

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

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IN THE MATTER OF APPLICATION OF WILLIAMS PRODUCTION CO., LLC
FOR APPROVAL OF A CLOSED LOOP SYSTEM FOR THE ROSA SWD NO. 2
AND FOR THE IN-PLACE BURIAL OF DRILLING WASTES AT ANOTHER
WELL LOCATION, RIO ARriba COUNTY, NEW MEXICO.

CASE NO. 14521

ENTRY OF APPEARANCE AND
PRE-HEARING STATEMENT

The Oil Conservation Division submits this entry of appearance and pre-hearing statement pursuant to OCD Rule 19.15.4.13 NMAC.

APPEARANCES

APPLICANT

Williams Production Co., LLC

APPLICANT'S ATTORNEY

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RESPONDENT

Oil Conservation Division

RESPONDENT'S ATTORNEY

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STATEMENT OF THE CASE

Applicant Williams Production Co. LLC is asking for approval to use a closed-system at Well "A" and to dispose of the wastes generated from that closed-loop system at Well "B," miles away.

The Oil Conservation Division opposes the approval for two reasons.

First, the Pit Rule ("Part 17") does not recognize disposal of oilfield waste offsite other than at a division-approved facility. Because William's proposal is not a recognized method for disposing of oilfield waste under Part 17, it would be an alternative closure method under Part 17 that would require Williams to go through the exception process for Part 17. Williams has not gone through the exception process for Part 17. Therefore, William's application for administrative approval under Part 17 for an offsite disposal pit must be denied.

Second, disposal of oilfield wastes at a site other than the site where the wastes were generated requires a permit for a surface waste management facility under 19.15.36 NMAC. Williams has not applied for a surface waste management facility permit, so approval cannot be granted under 19.15.36 NMAC.

RESPONDENT'S PROPOSED EVIDENCE

WITNESSES:

ESTIMATED TIME:

Brad Jones, OCD Environmental Bureau
Environmental Engineer
Expertise in management of oilfield wastes; OCD
regulatory process; Pit Rule;
Surface Waste Management Facilities Rule

2 hours

Glenn von Gonten, OCD Acting Environmental Bureau Chief
Hydrologist
Expertise in management of oilfield wastes; OCD
regulatory process; Pit Rule;
Surface Waste Management Facilities Rule

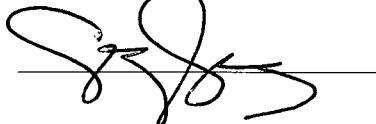
2 hours

PROCEDURAL MATTERS

None.

Respectfully submitted

this 22ND day of July 2010 by



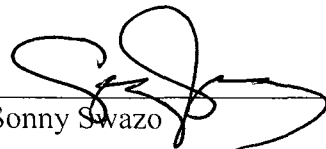
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CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing pleading was hand-delivered on the following parties on July 22, 2010:

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