

STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING CALLED BY )  
THE OIL CONSERVATION DIVISION FOR THE )  
PURPOSE OF CONSIDERING: )

APPLICATION OF GANDY MARLEY, INC., TO )  
MODIFY THEIR EXISTING NMOC Rule 711 )  
PERMIT NO. NM-01-019 SO THAT THEY MAY )  
ACCEPT SALT-CONTAMINATED OILFIELD WASTES )

CASE NO. 13,480

REPORTER'S TRANSCRIPT OF PROCEEDINGS  
(3 of 3: Controlled Recovery Exhibits)  
EXAMINER HEARING

BEFORE: WILLIAM V. JONES, JR., Hearing Examiner

May 23rd-24th, 2005

Santa Fe, New Mexico

This matter came on for hearing before the New Mexico Oil Conservation Division, WILLIAM V. JONES, JR., Hearing Examiner, on Monday and Tuesday, May 23rd and 24th, 2005, at the New Mexico Energy, Minerals and Natural Resources Department, 1220 South Saint Francis Drive, Room 102, Santa Fe, New Mexico, Steven T. Brenner, Certified Court Reporter No. 7 for the State of New Mexico.

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STEVEN T. BRENNER, CCR  
(505) 989-9317

Request for a temporary emergency order allowing a landfarm to accept salt-contaminated oilfield waste.

Name of Facility: GANDY MARLEY, INC

Address: PO BOX 1658

City, State, Zip: ROSWELL, NM 88202

Location of landfarm

Qtr/Qtr, Section, Township, Range SEC.4,5,8,9, T11SR31E NMPM

Depth to groundwater at landfarm: 150 FOOT TO WATER, TDS IN EXCESS OF 15,000PPM

Fresh water wells within 1,000 feet? No X

Watercourses (wet or dry) within 1,000 feet? No X

Conditions at the landfarm site which would make it acceptable for the disposal of salt-contaminated oilfield waste. Such conditions could include an impermeable barrier such as clay (red bed) between the landfarm and the groundwater, lack of groundwater at the site, etc.

Facility has a impermeable redbed clay barrier of approximately 150 feet between surface and groundwater. groundwater at site is nonproduceable in both volume and quality (approx. TDS 15,000ppm). Please see original permit application for a complete description of site characteristics.

Why do you consider this an emergency? Extensive drilling programs and cleanup of salt contaminated materials in our area by OCD regulation are required to be removed from location because of their threat to the fresh water, human health and the environment. With the administrative modification of landfarm permits there is a critical need for a facility in this area to be able to accept this material. The unique location of this facility ensures future protection to the groundwater, human health, and the environment.

Check one: I have already submitted an application to accept salt-contaminated waste X  
I will submit an application for modification in the next two weeks

Signed by:

Printed Name: Larry Gandy

Signature

Title: Vice president

Date: March 10, 2005.

Before the OCD  
Case 13454 & 13455  
OCD Ex. 8

