Davidson, Florene, EMNRD

From: Chavez, Carl J, EMNRD

Sent: Friday, March 10, 2006 9:46 AM

To: rick@wtplastics.com

Cc: Davidson, Florene, EMNRD

Subject: RE: Pit Rules

Rick:

Thank you for your comments. They have been forwarded to Florene Davidson of OCD for the record.

Carl J. Chavez, CHMM New Mexico Energy, Minerals & Natural Resources Dept. Oil Conservation Division, Environmental Bureau 1220 South St. Francis Dr., Santa Fe, New Mexico 87505

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(Pollution Prevention Guidance is under "Publications")

From: rick@wtplastics.com [mailto:rick@wtplastics.com]

Sent: Friday, March 10, 2006 8:45 AM

To: Chavez, Carl J, EMNRD **Cc:** Price, Wayne, EMNRD

Subject: Pit Rules

Carl / Wayne

I thought the shareholder meeting on the 27th went very well. There was alot of information presented and I thought very helpful to try and understand the whole picture. Thank you for the opportunity to express my thoughts and believes.

My major concern besides the lining specification wording which I believe Raven Industries is working with you on is:

19.15.1.50 section E:

"Drilling fluids and drill cuttings. (Drilling) Operators shall recycle, transfer to a division-approved waste facility or otherwise dispose of as approved by the division drilling fluids and drill cuttings in a manner to prevent the contamination of fresh water and protect public health and environment. The operators shall describe the proposed disposal method in the application for permit to drill or the sundry notices and report on wells."

I believe if this wording is left as is the division could someday randomly decide that the "otherwise dispose of as approved by the division" could mean, No way to leave the cuttings on site in an encapsulated drill cutting cell and require all closed loop systems or require all waste to be moved to a waste site.

I understood at the Stakeholders meeting that the "otherwise dispose of as approved by the division" means an operator could leave the cuttings on site as customary today if we stated so on our application for permit to drill that we are planning to leave our drill cutting on site and the division would approve such an application.

Might I suggest the following wording of this paragraph to better clarify what is really being said; Please consider this:

"Drilling fluids and drill cuttings. (Drilling) Operators shall recycle, transfer to a division-approved waste facility or *line and close the pits as prescribed in the "Pit and Below-Grade Tank Guidelines established November 1, 2004* or otherwise dispose of as approved by the division drilling fluids and drill cuttings in a manner to prevent the contamination of fresh water and protect public health and environment. The operators shall describe the proposed disposal method in the application for permit to drill or the sundry notices and report on wells."

I feel, I know the intentions of the current OCD on this statement, but if the wording is left as is, someone later down the line could interpret that statement to mean absolutely no cutting left on drill sites. I don't believe that is the intention of this rule and it should be clarified.

Would you please return my email with your thoughts and reiterate for me that what was said at the Stakeholders meeting is correct with respect to leaving cuttings on site if permitted correctly. Again, Thank You for the opportunity to voice my concerns,

Rick Gasser W T Plastics Lance Leasing 432-563-4005