

**STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION**

**Meeting Minutes
Regular Meeting
January 9, 2017
Eunice Community Center
1115 Avenue I
Eunice, New Mexico**

MEMBERS PRESENT:

David R. Catanach Chair, Oil Conservation Division
Robert Balch Designee, Energy, Minerals and Natural Resources Department
Patrick Padilla Designee, New Mexico State Land Commissioner

OTHERS PRESENT:

Cheryl Bada, Counsel for the Commission

The meeting was called to order by Chair Catanach at 8:00 a.m.

Item 1. Roll Call.

Roll was taken; a quorum was present.

Chair Catanach thanked Mayor Matt White for providing the forum for this meeting, and he thanked the members of the public for coming to voice their comments. He then introduced legislators in the audience: Representative David Gallegos, Representative Larry Scott and Representative Lyons.

Item 2. Approval of Agenda.

Action: Commissioner Padilla moved adoption of the agenda. Commissioner Balch seconded the motion. The motion passed unanimously.

Item 3. Approval of minutes of January 4, 2017 meeting.

Action: Commissioner Balch moved to approve the minutes. Commissioner Padilla seconded the motion. The motion passed unanimously.

Item 4. Case 15617, Application of CK Disposal, LLC for a Commercial Surface Waste Management Facility Permit in Lea County, New Mexico.

Action: Appearances were made by Mike Woodward, Wes McGuffey, and Bryce Karger for CK Disposal, LLC (CK); David Brooks for the Oil Conservation Division (OCD); Hal Holberg, consultant for CK; and Hank Bohnhoff for Louisiana Energy Services, LLC d/b/a URENCO, USA (LES or URENCO). Opening statements were made by Mr. Woodward explaining the project and the criteria the OCD requires for the permitting of a surface facility. Mr. Bohnhoff made an opening statement explaining that LES opposes the application because it does not believe the requirements are being met and is concerned about traffic issues. Mr. Brooks made an

opening statement explaining the draft permit process after an application is received by the OCD's Environmental Bureau and the setting of the application for hearing before the Oil Conservation Commission at the request of the public.

Chair Catanach explained that originally the entire case was to be held in Eunice at a three-day hearing. URENCO advised the Commission that they were not fully prepared to present their case at this time and asked for a continuance. Case 15617 will therefore be continued to a hearing to be held in Santa Fe beginning on February 8, 2017. The hearing today is being held to listen to comments from concerned citizens. The public will also be allowed to ask questions of the technical people here today.

Eunice Mayor Matt White stated that Representative Bob Wooley was unable to attend today's hearing because of illness but plans to attend the hearing in Santa Fe. Mayor White said that the community supports URENCO and the oil industry but has concerns about the location of the proposed facility, traffic issues on Highway 176, and the possibility of a deep disposal well.

Representative David Gallegos stated his concerns about safety aspects on Highway 176 and air quality. He read letters opposing CK's application from Senator Carroll Leavell because of the nature and location of the proposed facility and from Senator Gay Kernan because of quality of life concerns for the citizens of Eunice and the employees of URENCO.

Public comments regarding concerns about traffic and safety, the location of the proposed facility, emissions, odor, exposure to known carcinogens, H2S contamination, fires, use of water and pollution, facility as a deterrent to people entering New Mexico and impacting property values, were made by the following:

Jay Laughlin, URENCO employee
Pat McCasland, URENCO employee
Linda Carmack, retired teacher
Susan Wilson, URENCO employee
Rose Gardner, Eunice citizen
Steve Vierck, President/CEO of the Economic Development Corporation of Lea County
Steve Sumner, Eunice citizen
Mary Jane Ward, URENCO employee
Chris Puntoya, URENCO employee

Chair Catanach asked Mr. Woodward to address the treatment of the solid waste. Mr. Woodward and Mr. Nicholas Ybarra discussed methods of checking H2S levels and emissions.

Representative Larry Scott asked what differences there were in CK's proposal and the waste facility at Halfway as far as odor issues are concerned and how would those differences mitigate the air quality issues. Mr. Woodward explained the differences in the two sites. Representative Scott urged the Commission to be conservative in its evaluation of the impact of the proposed facility on the citizens of Eunice.

Mr. Woodward stated that the New Mexico Department of Transportation and the Environment Department will also have to be notified and grant approval of the surface waste management facility.

Dr. Matthew McGovern, Urenco employee, clarified what the New Mexico Regulatory Code limits are for H2S levels.

Chair Catanach asked CK about the traffic situation concerning access to the Sundance facility and the area to be served by the CK facility. Chair Catanach said that the Commission plans to visit the site before they leave town.

The public comment session of Case 15617 was closed. The case was continued to the February 8 Commission hearing to be held in Santa Fe, New Mexico. Chair Catanach announced that the hearing will possibly last three days and comments will be accepted at that hearing, also. Anybody wishing to present testimony should comply with all of the requirements regarding adjudicatory hearings.

Item 5. (Continued from the January 4, 2017 Commission Meeting)
Deliberations on Case No. 15487: Application of the New Mexico Oil Conservation Division through the supervisor of District II for adoption of special rules for drilling in certain areas, for the protection of fresh water, Chaves and Eddy Counties, New Mexico, heard on December 5, 2016

Action: Chair Catanach explained that a clean draft of the proposed rule was provided to the Commissioners by Ms. Bada. The draft rule was reviewed and accepted by the Commission. Ms. Bada was instructed to draft a final order incorporating the rule which will be adopted by the Commission at the February 8, 2017 Commission meeting.

Item 6. **Next meeting: February 8, 2017**

Item 7. **Adjournment**

The chair adjourned the meeting at 10:05 a.m.



DAVID R. CATANACH, Chair