NM1 - 47

PERMITS, RENEWALS, & MODS

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor
Joanna Prukop
Cabinet Secretary

Mark E. Fesmire, P.E.
Director
Oil Conservation Division

May 16, 2007

Mr. Danny Watson
Watson WMF, LLC
P.O. Box 632
Lovington, New Mexico 88260

RE: Application Review for a Surface Waste Management Facility
SW/4, SE/4 of Section 30, Township 15 South, Range East NMPM
Lea County, New Mexico

Dear Mr. Watson:

The New Mexico Oil Conservation Division (OCD) has reviewed Watson WMF, LLC's permit application submittal, dated March 28, 2007, for a commercial surface waste management facility located in the SW/4, SE/4 of Section 30, Township 15 South, Range East NMPM of Lea County, New Mexico. The application demonstrated that the proposed facility does not satisfy the siting criteria specified in 19.15.36 NMAC. Therefore, OCD is hereby administratively denying the application.

If you have any questions, regarding this matter, please do not hesitate to contact Brad A. Jones at (505) 476-3487 or brad.a.jones@state.nm.us.

Sincerely,

Wayne Price
Environmental Bureau Chief

LWP/baj

cc: OCD District I Office, Hobbs
Eddie Seay, Eddie Seay Consulting, 601 W. Illinois, Hobbs, NM 88242

2007 APR 3 AM 11 20

March 28, 2007

NMOCD
ATTN: Wayne Price
1220 S. Saint Francis Drive
Santa Fe, NM 87504

RE: Watson WMF, LLC
Application for Waste Management Facility
Lovington, NM

Mr. Price:

I am submitting this application for Mr. Danny Watson. The facility will be on his deeded land and up gradient to his OCD approved landfarm.

After you have reviewed this application, please call and let me know what you think.

I appreciate your time in this matter.

Sincerely,

Eddie W. Seay, Agent
Eddie Seay Consulting
601 W. Illinois
Hobbs, NM 88242
(505)392-2236

cc: Watson WMF
Danny Watson

WATSON WMF LLC
Surface Waste Management Facility
Lovingon, NM

Prepared By
Eddie Seay Consulting
March 2007

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-137
Revised June 10, 2003

Submit Original Plus 1
Copy to Santa Fe
1 Copy Appropriate
District Office

APPLICATION FOR WASTE MANAGEMENT FACILITY

(Refer to the OCD Guidelines for assistance in completing the application)

☒ Commercial ☐ Centralized

1. Type: ☐ Evaporation ☐ Injection ☒ Other
   ☐ Solids/Landfarm ☐ Treating Plant
2. Operator: Watson WMF LLC.
   Address: PO Box 632
   Contact Person: Lovington, NM 88260 Phone: (505) 631-3482
3. Location: Portion of SE /4 Section 30 Township 15 South Range 35 East
   Submit large scale topographic map showing exact location
4. Is this a modification of an existing facility? ☐ Yes ☒ No
5. Attach the name and address of the landowner of the facility site and landowners of record within one mile of the site.
6. Attach description of the facility with a diagram indicating location of fences, pits, dikes, and tanks on the facility.
7. Attach designs prepared in accordance with Division guidelines for the construction/installation of the following: pits or ponds, leak-detection systems, aerations systems, enhanced evaporation (spray) systems, waste treating systems, security systems, and landfarm facilities.
8. Attach a contingency plan for reporting and clean-up for spills or releases.
9. Attach a routine inspection and maintenance plan to ensure permit compliance.
10. Attach a closure plan.
11. Attach geological/hydrological evidence demonstrating that disposal of oil field wastes will not adversely impact groundwater. Depth to and quality of ground water must be included.
12. Attach proof that the notice requirements of OCD Rule 711 have been met.
13. Attach a contingency plan in the event of a release of H_2S.
14. Attach such other information as necessary to demonstrate compliance with any other OCD rules, regulations and orders.
15. CERTIFICATION
    I hereby certify that the information submitted with this application is true and correct to the best of my knowledge and belief.

Name: Eddie W Seay Title: Agent

Signature: Eddie W Seay Date: 3/28/2007

E-mail Address: seay04@leaco.net

INDEX

Application for Waste Management Facility

Item 1. The facility will operate as a waste management facility for the disposal of drilling muds from drilling of oil, gas and service wells approved by the OCD and salt contaminated soil.

Item 2. Watson WMF LLC.
PO Box 632
Lovington, NM 88260
Phone: (505) 631-3482

Item 3. Location of facility.
The facility is located 1 ¼ mile north of County Road 119 and approximately 5 miles west of the city Lovington, New Mexico. (SW/4, SE/4 Section 30, Township 15 South, Range 35 East, Latitude 32° 59′ 00″, Longitude 103° 26′ 38″) (See attached Location Map)

Item 4. New application

Item 5. Name and Address of the landowner and landowners within 1 mile.

Hardin & Watson
PO Box 632
Lovington, NM 88260

State Land Office
310 Old Santa Fe Trail
Box 1148
Santa Fe, NM 87504-1148

Lee Roberson
1321 College Lane
Hobbs, NM 88240

Item 6. Facility Description.

The purpose of this facility is to temporary store used drilling mud and salt contaminated soil on a 400' x 400' dehydration pad with a berm. The berm and pad will be lined with "RUFCO 4000B" 40 mil liner (RUFCO 4000B see

attached material data sheet). Within the berm of the dehydration pad and on top of the liner will be 6" of caliche fill to protect the liner (see attached Dehydration Pad Schematic). Once the waste is dehydrated it will be disposed of in a double lined pit measuring 1000' long x 20' wide x 10' deep. The inner liner ("RUFCO 4000B" see attached material data sheet) in which the waste will be placed will have a thickness of 40 mil. The length of the pit will run from the northwest to southeast. Under each pit and running the length of the pit will be a leak detection system consisting of a 12 mil liner and a perforated PVC pipe (see pit diagram). The leak detection system will be installed in accordance with NMOCD guidelines and will slope to the southeast and have a riser for sampling at the southeast end of the pit.

Forty acres will be set aside for these pits with only two pits permitted at a time. As the first pit is close to being filled, a closure plan will be submitted on the first pit and construction will begin on the second pit. As the second pit approaches its closure point application will then be made for two new pits and when time is appropriate a closure plan will be submitted on the second pit. Approximately 14 pits will ultimately be constructed on the 40 acreas.

The facility will be located within a security fence. Gates to the facility will remain locked. Waste drilling mud and salt contaminated soil will be transported to the site by truck. The facility will only accept drilling mud used to drill oil, gas or service wells approved the OCD. Prior to placement of waste drilling muds and salt contaminated soil into the facility, it will be verified wastes are accompanied by a "certificate of waste status" from the generator. Each load will be inspected to ensure that only acceptable wastes are placed at the facility. After verification and approval the truck will be admitted to the facility and the truck will be positioned inside a 40 mil lined dike dehydration pad area for temporary storage for dehydration of the waste. When the waste mud has dehydrated it will be moved to a 40 mil lined pit for disposal and encapsulation in accordance with pit closure rules.

Immediately outside of the security fence there will be ditch designed to alleviate stormwater run-on and run-off during a 100-year stormevent.

Item 7. See Pit diagrams attached.

Item 8 & 9. Contingency Plan for reporting and clean-up spills or releases

All pits and dikes will be visually inspected for leaks by company personnel during each site visit. Leak detection system will be checked once a month. Any problems such as leaks, spills or any abnormality with dikes and pits will be taken to the attention of Watson WMF supervisor immediately. Supervisor will assess the problem and proceed with proper notification and repairs as OCD Rule 116 requires. The onsite safety and contingency plan will be posted

on site. Watson WMF LLC. will adhere to any County, State and Federal regulations as it pertains to this facility.

If during a stormevent water accumulates in an open pit, the OCD will be notified immediately of the flooding. The bottom of the pits will slope toward the southeast and in the event of any water will accumulate at the southeast end of the pit. This stormwater would be removed by submersible pump and disposed of at an approved OCD disposal facility.

Item 10. Closure Plan

Upon each pit being filled, a closure plan will be filed for each pit in accordance with regulations in effect at that time. The pits will be covered by a 40 mil liner and 3 feet of mound soil. The 40 mil liner will ensure that water does not leak into the closed pits. The site will be restored with natural vegetation. Any additional closure requirements or conditions of the OCD will be met.

When the final pit is closed a site closure will be submitted. Existing fences and leak detection systems will be maintained. Any additional final closure requirements or conditons of the OCD will be met.

Item 11. Hydrology

Site Characteristics

Geology

The proposed site is located on the Northern Shelf of the Permian Basin in central Lea County, New Mexico. The stratigraphy of the area consists of rocks ranging from PreCambrian to Quaternary in age. The top of the Permian rocks in this area are encountered at a depth of approximately 1650 feet beneath the surface. The Permian rocks have highly mineralized water with Total Dissolved Solids greater than 100,000 mg/l.

Salado Formation (Upper Permian)- The Salado Formation at this location is approximately 750 feet thick and occurs at a depth of 2150 to 2900 feet below the surface. The Salado Formation is composed predominately of halite with thin beds of anhydrite, polyhalite and reddish sandy shale. The Salado Formation underlies under the Rustler Formation

Rustler Formation (Upper Permian)- The Rustler Formation is approximately 250 feet thick and is found at a depth of approximately 1900-2150 feet below the surface. The upper Rustler Formation consists primarily of anhydrite with some interbedded sandstone and shale. The lower Rustler Formation is composed of predominately of anhydrite with beds of halite.

Dewey Lake Formation (Upper Permian)- The Dewey Lake Formation overlies the Rustler Formation and is the Late Permian in age. In this area the Dewey Lake Formation is approximately 250 feet thick and is found at a depth of 1090-1340 feet below the surface. The Dewey Lake consists of red fine grain siltstone interbedded silty claystone and minor gypsum near the base.

Santa Rosa Formation (Triassic)- The Santa Rosa Formation unconformabliy overlies the Dewey Lake Formation. The Santa Rosa Formation consists of approximately 250 feet of coarse grain sandstone interbedded with red claystone and silty claystone. In the vicinity of the site the Santa Rosa is approximately 1400-1650 feet from the surface.

Chinle Formation (Triassic)- The Chinle Formation or as it is referred to locally as "Red Beds" is approximately 1150 feet thick and is overlain by the Ogallala Formation. The Red Beds consists of red claystone and minor amounts of siltstone.

Ogallala Formation (Tertiary)- At this location the Ogallala Formation is approximately 250 feet thick and consist caliche, unconsolidated sand and gravel with some well-consolidated white to tan fine to medium grain sandstone.

Alluvium (Quaternary)- The alluvium consists 0- 20 feet of calcareous silt and unconsolidated sand found in depressions in the surface.

Hydrology

This location is on the Llano Estacado, which is uniformly flat with a slope to the southeast. Any rain runoff is channeled to the southeast are caught in shallow depressions called Buffalo Wallows. There is no Buffalo Wallows or surface water in close proximity to the site.

Ground water in the vicinity of the proposed site is derived from the Ogallala Formation. Ground water is encountered at a depth of approximately 70 feet. In the Ogallala to the north and west of Lovington, the saturated thickness ranges between 175 to 180'. In this area the movement of ground water in the Ogallala is generally towards the southeast.

Beneath the Ogallala Formation is the undifferentiated redbeds of the Dockum Group. The Santa Rosa Formation is the lowest formation of the Dockum Group. The Red Beds are relatively impermeable and act as a barrier to downward or upward movement of ground water. In the study there are no know water wells producing water from the Santa Rosa.

Item 12 Proof of Notice

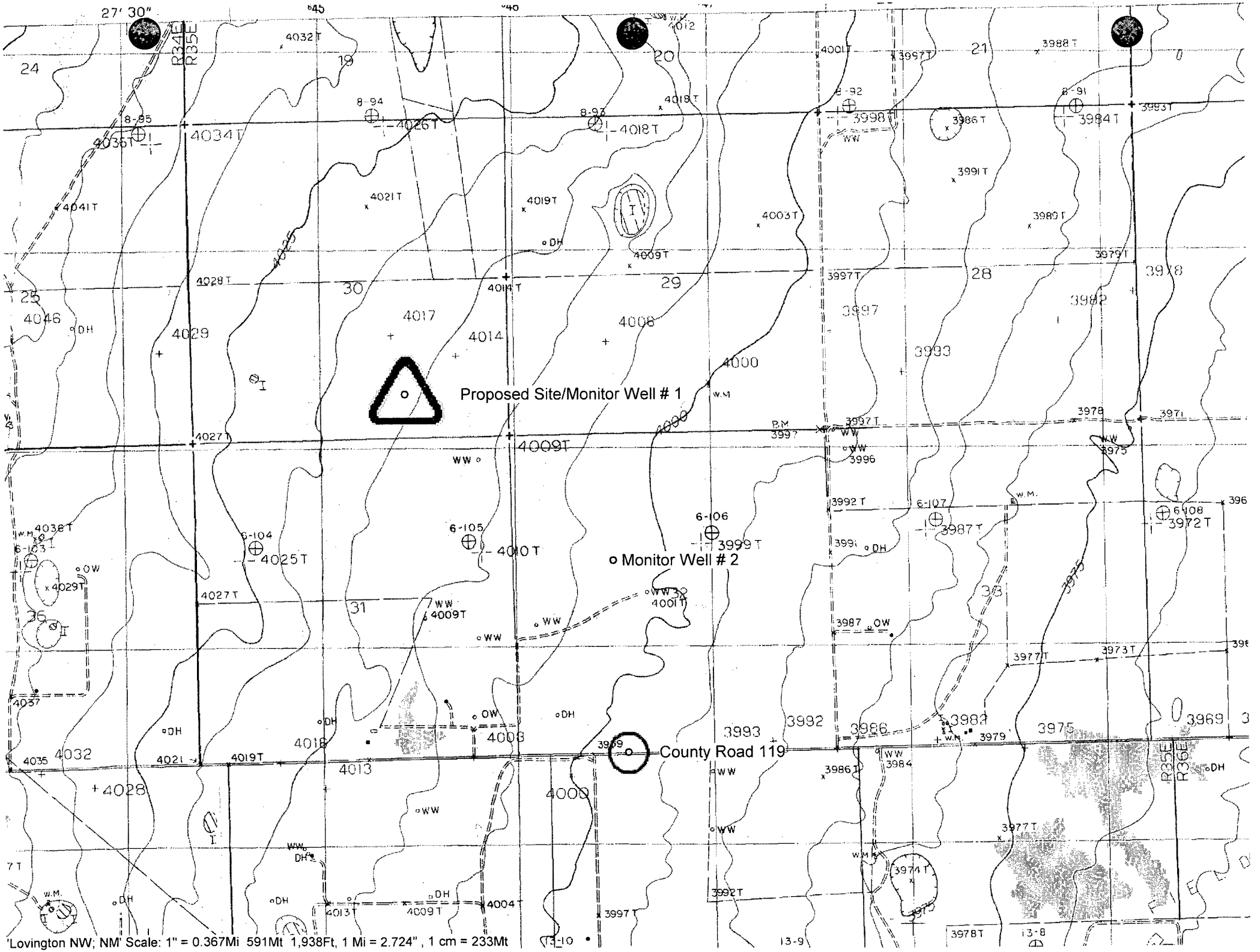
See attached proof of notice.

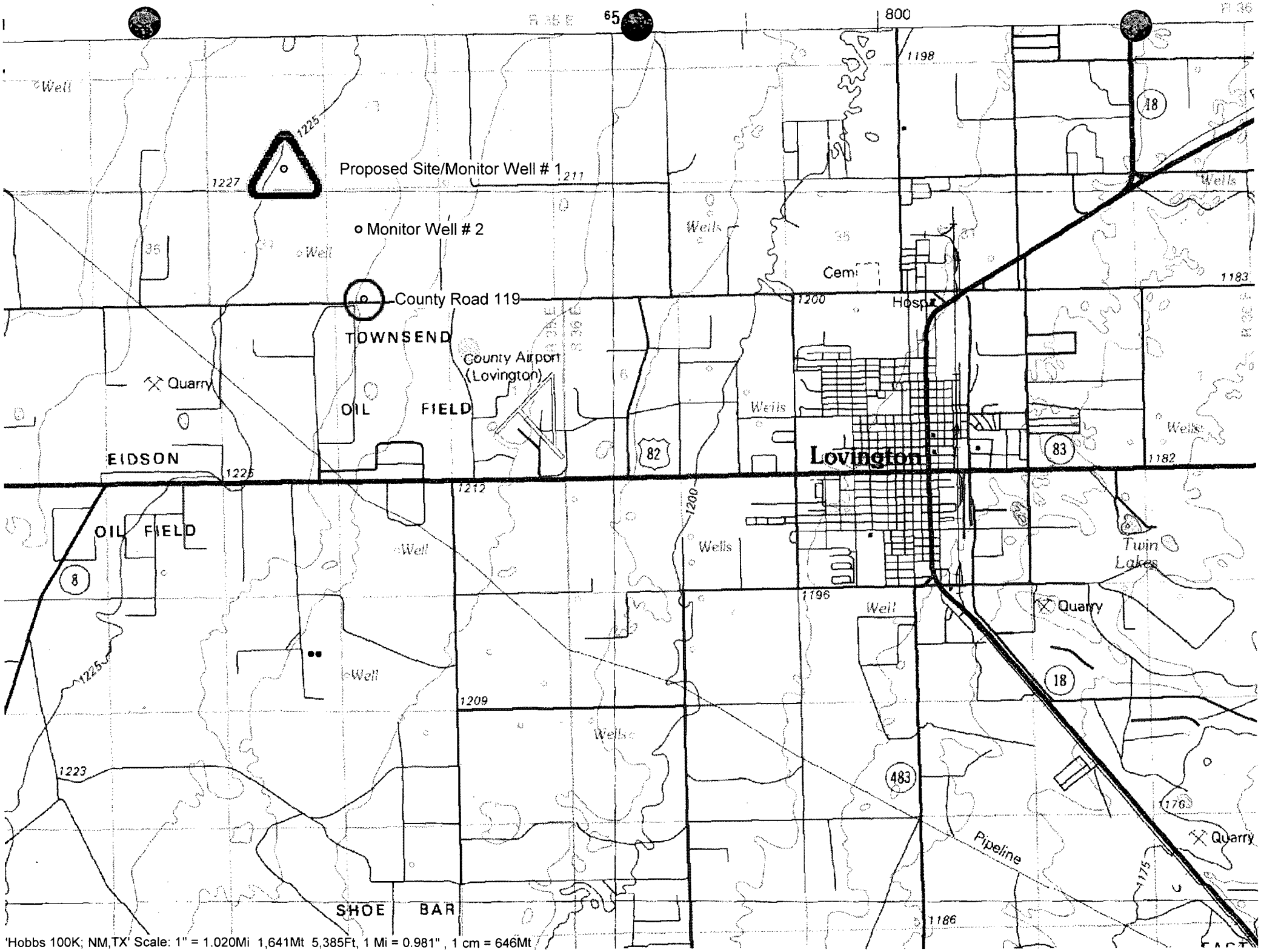
Item 13 Contingency plan for H2S

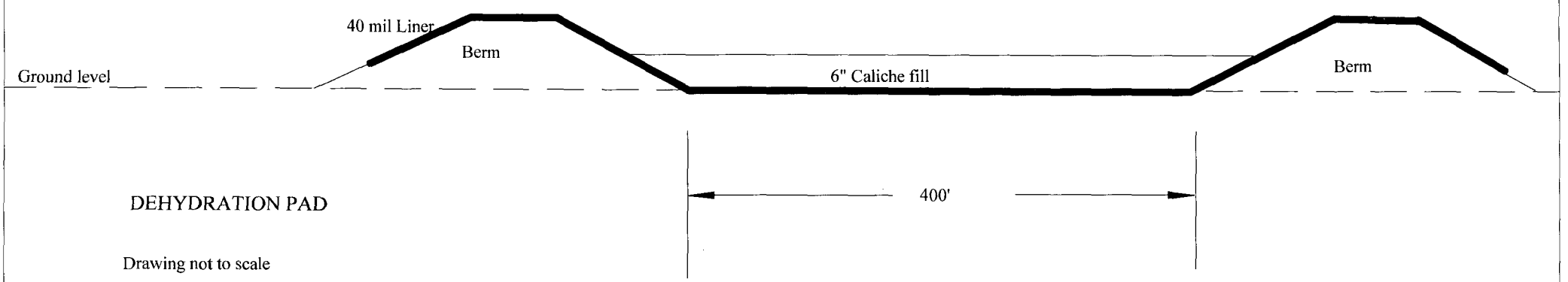
Not applicable.

Item 14 Other

Watson WMF LLC. will comply with any rule regulation or order which the OCD or WQCC currently has or any new rule and regulation that pertains to this type of facility that the OCD or WQCC may initiate in the future.


Proposed Site/Monitor Well # 1
Monitor Well # 2
County Road 119
R34E
R35E
R35E
R36E
'Lovington NW; NM' Scale: 1" = 0.367Mi 591Mt 1,938Ft, 1 Mi = 2.724" , 1 cm = 233Mt

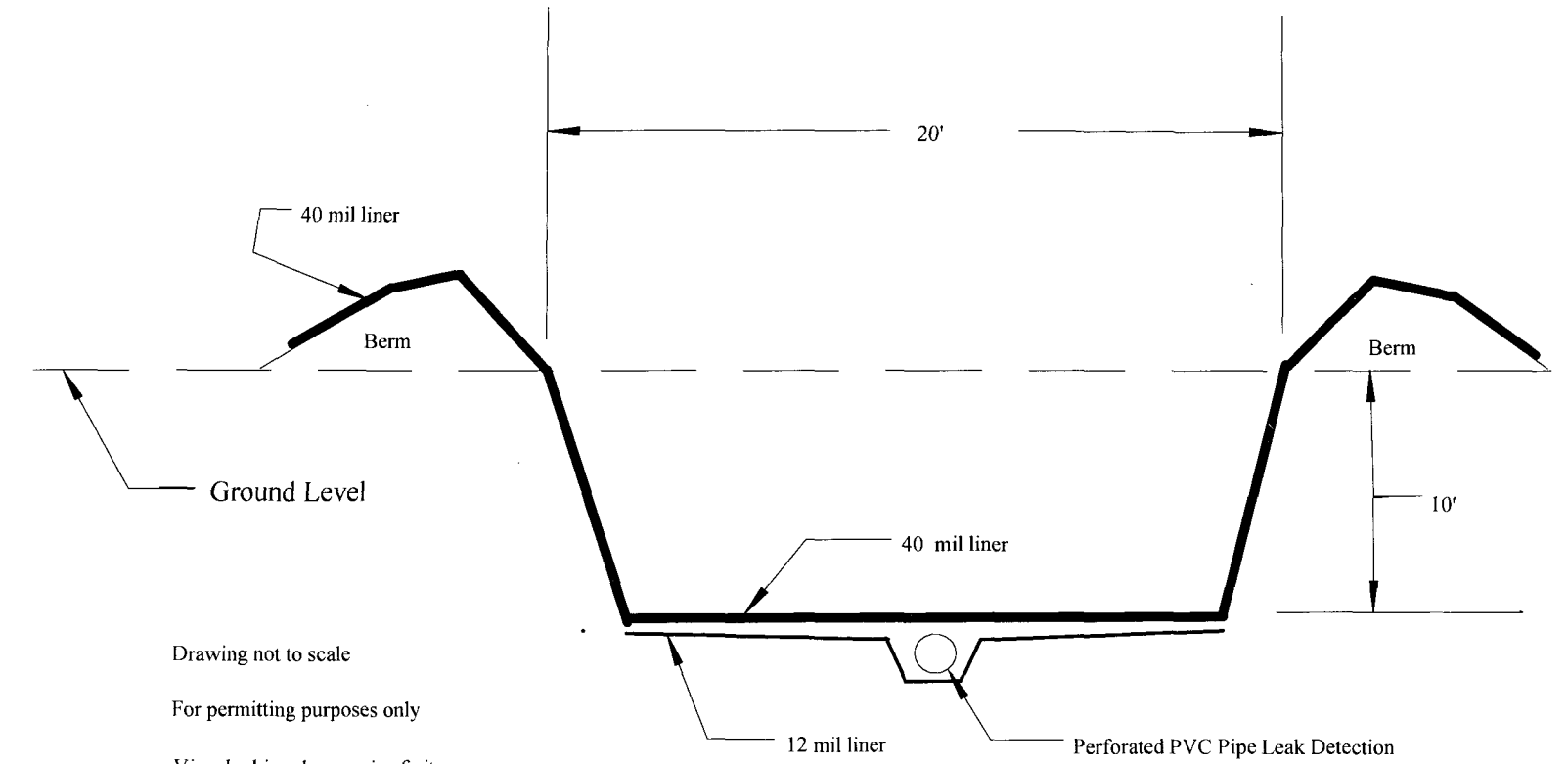

Proposed Site/Monitor Well # 1
Monitor Well # 2
County Road 119
TOWNSEND
County Airport (Lovington)
Quarry
OIL FIELD
EIDSON
OIL FIELD
Lovington
Twin Lakes
Quarry
Pipeline
Quarry
SHOE BAR
Well
Wells
Cem
Hosp
18
82
83
8
483
1225
1227
1211
1198
1200
1183
1182
1212
1196
1209
1223
1186
1176
1175
'Hobbs 100K; NM,TX' Scale: 1" = 1.020Mi 1,641Mt 5,385Ft, 1 Mi = 0.981" , 1 cm = 646Mt



DEHYDRATION PAD

Drawing not to scale

For permitting purposes only


20'
40 mil liner
Berm
Berm
Ground Level
10'
40 mil liner
Drawing not to scale
For permitting purposes only
View looking down axis of pit
12 mil liner
Perforated PVC Pipe Leak Detection

RUFCO® 2000B, 3000B & 4000B

Properties	Test Method	RUFCO 2000B		RUFCO 3000B		RUFCO 4000B	
		Min. Roll Averages	Typical Roll Averages	Min. Roll Averages	Typical Roll Averages	Min. Roll Averages	Typical Roll Averages
Thickness mils (mm)	ASTM D 5199	20.0 (0.50)	21.0 (0.53)	30.0 (0.75)	31.2 (0.78)	40.0 (1.00)	41.5 (1.04)
Density g/cm^3	ASTM D792 or ASTM D1505	0.920		0.920		0.920	
Minimum Tensile lbf/in.width (N/mm width)	ASTM D638 1. Tensile Strength at Break 2. % Elongation at Break	76 (13) 800	95 (17) 875	114 (20) 800	135 (24) 875	152 (27) 800	175 (21) 875
Hydrostatic Resistance psi (kPa)	ASTM D751	118 (814)	122 (841)	175 (1206)	180 (1241)	230 (1586)	250 (1724)
Puncture Resistance lbf (N)	ASTM D4833	30 (130)	39 (173)	45 (200)	52 (231)	60 (270)	65 (289)
Tear Resistance lbf (N)	ASTM D1004	11 (49)	13 (58)	16 (71)	19 (85)	22 (98)	26 (116)
Volatile Loss Method A	ASTM 1203		<1%		<1%		<1%
Resistance to Soil Burial (% change maximum in original value)	ASTM D3083 1. Tensile Strength at Yield 2. Tensile Strength at Break 3. Elongation at Yield 4. Elongation at Break 5. Modulus of Elasticity		±10%		±10%		±10%
Low Temp, Impact Failure Temp F (C)	ASTM D746		< -94 (< -70)		< -94 (< -70)		< -94 (< -70)
Dimensional Stability % Change	ASTM D1204		< 2		< 2		< 2
Environmental Stress Crack Resistance Hours to failure	ASTM D5397 Appendix A		> 400		> 400		> 400
Carbon Black %	ASTM D1603 or D4218	2.0	2.5	2.0	2.5	2.0	2.5
Perms grains/ft^2/hr/in. Hg (grams/m^2/day/mm Hg)	ASTM E96 Method A 73° F, 50% RH		0.045 (0.030)		0.029 (0.019)		0.022 (0.014)
FACTORY SEAM REQUIREMENTS							
Bonded Seam Strength lbf/in. width (N/cm width)	ASTM D4545 Mod.*	40 (70)	45 (79)	60 (105)	68 (119)	75 (131)	80 (140)
Seam Peel Adhesion lbf/in. width (N/cm width)	ASTM D4545 Mod.*	30 (53)	36 (63)	45 (79)	53 (93)	60 (105)	69 (121)

Nominal Weight /Thousand Square Feet: RUFCO 2000B - 105 lbs., RUFCO 3000B - 157 lbs., RUFCO 4000B - 210 lbs.

* Raven Industries performs seam testing at 12" per minute.

Rufco 3000B meets or exceeds ASTM E-1745, Class "A" standard for water vapor retarders used in contact with soil or granular fill under concrete slabs.

Note: To the best of our knowledge, these are typical property values and are intended as guides only, not as specification limits. RAVEN INDUSTRIES MAKES NO WARRANTIES AS TO THE FITNESS FOR A SPECIFIC USE OR MERCHANTABILITY OF PRODUCTS REFERRED TO, no guarantee of satisfactory results from reliance upon contained information or recommendations and disclaims all liability for resulting loss or damage.

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Flexible Films Department

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Springfield, Ohio

www.rufco.com

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P.O. Box 5107
Sioux Falls, SD 57117-5107
(605) 335-0174
(605) 331-0333 - FAX
800-635-3456

3/03 EFD 1078

CARDINAL LABORATORIES

PHONE (915) 673-7001 • 2111 BEECHWOOD • ABILENE, TX 79603
PHONE (505) 393-2326 • 101 E. MARLAND • HOBBS, NM 88240

ANALYTICAL RESULTS FOR
EDDIE SEAY CONSULTING
ATTN: EDDIE SEAY
601 W. ILLINOIS
HOBBS, NM 88242
FAX TO: (505) 392-6949

Receiving Date: 02/05/07
Reporting Date: 02/07/07
Project Owner: DANNY WATSON
Project Name: WATSON WASTE MMG. FACILITY
Project Location: NW LOVINGTON, NM

Sampling Date: 02/03/07
Sample Type: GROUNDWATER
Sample Condition: COOL & INTACT
Sample Received By: HM
Analyzed By: HM

LAB NUMBER	SAMPLE ID	Na (mg/L)	Ca (mg/L)	Mg (mg/L)	K (mg/L)	Conductivity (μS/cm)	T-Alkalinity ($mgCaCO_3/L$)
ANALYSIS DATE:		02/06/07	02/06/07	02/06/07	02/06/07	02/05/07	02/06/07
H12144-1	WMF #1	40	33	10	2.66	381	60
H12144-2	WMF #2	32	86	30	6.11	753	68
Quality Control		NR	53.2	51.6	1.94	1380	NR
True Value QC		NR	50.0	50.0	2.00	1413	NR
% Recovery		NR	106	103	97	98	NR
Relative Percent Difference		NR	7.8	1.6	4.2	0.3	NR
METHODS:			SM3500-Ca-D	3500-Mg E	8049	120.1	310.1

LAB NUMBER	SAMPLE ID	Cl^- (mg/L)	SO_4 (mg/L)	CO_3 (mg/L)	HCO_3 (mg/L)	pH (s.u.)	TDS (mg/L)
ANALYSIS DATE:		02/05/07	02/06/07	02/06/07	02/06/07	02/05/07	02/06/07
H12144-1	WMF #1	32	104	0	73.2	7.64	225
H12144-2	WMF #2	52	263	0	83.0	7.99	513
Quality Control		510	20.8	NR	915	6.88	NR
True Value QC		500	20.0	NR	1000	7.00	NR
% Recovery		102	104	NR	92	98	NR
Relative Percent Difference		1	4.4	NR	2.7	0.7	NR
METHODS:		SM4500-Cl-B	375.4	310.1	310.1	150.1	160.1

Chemist

02-07-07
Date

CARDINAL LABORATORIES, INC.

2111 Beechwood, Abilene, TX 79603 (915) 673-7001 Fax (915) 673-7020
101 East Marland, Hobbs, NM 88240 (505) 393-2326 Fax (505) 393-2476

CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

Page____ of____

Company Name: Eddie Seay Consulting	**BILL TO**
Project Manager: Eddie Seay	P.O. #:
Address: 601 W Illinois	Company:
City: Hobbs State: NM Zip: 88242	Attn:
Phone #: 2.2236 Fax #: 2.6949	Address:
Project #: Watson WMF Project Owner: Danny Watson	City:
Project Name: Watson Waste Mmg. Facility	State: Zip:
Project Location: NW Lovington	Phone #:
Sampler Name: Eddie Seay	Fax #:

ANALYSIS REQUEST

FOR LAB USE ONLY				MATRIX						PRESERV.			SAMPLING		Cations	Anions								
Lab I.D.	Sample I.D.	(G)RAB OR (C)OMP.	# CONTAINERS	GROUNDWATER	WASTEWATER	SOIL	CRUDE OIL	SLUDGE	OTHER :	ACID/BASE:	ICE / COOL	OTHER :	DATE	TIME										
H12144-1	WMF #1	J	1	✓							✓		2/3	10:30	✓	✓								
-2	WMF #2	✓	1	✓							✓		2/3	11:15	✓	✓								

Sampler Relinquished: Eddie W Seay	Date: 2/5 Time: 8:40	Received By:	Phone Result: ☐ Yes ☐ No Add'l Phone #:
Relinquished By:	Date: Time:	Received By: (Lab Staff) Hope L. Hobbs	Fax Result: ☐ Yes ☐ No Add'l Fax #:
Delivered By: (Circle One) Sampler - UPS - Bus - Other:	Sample Condition Cool ☑ Yes ☐ No Intact ☑ Yes ☐ No	CHECKED BY: (Initials)	REMARKS: ASAP Thanks Eddie

† Cardinal cannot accept verbal changes. Please fax written changes to 505-393-2476.

March 27, 2007

TO ADJACENT LANDOWNERS:

Pursuant to the rules and regulations of the State of New Mexico Oil Conservation Division, Watson is giving notice of an Application for a Waste Management Facility. The application can be reviewed at the OCD office or call Eddie W. Seay, 505-392-2236, for any questions. We appreciate your time in this matter.

Sincerely,

Eddie W. Seay, Agent

7005 1820 0001 6797 6481

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Sent To: James & Rozanne Johnson
Street, Apt. No.; or PO Box No.: P.O. Box 1772
City, State, ZIP+4: Lovington, NM 88260

PS Form 3800, June 2002 — See Reverse for Instructions

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Total Postage & Fees	$ 4.42

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MAR 28 2007
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Sent To: Lee Roberson
Street, Apt. No.; or PO Box No.: 1321 College Lane
City, State, ZIP+4: Hobbs, NM 88240

PS Form 3800, June 2002 — See Reverse for Instructions

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Total Postage & Fees	$ 4.42

MONUMENT NM
MAR 28 2007
Postmark Here
USPS - 88265

Sent To: State Land Office
Street, Apt. No.; or PO Box No.: 310 Old Santa Fe Trail Box 1148
City, State, ZIP+4: Santa Fe, NM 87504-1148

PS Form 3800, June 2002 — See Reverse for Instructions

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Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	$ 4.42

MONUMENT NM
Postmark Here
USPS -

Sent To: Hardin & Watson
Street, Apt. No.; or PO Box No.: P.O. Box 632
City, State, ZIP+4: Lovington, NM 88260

PS Form 3800, June 2002 — See Reverse for Instructions

PUBLIC NOTICE

Notice is hereby given that pursuant to New Mexico Oil Conservation Division Regulations, the following surface waste management facility plan has been submitted for approval to the Director of the Oil Conservation Division, Energy, Minerals & Natural Resources Dept., 1220 South St. Francis Dr., Santa Fe, New Mexico 87505. Telephone (505) 476-3440.

Watson WMF LLC., PO Box 632, Lovington, New Mexico 88260, has submitted a surface waste management facility application for the disposal of drilling mud and salt contaminated soil facility, located 1 ¼ miles north of County Road 119 approximately 5 miles west of Lovington, New Mexico. The facility is located in the SW/4 of Section 30 of Township 15 South, Range 35 East NMPM, Lea County, New Mexico. This facility will temporarily store and dispose of waste drilling mud and salt contaminated soil. No other waste will be stored at this facility. The waste will be temporary stored on a dehydration pad. Once waste is dehydrated it will be placed in a double lined pit. Approximately 14 pits will be constructed on 40 acres. Each pit when filled will be closed in accordance with New Mexico Oil Conservation Regulations.

Any interested person may obtain further information from the Oil Conservation Division and may submit comments and statements to Director Mark E Fesmire, P.E., New Mexico Energy, Minerals & Natural Resources Dept., Oil Conservation Division, 1220 South St. Francis Dr., Santa Fe, New Mexico 87505, Telephone (505) 476-3460. Also any interested person may request to be placed on a mailing list for future notices regarding this application.

Affidavit of Publication

STATE OF NEW MEXICO)
) ss.
COUNTY OF LEA)

Joyce Clemens being first duly sworn on oath deposes and says that she is Advertisting Director of **THE LOVINGTON LEADER**, a daily newspaper of general paid circulation published in the English language at Lovington, Lea County, New Mexico; that said newspaper has been so published in *such county continuously and uninterruptedly for a period in* excess of Twenty-six (26) consecutive weeks next prior to the first publication of the notice hereto attached as hereinafter shown; and that said newspaper is in all things duly qualified to publish legal notices within the meaning of Chapter 167 of the 1937 Session Laws of the State of New Mexico.

That the notice which is hereto attached, entitled

Legal Notice

was published in a regular and entire issue of **THE LOVINGTON LEADER** and not in any supplement thereof, for one (1) day, beginning with the issue of March 24, 2007 and ending with the issue of March 24, 2007.

And that the cost of publishing said notice is the sum of $44.78 which sum has been (Paid) as Court Costs.

Joyce Clemens

Subscribed and sworn to before me this 26th day of March 2007

Debbie Schilling

Debbie Schilling
Notary Public, Lea County, New Mexico
My Commission Expires June 22, 2010

LEGAL NOTICE
PUBLIC NOTICE

Notice is hereby given that pursuant to New Mexico Oil Conservation Division Regulations, the following surface waste management facility plan has been submitted for approval to be Director of the Oil Conservation Division, Energy, Minerals & Natural Resources Dept., 1220 South St. Francis Dr., Santa Fe, New Mexico 87505. Telephone (505) 476-3440.

Watson WMF LLC., PO Box 632, Lovington, New Mexico 88260, has submitted a surface waste maagement facility application for the disposal of drilling mud and salt contaminated soil facility, located 1 1/4 miles north of County Road 119 approximately .5 miles west of Lovington, New Mexico. The facility is located in the SW/4 of Section 30 of Township 15 South, Range 35 East NMPM, Lea County, New Mexico. This facility will temporarily store and dispose of waste drilling mud and salt contaminated soil. No other waste will be stored at this facility. The waste will be temporary stored on a dehydration pad. Once waste is dehydrated it will be placed in a double lined pit. Approximately 14 pits will be constructed on 40 acres. Each pit when filled will be closed in accordance with New Mexico Oil Conservation Regulations.

Any interested person may obtain further information from the Oil Conservation Division and may submit comments and statements to Director Mark E. Fesmire, P.E., New Mexico Energy, Minerals & Natural Resources Dept., Oil Conservation Division, 1220 South St. Francis Dr., Santa Fe, New Mexico 87505, Telephone (505) 476-3460. Also any interested person may request to be placed on a mailing list for future notices regarding this application.
Published in the Lovington Leader March 24, 2007.