

To the New Mexico Oil Conservation Commission:

June 29, 2012

Reference: The Closed Loop Pit Rule

RECEIVED.OCD

Addendum to March 14, 2011 letter

2012 JUL 12 A 8:09

The "pit rule" of New Mexico needs to be applauded. Much attention to detail and concern went into its development. The "pit rule" is stringent and brings about the protection of our water, soil and air. It is with pride that I acknowledge the leadership of New Mexico in taking this action. Other states with oil and gas activity should and will admire our endeavors in taking care of the environment. When massive pollutants from oil/gas activities become a problem for other states I feel confident that they will follow our lead.

The actual long term expenditures brought into effect by the "pit rule" are only presumptions. It seems that it would be much more cost effective in terms of clean up, water conservation, and any litigation matters arising from pollution, etc. to have a closed loop system. With this system it has been proven that there occurs less surface sterilization and underground water contamination.

The oil/gas industry is, of course, most interested in the "bottom line" on their financial statements. The cost for creating a prudent preservation of the environment with the "pit rule" will replace old costs as occurs in all changing business situations.

It should be brought to the attention of the committee that all work in the "field" is done in less than ideal conditions; such as wind, dirt, rain, snow, cold, heat, etc. More important than the weather is the fact that many jobs done in the "field" are done by the low bidder using a lower tier of laborers, minimum wages, with a very high incidence of drug and/or alcohol abuse. The photos and examples shown by the oil/gas industry in the pit hearings by use of slides are the exception and not the rule. Most of those pit liners that I have seen are ineffective. I have, on my ranch, very large pit areas that still have no vegetation, NONE, that were drilled over 50 years ago using the old horseshoe pit design. I have wells that have been drilled within the last 5 years with the closed loop system. Where the closed loop system was used there is no sign of oil field activity.

I suggest the aerial USDA maps taken in the 1950's of SE New Mexico be overlain with clear plastic maps taken in the last few weeks (obtain from Google). This would put to rest the question of the destruction of the surface, water surface and air pollution, not counting the unseen subsurface and water pollution. These maps should be circulated throughout the

oil/gas area of the US so that all measures available will be used in the future to minimize the pillage and devastation of our country.

The information that has been given to me states plans to drill 17,000 new wells in SE New Mexico and West Texas in the next 5 years. If this is correct we need as much protection as we can get. Also, if this information is accurate, the present pit rule does not seem to be slowing drilling down in any appreciable quantity.

Now may be an appropriate time in the history of the United States to take a renewed look, to redo, and update the 1872 mining act and the 1935 New Mexico Oil and Gas Act to fit today's known health hazards. The oil and gas industry affects an enormous land area. There is need to safeguard the present day and future generations of populous against known oil/gas pollution, contamination, and health hazards.

Yours truly,

Carl L Johnson

P O Box 917

Tatum, NM 88267

3rd generation, Lea County, New Mexico rancher