INC.

P.O. BOX 146 677-2262  
LOCO HILLS, NM 88255

\*\*\*\*\*  
\* I N V O I C E \*  
\*\*\*\*\*

Document Number: 023037

Document Date: 03/04/98

Page: 1

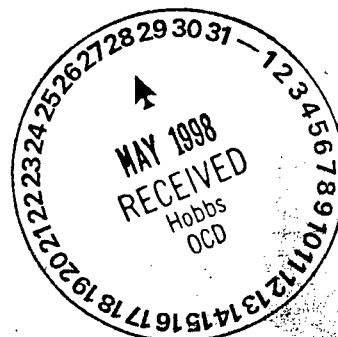
Sold QUEEN OIL & GAS  
To: P.O. BOX 388  
ARTESIA, NEW MEXICO  
88210

Ship QUEEN OIL & GAS  
To: P.O. BOX 388  
ARTESIA, NEW MEXICO  
88210

Ship Via.: DRIFTERS CAR WASH  
Ship Date: 03/04/98  
Due Date: 03/04/98  
Terms.....: NET 30

Cust I.D.....: QUEEN  
P.O. Number...:  
P.O. Date.....: 03/03/98  
Job/Order No.: 1951  
Salesperson...: V.T. #70

Item I.D./Desc.	Ordered	Shipped	Unit	Price	Net	TX
CLEANED DRAIN TANK, TOOK 70 BBLs. TO THE DISPOSAL, WASHED OUT TRUCK AT CRI. 4 HRS. @ 54.00					216.00	T
HELPER 4 HRS. @ 15.50					62.00	T
70 BARRELS DISPOSAL CHARGE @ 3.00					210.00	T
WASHED OUT TRUCK AT CRI @ 50.00					50.00	T



*Handwritten signature/initials*

15325/ 6670

#3

Subtotal: 538.00  
Tax.....: 30.26  
Total....: 568.26

45 BBLs

# CONTROLLED RECOVERY INC.

P. O. BOX 369 • HOBBS, NEW MEXICO 88241

(505) 393-1079

Bill To: \_\_\_\_\_

Address: \_\_\_\_\_

COMPANY/GENERATOR: Phillips

LEASE NAME: State M.

TRUCKING COMPANY: O.K. TIME: 3:45 AM ☒ PM

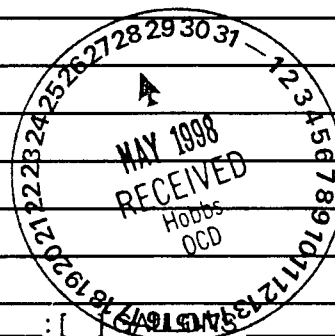
DATE: 3-3-96 VEHICLE No.: 72 DRIVER No.: \_\_\_\_\_

## TYPE OF MATERIAL

☐ DRILLING FLUIDS ☐ TANK BOTTOMS ☐ EXEMPT FLUIDS  
☐ COMPLETION FLUIDS ☐ GAS PLANT WASTE ☐ C-117 No.: \_\_\_\_\_  
☐ CONTAMINATED SOIL ☒ OTHER MATERIAL ☒ Pit No.: 4 & Jp

## DESCRIPTION

Sand water



VOLUME OF MATERIAL ☒ BBLs. 45 ☐ YARD \_\_\_\_\_

☒ WASH OUT ☐ CALL OUT ☐ AFTER HOURS ☐ DEBRIS CHARGE

I, represent and warrant that the wastes are: generated from oil and gas exploration and production operations; exempt from Resource Conservation and Recovery Act (RCRA) Subtitle C Regulations; and not mixed with non-exempt wastes.

AGENT: Ken Richards

(SIGNATURE)

CRI REPRESENTATIVE: Jerry A. Worden

(SIGNATURE)

TANK NO. \_\_\_\_\_

OFFICE USE:

OIL LEVELS	FEET	INCHES	GROSS BBLs.	DEDUCTIONS	
1ST GAUGE				NET BBLs.	
2ND GAUGE					
MEASURE RECEIVED					
BS& W		%			
FREE WATER		BBLs.			

1-98-500-4pt-26501

Nº 026683

White - CRI

Canary - CRI Accounting

Pink - CRI Plant

Gold - Transporter



CONTROLLED RECOVERY, INC  
P.O. BOX 369  
HOBBS, NM 88241

\*\*\*\*\*  
\* I N V O I C E \*  
\*\*\*\*\*

Invoice Number: 004867

Invoice Date: 03/05/98

Page: 1

OK HOT OIL  
P.O. BOX 146  
LOCO HILLS, NM  
88255

PHILLIPS  
STATE M

Cust I.D.....: OK400

Ship Via.: OK HOT OIL SERVICE V-72  
Ship Date: 03/03/98  
Due Date.: 04/04/98  
Terms.....: 30 days net

Item I.D./Desc.	Shipped	Unit	Price	Net	TX
SPECIAL FLUIDS 26683	45.00		3.2500	146.25	E
WASH OUT 26683	1.00		50.0000	50.00	E



WE APPRECIATE YOUR BUSINESS !

Subtotal: 196.25  
Tax.....: 0.00  
Total....: 196.25