

March 14, 2011

RECEIVED OCD

By Carl Johnson

Response to the Intent of the Oil/Gas Companies to be Rid of the Present Closed Loop Pit Rule System

Dear Editor:

It has come to my attention that the Governor and some other politicians-- Republican and Democrat, at the local and state level, are in favor of doing away with New Mexico's Pit Rule, requiring oil and gas drilling wastes to be managed safely through closed- loop systems; and going back to the old days of dumping waste in so called "lined" dirt pits. This would be a major step backward.

In my 50 years of ranching in the oil patch of Lea County, there has been no policy, other than the rule against salt water disposal, that has provided such a plus for air, water, and soil protection, as the closed-loop Pit Rule.

The talk about scrapping the Pit Rule raises a RED FLAG: why was it EVER legal to let oil and gas companies create a toxic waste dump on my land—land that's been in my family for four generations — or on the acreage that I lease from the state, just because they drilled a well nearby? It was, and still is, illegal for any other industry, entity, or individual (even me, on my land) to do so. And yet the oil and gas industry want to make it legal again, for oil and gas companies only, and absolutely no one else. Are there other industries in the state that can do as oil and gas companies think they should have the right to do; and dump their waste at will on private deeded land—without permission from the owner? If so, I would like to know who and where they are.

I just don't see how the laws, rules, and regulations of this state can be bent to accommodate a special group, business or individual; and thus enable this group of people to profit at the detriment, both environmentally and financially, to all the other people in the state. Rather than get rid of the Pit Rule, I say it may be an opportune time to revamp and update the language in the oil and gas leasing laws to reflect what we now know about how to protect public health and the environment.

Substantiated facts and figures need to be put together-- as to the costs of enforcing the Pit Rule for industry weighed against the benefits it brings to the people of New Mexico.

The Pit Rule saves our natural resources while at the same time saving money for the industry. Cleaning up a contaminated site can cost a bundle; so drilling companies who go to closed-loop systems can actually come out ahead, compared to the cost of cleaning up after the mess is made. The litigation expenses are astronomical for the oil/gas industry when there is contamination. By offering tax credits and other financial incentives the oil companies would find it attractive to invest in closed-loop systems.

There is absolutely no sense in the argument that we've got to go back to open pits because we're running out of room for safe disposal sites. It is claimed that there are no more sites for oil field waste than we now have. How does that justify going back to allowing mini-dump sites at each wellhead all

over the state? Taking location and other concerns into consideration, we have to cut through the politics and open as many safe disposal sites as are needed to service the industry.

The job "market" rises and falls along with the rig count which rises and falls with the market price of oil and gas, not because of the Pit Rule. If oil is available and is profitable to drill for and produce, the oil companies will drill especially with all the new technologies available to bring that oil to the surface. Rather than get rid of the rule to make our policies as weak as other states, we should start a program to educate them as to the benefits of properly disposing of drilling waste.

The Pit Rule is COMMON SENSE.

Yours truly,

Carl L Johnson

P O Box 917

Tatum, NM 88267

3rd generation, Lea County, New Mexico rancher