

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

APPLICATION OF THE NEW MEXICO OIL AND GAS ASSOCIATION FOR AMENDMENT OF CERTAIN PROVISIONS OF TITLE 19, CHAPTER 15 OF THE NEW MEXICO ADMINISTRATIVE CODE CONCERNING PITS, CLOSED-LOOP SYSTEMS, BELOW GRADE TANKS AND SUMPS AND OTHER ALTERNATIVE METHODS RELATED TO THE FOREGOING AND AMENDING OTHER RULES TO CONFORMING CHANGES, STATEWIDE.

CASE NO. 14784

APPLICATION OF THE INDEPENDENT PETROLEUM ASSOCIATION OF NEW MEXICO FOR AMENDMENT OF CERTAIN PROVISIONS OF TITLE 19, CHAPTER 15 OF THE NEW MEXICO ADMINISTRATIVE CODE CONCERNING PITS, CLOSED-LOOP SYSTEMS, BELOW GRADE TANKS, SUMPS AND OTHER ALTERNATIVE METHODS RELATED TO THE FOREGOING AND AMENDING, STATEWIDE.

CASE NO. 14785

CLOSING ARGUMENTS OF JALAPENO CORPORATION

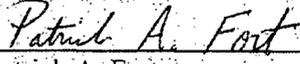
The Closing Arguments of Jalapeno Corporation are as follows:

The testimony of the witnesses listed in the table on the following page has been an education about the properties of bentonite clay and the processes of evapotranspiration and of salt movement, accumulation and precipitation and how they work from the vegetation on soil cover, the four foot of soil cover over the pit or trench and the bentonite clay in the drilling mud entombing constituents to the "salt bulge" to protect public health and the environment as shown in the table on the following page.

Material or vegetation	Properties or processes	Testimony by	Transcript
Native kind vegetation and reclamation (4 foot of soil cover)	electrical conductivity of 10 to 24; adapted to arid & semiarid, thus tolerate higher salt levels; evapotranspiration	Dr. Bruce Buchanan	pp. 2313-15, 2345-46, 2375-84, 2387-88, 2392-2402
4 foot of soil cover	evaporative zone depth made the most difference in HELP model output; evapotranspiration	Tom Mullins	pp. 1350-52, 1442-46, 1588-89, 1601
Salts	only move upward about one foot; salts diffuse up but flushed down, then come to equilibrium; 4 foot of soil cover sufficient	Dr. Bruce Buchanan	pp. 2309-13, 2340-41
Bentonite clay in drilling mud	entombs TPH, Benzene & Chloride anion; if any leakage, then slow, slow leakage & net effect is minimal	Dr. Ben Thomas	pp. 459-460, 467, 490, 495
"Salt Bulge"	arid/semi-arid climate only drives salt so far as water vapor does not carry salt (not a driver); soluble salt accumulates & precipitates out at about 10 to 20 feet down before getting to groundwater at 50 feet down; not dependant on salt concentration (chemistry of the salts & texture of the soil are also drivers)	Dr. Bruce Buchanan	pp. 2329-45, 2370, 2388-91, 2395-96

Therefore, the Oil Conservation Commission should adopt the Independent Petroleum Association of New Mexico's proposed amendments to Pit Rule 17, which have additional offsets and conditions to further protect public health and the environment.

Respectfully submitted,


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CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing pleading was filed with the Oil Conservation Commission and served upon the following parties on September 17, 2012 by email:

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