

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

**IN THE MATTER OF THE APPLICATION OF  
DKD, LLC FOR AN ORDER REVOKING THE  
INJECTION AUTHORITY FOR THE GANDY  
CORPORATION STATE "T" WELL NO. 2,  
LEA COUNTY, NEW MEXICO**

**CASE NO. 13686  
ORDER NO. R-12649  
DE NOVO**

**DKD, LLC'S RESPONSE  
TO  
GANDY CORPORATION'S MOTION TO CONTINUE**

DKD, LLC, for its Response to Gandy Corporation's Motion To Continue, states:

DKD, LLC opposes Gandy Corporation's Motion to Continue. DKD intends to attend the January 11, 2007 Commission hearing docket and present evidence in furtherance of the relief requested in its original and amended Applications.

The present conditions in the field caused by the operations of the Gandy Corporation State "T" No. 2 injection well are of serious enough concern to warrant further and immediate action by the Commission in order to prevent further damage to additional wells and property, and the waste of hydrocarbon resources. In addition, DKD is prepared to present additional evidence obtained since the examiner hearing that establishes the conditions left by Gandy Corporation's operations constitute a threat to the environment and human health and safety.

All of the relief sought by DKD is within the scope of its original and amended Applications. However, further administrative action more specific than that afforded by the Division in Order No. R-12649 is required to fully resolve this situation.

Correspondingly, for more than a year, Gandy Corporation has been fully aware of the scope of the issues involved in this pending agency action and has had adequate opportunity to

prepare. DKD, in reliance on the Application for Hearing De Novo filed on behalf of Gandy Corporation, has engaged in discovery, subpoenaed documents, retained an expert witness, arranged for the appearance of fact witnesses, filed its Pre-Hearing Statement, responded to Gandy's Motion To Dismiss, compiled and delivered an extensive set of exhibits and has planned and prepared for the presentation of this case on January 11, 2007.

Gandy Corporation's unilateral eleventh-hour attempts to delay or avoid the Commission's exercise of its jurisdiction only compounds the risks referenced above and is fundamentally unfair to the Applicant, DKD. For these reasons, Gandy Corporation's Notice of Withdrawal must be stricken and its Motion to Continue should be denied.

Respectfully submitted:

MILLER STRATVERT P.A.

By: 


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**Certificate of Mailing**

I hereby certify that a true and correct copy of the foregoing was delivered to counsel of record on the 9th day of January 2007, as follows:

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J. Scott Hall