

RECEIVED

APR 27 2005

OIL CONSERVATION
DIVISION

PATRICK H. LYONS
COMMISSIONER



State of New Mexico
Commissioner of Public Lands

310 OLD SANTA FE TRAIL
P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148

COMMISSIONER'S OFFICE
Phone (505) 827-5760
Fax (505) 827-5766
www.nmstatelands.org

April 26, 2005

New Mexico Energy, Minerals and Natural Resources Department
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87505

Case 13480

Attn: Mark E. Fesmire

Dear Mr. Fesmire:

I am writing on behalf of Mr. Bill Marley in his case docketed for May 19, 2005 before an OCD examiner. Mr. Marley has submitted an application for a permit modification for a landfarm operating between Roswell and Tatum, in an area of increased oil and gas exploration and development. It is my understanding that the modification would be for disposal of drill cuttings into a clay-lined pit which would later be encapsulated with a clay covering. No free liquids will be present in the pit.

There is a strong need for this planned modification of the facility, and a disposal pit is essential in northern Lea and eastern Chaves Counties. Due to the effect of OCD Rule 50, operators increasingly need an economical means of disposal of drilling wastes. Hauling the material to the next closest facility over 100 miles away is not a reasonable solution.

I hope that the facts of the case allow the OCD to take a reasonable position that supports the Gandy Marley landfarm application for a permit modification. The cost and hazards of hauling waste over 100 miles versus the benefit gained for the environment, the industry, and the citizens of New Mexico can play a role in the Examiner Hearing decision. The OCD is charged with the prevention of waste of resources, but extraordinarily high costs associated with hauling drill cuttings and mud over 100 miles can stop exploration and make marginal, declining resources uneconomic to develop.

Sincerely,

Patrick H. Lyons
Patrick H. Lyons

Commissioner of Public Lands

-State Land Office Beneficiaries -

Carrie Tingley Hospital • Charitable Penal & Reform • Common Schools • Eastern NM University • Rio Grande Improvement • Miners' Hospital of NM • NM Boys School • NM Highlands University • NM Institute of Mining & Technology • New Mexico Military Institute • NM School for the Deaf • NM School for the Visually Handicapped • NM State Hospital • New Mexico State University • Northern NM Community College • Penitentiary of New Mexico • Public Buildings at Capital • State Park Commission • University of New Mexico • UNM Saline Lands • Water Reservoirs • Western New Mexico University

#1 Sunwest Centre
P.O. Box 1933
Roswell, NM 88202
Voice: (505)623-6601
Fax: (505)624-5321



Harvey E. Yates Company

May 4, 2005

RECEIVED
MAY 9 - 2005
OIL CONSERVATION
DIVISION

Mark E. Fesmire, P.E., Director
New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87505

Re: Gandy-Marley Landfarm Permit Amendment

Dear Mr. Fesmire:

Harvey E. Yates Company conducts oil and gas drilling and production operations in New Mexico. It is my understanding that Gandy-Marley would like to modify their landfarm operating permit in order to accept high saline oilfield wastes.

I agree that Gandy-Marley should be allowed to modify their current permit to allow high saline wastes at their landfarm facility. I would hope the New Mexico Oil Conservation Division would support Gandy-Marley in this due to the close proximity of their landfarm to oilfields in Chaves County and neighboring counties.

It makes good business sense to me to not limit the number of facilities that can take these types of wastes and handle them properly.

Sincerely,

Leonard Carpenter
Operations Manager
Harvey E. Yates Company

WJ 5/9/05

MARTIN YATES, III
1912 - 1985
FRANK W. YATES
1936 - 1986



105 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210-2118
TELEPHONE (505) 748-1471

S. P. YATES
CHAIRMAN OF THE BOARD
JOHN A. YATES
PRESIDENT
PEYTON YATES
EXECUTIVE VICE PRESIDENT
RANDY G. PATTERSON
SECRETARY
DENNIS G. KINSEY
TREASURER

May 17, 2005

RECEIVED
MAY 17 2005
OIL CONSERVATION DIVISION
SANTA FE, NM

Mr. Mark E. Fesmire, P.E.
Director
New Mexico Oil conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Re: Land farm Permits in Southeast New Mexico

Dear Mr. Fesmire:

The oil and gas industry in the State of New Mexico needs additional disposal sites to comply with the current pit rule (19.15.2.50 NMAC, Pits and Below Grade Tanks). Although we believe that this rule needs modification and is not the subject of any current hearings, Rule 50 has created problems for operators that are expensive to comply with because of the limited number of permitted facilities in existence. Competition among disposal sites will help lower operational costs and temporarily address the Rule 50 problems.

WTS 5/19/05

Currently, we understand that the Oil Conservation Division is reviewing applications from existing facilities that are attempting to obtain regulatory approval in order to accept waste materials generated by the pit rule. We recommend and request that the Division expedite the approval of applications that meet the proper regulatory requirements for accepting exploration wastes that must be properly disposed. Additionally, we request that the Division provide detailed guidance to assist applicants on meeting the regulatory requirements.

Very truly yours,

YATES PETROLEUM CORPORATION

Randy G. Patterson
Executive Vice President of
Exploration and Production



HARVARD PETROLEUM CORPORATION

200 East Second Street • P.O. Box 936 • Roswell, NM 88202-0936 • (505) 623-1581 • Fax (505) 622-8006

2005 MAY 20 PM 1 12

May 18, 2005

Mr. Mark Fesmire, P.E.
Director
New Mexico Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

Re: SE New Mexico Land Farm Permits
Gandy-Marley Permit Modification

Dear Director Fesmire:

Continued economic viability of the oil and gas industry in New Mexico is vital to the state as well as to our nation. As you are well aware, oil and gas revenues have increased due to commodity prices. A fact that is not as well recognized is the increase in all of the costs associated with exploring for, developing and producing oil and gas. The increased production costs include the disposal of high saline oilfield material.

The recent Rule 50 guidelines have imposed additional, costly requirements on the oil and gas industry to dispose of drilling pit material. There are a very limited number of sites to take this material. You are in the process of reviewing permit modifications from existing facilities to continue accepting high saline material, Gandy-Marley being one of them. I sincerely request and recommend the OCD approval of the Gandy-Marley permit modification. I also sincerely request the Division work with other applicants to ensure approval of their permit modifications or applications. If the oil and gas industry is going to continue in New Mexico it needs to have access to facilities that are economical to use. In order for this to occur it is imperative to have various sites and companies spread throughout the producing regions.

Sincerely,

Harvard Petroleum Corporation

Jeff Harvard
President

Manzano, LLC

P.O. Box 2107

Roswell, New Mexico 88202-2107

(505) 623-1996

May 3, 2005

New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87505

Attention: Mr. Mark Fesmire, Director

RE: Gandy-Marley Landfarm Permit Modification

Dear Mr. Fesmire:

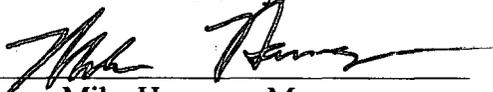
Please accept this letter as an indication of our support of the modification of Gandy-Marley's landfarm operating permit that would allow the Gandy-Marley facility to accept oilfield waste with a high saline content.

As a small oil and gas operator in the southeastern part of the State, we strongly believe that it is in the best interest of the State of New Mexico, as well as the oil and gas industry in the southeastern part of the State, to approve the modification of the facility's permit in order to provide for healthy business competition in what is already a very limited market. It is important for operators to have access to this type of facility in the northern part of the Permian Basin as opposed to having to transport the waste over 100 miles to the only other two sites in this part of the State.

We have found Gandy-Marley to be very prudent and professional operators of the facility and their site appears to be ideal for handling oil field wastes of this nature.

In our opinion, it seems logical, for several reasons, for the NMOCD to allow Gandy-Marley to modify their landfarm operating permit so as to allow their facility to accept high saline content oilfield wastes.

Sincerely,



Mike Hanagan, Manager

RECEIVED
MAY 5 - 2005
OIL CONSERVATION
DIVISION

WNT 5/5/05

EAGLE RESOURCES, LP

P.O. Box 3900
Roswell, NM 88202-3900
505/622-8800 Telephone
505/622-8805 Fax
Rory McMinn
rorym@cagleg.com

May 3, 2005

New Mexico Energy, Minerals and
Natural Resources Department
Oil Conservation Division
Attention: Mr. Mark E. Fesmire, P.E., Director
1220 S. St. Francis Drive
Santa Fe, NM 87505

RECEIVED
MAY 6 - 2005
OIL CONSERVATION
DIVISION

Re: Gandy Marley, Inc. modification/amendment to Landfarm Permit

Dear Director Fesmire:

I am writing to you as a former member of the Chaves County Commission who attended many if not most of the public meetings held in Chaves County prior to the approval of the Gandy Marley, Inc. oilfield waste disposal site and landfarm.

I am also writing to you as a former member of the New Mexico Public Regulation Commission. In that capacity, I witnessed how the state government regulated various industries and worked diligently to prevent non-utility monopolistic business activities.

Most importantly, I am writing to you as a small oil and gas producer. My family has been in the oil and gas industry for three generations. My Grandfather was a producer, my Father and his brothers were producers and two years ago, I became one myself. I can tell you of the changes that have taken place in the industry since I "broke out" in the middle of the 60's. I can only imagine the changes that have taken place since my grandfather began almost 100 years ago. I can also tell you that as an industry, we are now very aware of the environment and the potential for damage to the environment. My Grandfather was probably not concerned because he did not know any better, my Father was concerned but didn't have the tools and training to deal with the potential harm and I am concerned and have some of the training and all of the current tools.

So far, I've told you that I have been very aware of Gandy Marley, Inc. for over 8 years, I have need for their services and I know full well what happens to the customer when he has no recourse but to use a vendor who has no competition and operates without price regulation.

My wells are marginal therefore the economics, with the additional charges forced on me if Gandy Marley, Inc. is not granted their permit modification/amendment, may cause me to have to shut down my operations either partially or completely.

WVJ 5/9/05

I will be affected if I have to reduce or shut down. However, as I drive from Roswell to Elida to attend to my leases, I can see a couple of other areas that cause me concern. The first is that Chaves County and Roosevelt County may fall out of favor with the larger operators who are now actively drilling their acreages in those counties. The gross receipts revenue and severance tax revenues of those counties and the state will be negatively affected if the drilling slows down. The second is the New Mexico Department of Transportation and their zealously in stopping many of the "oilfield haulers". Each time that they shut down a truck to inspect and weigh it, they cause a domino effect of delays and cost overruns. Every waste hauling truck has someone and some other equipment waiting for them at both the delivery point and also back at the loading point.

I appreciate your consideration of my comments. I request that you grant the application from Gandy Marley, Inc. for either a modification or an amendment to their current permit which would then allow them to dispose of oilfield waste with high saline content. Or I request that should that application be denied, that the remaining land farming/waste disposal operations in Southeastern New Mexico which are permitted to dispose of oilfield waste with high saline content be subject to price regulation in order to prevent possible and probable price gouging.

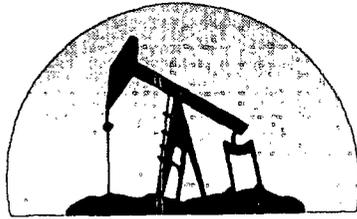
I additionally request that my letter be read into the minutes of your public hearing.

Yours Sincerely,
EAGLE RESOURCES, LP



Rory McMinn, Manager

cc: Gandy Marley, Inc.
P.O. Box 165
Roswell, NM 88202-0165



marbob
energy corporation

2005 MAY 18 AM 9 25

May 16, 2005

New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Attention: Mr. Mark Fesmire

**RE: Gandy-Marley Land Farm
Permit Modification/Amendment**

Dear Mark:

Marbob Energy Corporation would request that you approve the permit modification for the Gandy-Marley land farm which would allow it to take oilfield waste with a high salt character. We operate wells in Eddy, Lea and Chaves County. With the increased focus on spill cleanup, remediation, and pit closures, it is important to have multiple disposal sites available across Southeast New Mexico. We have previously disposed material into this facility and found it to be well run. With recent Department of Transportation restrictions on the number of hours that drivers can work, the longer the disposal haul the more likely that multiple hauls in the same day will violate the rules. This would then result in more days being required to finish the disposal work. Likewise, if there are not multiple disposal locations with different ownership then oligopoly or monopoly pricing will result.

WNS 5/18/05

Your decision should be based strictly on the facts of the suitability of the disposal location to successfully manage this waste which will protect the environment. We believe this location is suitable for disposal of highly salty waste in an environmentally safe manner. We hope this permit modification will be approved.

Sincerely,

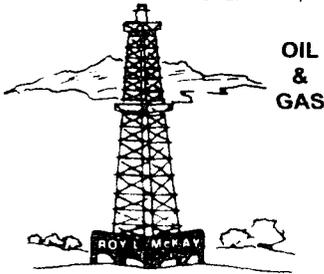
Johnny C. Gray
President

JCG/mm

McKay Capital Corporation

ROY L. MCKAY, PRESIDENT

MAILING ADDRESS: P.O. Box 2014 ROSWELL, N.M. 88202 • TELEPHONE 505 / 623 - 4735
STREET ADDRESS: ONE MCKAY PLACE ROSWELL, N.M. 88201 • FAX No. 505 / 624 - 2202



RECEIVED
MAY 9 - 2005
OIL CONSERVATION
DIVISION

To: New Mexico Oil Conservation Division
ATTN: Director Mark E. Fesmire, P.E.
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

RE: Gandy-Marley Landfarm Permit Modification/Amendment

Dear Mr. Fesmire:

This letter is to acknowledge our support of Gandy-Marley's modification to their landfarm operating permit to allow their facility to accept oilfield waste with high saline content.

Our company conducts oil and gas drilling operations in New Mexico and we have dealt with a number of sites that accept oilfield wastes. In our opinion, Gandy-Marley is one of the best run facilities in our State. We believe that it is imperative that Gandy-Marley be allowed to accept oilfield waste with high saline content, as their site is ideally suited for accepting such waste. We also believe that in the best interests of business competition the State of New Mexico should not limit those in the oil and gas drilling business to having to haul high saline content waste to a limited number of facilities.

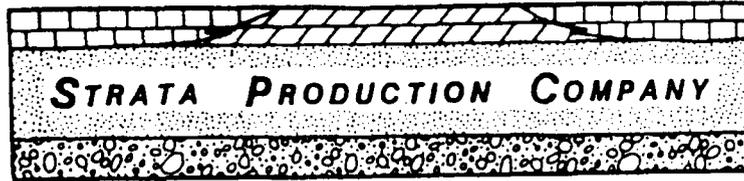
WJF
5/9/05

As such, we believe that the Oil Conservation Division should allow Gandy-Marley to modify Their landfarm operating permit and accept high saline content oilfield wastes.

Sincerely,


Roy L McKay

POST OFFICE DRAWER 1030
ROSWELL, NM 88202-1030



TELEPHONE (505) 622-1127
FACSIMILE (505) 623-3533

200 WEST FIRST STREET, ROSWELL PETROLEUM BUILDING, SUITE 700
ROSWELL, NEW MEXICO 88203

May 4, 2005

Mark E. Fesmire, Director, P.E.
New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Re: Gandy-Marley Landfarm
Permit Modification/Amendment

Dear Mr. Fesmire:

I am writing today in support of Gandy-Marley's modification to their landfarm operating permit to allow their facility to accept high saline content oilfield waste.

Strata is an oil and gas exploration and production company in New Mexico. We have dealt with a number of oilfield waste disposal sites. In our opinion, Gandy-Marley is a well run operation, one of the best in the industry.

Access to geographically diverse, competitive, and economical disposal facilities is important to the oil and gas industry and also beneficial to the State of New Mexico. Therefore, we believe that the Oil Conservation Division should allow Gandy-Marley to modify their landfarm operating permit.

Sincerely,

Mark B. Murphy
President

MBM/cdr

RECEIVED
MAY 6 - 2005
OIL CONSERVATION
DIVISION

WWT 5/4/05

PRIMERO
OPERATING, INC.

POST OFFICE BOX 1433
ROSWELL, NEW MEXICO 88202
(505) 622-1001 FAX (505) 625-0227

RECEIVED

MAY 6 - 2005

OIL CONSERVATION
DIVISION

May 2, 2005

Mark E. Fesmire, P.E.
New Mexico Oil Conservation Division
1220 South St Francis Drive
Santa Fe, NM 87505

Re: Gandy Marley Land farm
Permit Modification/Amendment

Dear Mr. Fesmire:

This letter is to acknowledge our support of Gandy-Marley's modification to their land farm operating permit to allow their facility to accept oilfield waste with high saline content.

Primero Operating, Inc. conducts oil and gas drilling and producing operations in Southeastern New Mexico. Fortunately Primero has not had to actually contract the services of a land farm as of this date. In the event that we do require this type of facility in the future, I certainly feel that the more facilities scattered around this section of the state, the better it is for everyone. As you can imagine, the transportation of excavated soil is very expensive, and the farther it is transported the more expensive it is.

I have known and worked with Bill Marley and some of the Gandy's for over 20 years now and have found them to be good and conscientious business men. From my understanding, all required environmental studies have been done at their site and Saline laden soils will not be a threat to groundwater supplies.

Our industry has been hit over recent years with many different regulations regarding the environment. I believe that the State (and Federal) governments should sensibly make the regulations as easy and economical to comply with as possible. As such, I believe that the Oil Conservation Division should allow Gandy-Marley to modify their land farm operating permit and accept the high saline content oilfield wastes.

Yours truly,



Phelps White
President

WVJ 5/4/05



MOREXCO, INC.

P. O. Box 1591
Roswell, NM 88202-1591

Phone: 505-627-1290
Fax: 505-627-1289
Mobile: 505-365-7038 or
505-626-8949
Residence: 505-627-5777
morexco@earthlink.net

May 6, 2005

To: New Mexico Oil Conservation Division
ATTN: Director Mark E. Fesmire, P.E.
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

RECEIVED
MAY 9 - 2005
OIL CONSERVATION
DIVISION

RE: Gandy-Marley Landfarm Permit Modification/Amendment

Dear Mr. Fesmire:

This letter is to acknowledge our support of Gandy-Marley's modification to their landfarm operating permit to allow their facility to accept oilfield waste with high saline content.

Our company conducts oil and gas drilling operations in New Mexico and we have dealt with a number of sites that accept oilfield wastes. In our opinion, Gandy-Marley is one of the best run facilities in our State. We believe that it is imperative that Gandy-Marley be allowed to accept oilfield waste with a high saline content, as their site is ideally suited for accepting such waste. We also believe that in the best interests of business competition the State of New Mexico should not limit those in the oil and gas drilling business to having to haul high saline content waste to a limited number of facilities.

As such, we believe that the Oil Conservation Division should allow Gandy-Marley to modify their landfarm operating permit and accept high saline content oilfield wastes.

Sincerely,

MOREXCO, INC.

Donald G. Becker, Jr.
President

WVS 5/9/05

ELK OIL COMPANY

BOX 310

ROSWELL, NEW MEXICO 88202

(505) 623-3190

JOSEPH J. KELLY
PRESIDENT

May 6, 2005

RECEIVED
MAY 9 - 2005
OIL CONSERVATION
DIVISION

New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Attention: Director Mark E. Fesmire, P.E.

Dear Mr. Fesmire:

This letter is to acknowledge our support of Gandy-Marley's modification to their landfarm operating permit to allow their facility to accept oilfield waste with high saline content.

Our company conducts oil and gas drilling operations in Chaves County and Lea County, New Mexico.

With the new rules concerning pits and closure, there are very few facilities to accept oilfield wastes with saline content. Gandy-Marley is the only site in Chaves County at the present time. We believe that it is in the best interest of business competition, the State of New Mexico should not limit the facilities that can accept oilfield waste to include high saline content.

Therefore the OCD should allow Gandy-Marley to modify their landfarm permit to accept high saline content waste.

Yours very truly,
ELK OIL COMPANY



Joseph J. Kelly
President

JJK/jgb

WVJ 5/9/05

RECEIVED

MAY 16 2005
OIL CONSERVATION
DIVISION

Date: 5/11/05
From: MIKE Boling
PO BOX 2021
Roswell, NM 88202

To: New Mexico Oil Conservation Division
ATTN: Director Mark E. Fesmire, P.E.
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

RE: Gandy-Marley Landfarm Permit Modification/Amendment

Dear Mr. Fesmire:

This letter is to acknowledge our support of Gandy-Marley's modification to their landfarm operating permit to allow their facility to accept oilfield waste with high saline content.

Our company conducts oil and gas drilling operations in New Mexico and we have dealt with a number of sites that accept oilfield wastes. In our opinion, Gandy-Marley is one of the best run facilities in our State. We believe that it is imperative that Gandy-Marley be allowed to accept oilfield waste with high saline content, as their site is ideally suited for accepting such waste. We also believe that in the best interests of business competition the State of New Mexico should not limit those in the oil and gas drilling business to having to haul high saline content waste to a limited number of facilities.

As such, we believe that the Oil Conservation Division should allow Gandy-Marley to modify their landfarm operating permit and accept high saline content oilfield wastes.

Sincerely,

Robert Michael Boling
~~PO BOX 2021~~
~~Roswell~~

PROVENTING the use of the Gandy-

Marley facility will CAUSE operators in Chavez, Roosevelt, & Northern Lea. Citys AND additional financial burden of hauling waste materials to Eunice or near CARLSBAD (100+ miles) This additional financial burden is UNNECESSARY. I'VE KNOWN the operator of the Gandy-Marley facillite FOR 10, PLUS years. He is VERY CAPABLE & CONSCIENTIOUS. I EXPECT him to continue to be if you allow them to dispose of this ADDITIONAL WASTE.

10/11/05
5/16/05

Date: 5-4-05

From: Cindy J. Graham
HC 12 Box 6
Caprock, NM 88213

RECEIVED
MAY 9 - 2005
OIL CONSERVATION
DIVISION

To: **New Mexico Oil Conservation Division**
ATTN: Director Mark E. Fesmire, P.E.
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

RE: **Gandy-Marley Landfarm Permit Modification/Amendment**

Dear Mr. Fesmire:

This letter is to acknowledge my support of Gandy-Marley's modification to their landfarm operating permit to allow their facility to accept oilfield waste with high saline content.

I am a concerned citizen that conducts farming and ranching operations in New Mexico. Various oil and gas drilling operators conduct their operations on my land. I am familiar with the oil and gas industry operations and am also familiar with the Gandy-Marley landfarm, and its competitors. In my opinion, Gandy-Marley is one of the best-run facilities in our State.

I believe that it is imperative that Gandy-Marley be allowed to accept oilfield waste with high saline content, as from what I know about the situation their site is ideally suited for accepting such waste. It also seems that in the best interests of business competition the State of New Mexico should not limit oil and gas operators to having to haul high saline content waste to a limited number of facilities.

As such, we believe that the Oil Conservation Division should allow Gandy-Marley to modify their landfarm operating permit and accept high saline content oilfield wastes.

Sincerely,

Cindy J. Graham

lwd 5/9/05

Date: 5-3-05
From: Jack Luce
HC-12 NBLL box 334
Tatum, NM 88267

RECEIVED
MAY 6 - 2005
OIL CONSERVATION
DIVISION

To: New Mexico Oil Conservation Division
ATTN: Director Mark E. Fesmire, P.E.
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

RE: Gandy-Marley Landfarm Permit Modification/Amendment

Dear Mr. Fesmire:

This letter is to acknowledge my support of Gandy-Marley's modification to their landfarm operating permit to allow their facility to accept oilfield waste with high saline content.

I am a concerned citizen that conducts farming and ranching operations in New Mexico. Various oil and gas drilling operators conduct their operations on my land. I am familiar with the oil and gas industry operations and am also familiar with the Gandy-Marley landfarm, and its competitors. In my opinion, Gandy-Marley is one of the best-run facilities in our State.

I believe that it is imperative that Gandy-Marley be allowed to accept oilfield waste with high saline content, as from what I know about the situation their site is ideally suited for accepting such waste. It also seems that in the best interests of business competition the State of New Mexico should not limit oil and gas operators to having to haul high saline content waste to a limited number of facilities.

As such, we believe that the Oil Conservation Division should allow Gandy-Marley to modify their landfarm operating permit and accept high saline content oilfield wastes.

Sincerely,

Jack Luce

WVU 5/9/05

MAY 19 2005
OIL CONSERVATION
DIVISION

May 11, 2005

New Mexico Oil Conservation Division
ATTN: Director Mark E Fesmire, P. E.
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

RE: Gandy-Marley Landfarm Permit Modification/Amendment

Dear Mark:

This letter is to acknowledge my support of Gandy-Marley's modification to their landfarm operating permit to allow their facility to accept oilfield waste with high saline content.

I am a concerned citizen that conducts ranching operations in Northern Lea, Chaves and Roosevelt counties in New Mexico. Various oil and gas drilling operators conduct their operations on our land. I am familiar with the oil and gas industry operations and am also familiar with the Gandy-Marley landfarm, and its competitors.

I believe that it is imperative that Gandy-Marley be allowed to accept oilfield waste with high saline content. From what I know about the situation, their site is ideally suited for accepting such waste. It also seems that, in the best interests of business competition, the State of New Mexico should not limit oil and gas operators that are hauling high saline content waste to a limited number of facilities. The distance to haul waste is a very large factor as to disposal and cost of same. For oil operators in northern Lea, southern Roosevelt, and northeastern Chaves counties to have to haul their pits and saline waste products to southern Lea County is cost prohibitive and unfair to all land users and oil companies. This long distance hauling also adds to our regional highways being unnecessarily stressed which are at this time, due to intense oil activity, unusually active and deteriorating rapidly.

5/19/05
EM

As such, we believe that the Oil Conservation Division should allow Gandy-Marley to modify their landfarm operating permit and accept high saline content oilfield wastes.

Sincerely yours,

A handwritten signature in cursive script, appearing to read "Carl L. Johnson". The signature is fluid and somewhat stylized, with a large initial "C" and "J".

Carl L. Johnson
P O Box 917
Tatum, New Mexico 88267

May 5, 2005

New Mexico Oil Conservation Division
Attn: Director Mark E Fesmire, P.E.
1220 South St Francis Drive
Santa Fe NM 87505

Re: Gandy-Marley Landfarm Permit Modification/Amendment

Dear Mr. Fesmire,

This letter is to acknowledge my support of Gandy-Marley's modification to their landfarm operating permit to allow their facility to accept oilfield waste with high saline content.

I am a concerned landowner with farming and ranching operations in Lea and Chaves counties. Various oil and gas drilling operators conduct their operations on my land. I am familiar with the oil and gas industry operations and am also familiar with the Gandy-Marley landfarm. In my opinion, Gandy-Marley is more than adequately able to accept such waste.

After much consideration, I believe the GMI site to be ideally suited to accept oilfield waste with high saline content. It also seems that in the best interests of business competition, the State of New Mexico should not limit oil and gas operators to having to haul high saline content waste to a limited number of facilities.

As such, I believe that the Oil Conservation Division should allow Gandy-Marley to modify their landfarm operating permit and allow the site to accept high saline content oilfield wastes.

Sincerely,



Ricky Pearce
West Star Rt Box 52
Caprock NM 88213



Armstrong
ENERGY CORPORATION

500 NORTH MAIN STREET, SUITE 1000
P. O. BOX 1973
ROSWELL, NEW MEXICO 88202-1973
505/625-2222
FAX 505 622-2512

May 19, 2005

RECEIVED
MAY 23 2005
OIL CONSERVATION
DIVISION

New Mexico Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, New Mexico 87505

Attention: Mark, E. Fesmire, P.E., Director

Re: Gandy-Marley Landfarm Permit Modification/Amendment

Dear Mr. Fesmire:

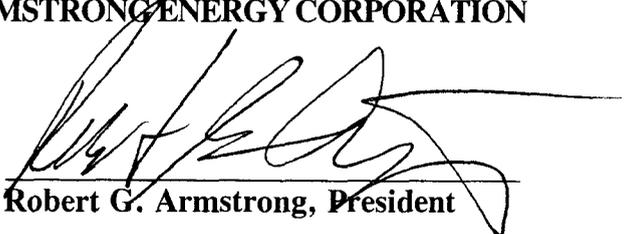
This letter is to acknowledge our support of Gandy-Marley's modification to their landfarm operating permit to allow their facility to accept oilfield waste with high saline content.

Our company conducts oil and gas drilling operations in New Mexico and we have dealt with a number of sites that accept oilfield wastes. In our opinion, Gandy-Marley is one of the best run facilities in our state. We believe that it is imperative that Gandy-Marley be allowed to accept oilfield waste with high saline content, as their site is ideally suited for accepting such waste. We also believe that in the best interests of business competition, the State of New Mexico should not limit those in the oil and gas drilling business to having to haul high saline content waste to a limited number of facilities.

As such, we believe that the Oil Conservation Division should allow Gandy-Marley to modify their landfarm operating permit and accept high saline content oilfield wastes.

Sincerely,

ARMSTRONG ENERGY CORPORATION

By: 
Robert G. Armstrong, President

RGA/jb

WVT 5/24/05