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| **NTL-RDO 94-1**  Notice to Lessees and Operators of Onshore Federal and Indian  Oil and Gas Leases Within the Jurisdiction  of the Roswell District Office (NTL 94-1 RDO)  **Limits for Accumulation of Oil in Water Disposal Pits and Tanks**   |  |  |  |  | | --- | --- | --- | --- | | I. Background  The Bureau has monitored produced water pits or tanks used for holding water for disposal. When water is removed from the lease for disposal, oil that has accumulated is often removed but not accounted for in terms of volume. In many cases, the amount removed is more than what is considered incidental oil. The cumulative losses to the operator and government are potentially significant.  II. Purpose  Federal regulations and Onshore Order No. 7, Section III., Part F.8., require that produced water pits or tanks be kept reasonably free of oil. This Notice establishes standards for reasonably free and incidental oil that is allowed to accumulate. This amendment establishes standards for the Roswell District Office and replaces NTL 92-3 New Mexico.  III. Authority  Title 43 CFR Part 3164.2, Part 3162.7-1, and Onshore Order No. 7, Disposal of Produced Water.  IV. Definitions  **Oil** means any hydrocarbon that exists as a liquid at atmospheric pressure.  **Reasonably free of oil**means three (3) barrels or less of oil in the tank or pit.  **Incidental oil** means one (1 ) barrel or less of oil.  **Lined Pit**means an excavated and/or bermed area that is required to be lined with natural or manmade material that will prevent seepage. Such pit shall also include a leak detection system.  **Unlined Pit** means an excavated and/or bermed area that is not required to be lined or any pit that is lined but does not contain a leak detection system. This includes all tanks, fiberglass or steel, that do not meet the requirements of Onshore Order No. 3 and 4 for storage/sales of oil, or other vessels used to contain produced water.  **Disposal pit or tank** means any container used to hold water for disposal or is used to hold water prior to disposal  V. Requirements  The operator is responsible for maintaining production equipment in a condition that prevents oil accumulating in produced water pits or tanks, which must be reasonably oil free. Incidental oil accumulations in produced water pits or tanks qualifies as waste oil and up to one (1 ) barrel of oil, cumulative, may be removed and disposed of once per calendar quarter.  Oil accumulation of three (3) or more barrels require the operator to initiate actions that either returns the oil to the regular treating system and stock tanks for sale, or removes the oil from the produced water pits or tanks for disposal.  Removal and disposal of oil volumes exceeding incidental amounts (one barrel or more) require an approved waste oil determination from the Authorized Officer (AO). An application for a waste oil determination shall be on Sundry Notice Form 3160-5 and must demonstrate to the AO that the oil is of such quality that it cannot be treated economically and put in marketable condition with existing or modified lease facilities or portable equipment and cannot be sold to reclaimers.  VI. Documentation  When removing and disposing of water and incidental or waste oil from produced water pits or tanks, the volumes must be recorded on a trucking manifest. This manifest must include the well name and/or number, lease number, location (quarter-quarter, section, township, range), source, amount of oil and amount of water, and disposal destination. Per 43 CFR 3162.7-1(f), these records must be maintained by the operator for a period of 6 years and will be provided to the Authorized Officer upon request.   |  |  |  | | --- | --- | --- | | APPROVED: | Date: 5-11-94 | Leslie M. Cone Roswell District Manager | | | |