NM1-61

Public Comments

New Mexico State Legislature

STATE CAPITOL
Santa Fe

August 17, 2016

Mr. Jim Griswold
Bureau Chief, New Mexico Oil Conservation Division
Energy, Minerals and Natural Resources Department
1220 South St. Francis Drive
Santa Fe, NM 87505

Mr. David Catanach
Division Director, New Mexico Oil Conservation Division
Energy, Minerals and Natural Resources Department
1220 South St. Francis Drive
Santa Fe, NM 87505

Re: C.K. Disposal Surface Waste Management Facility

Dear Messrs. Griswold and Catanach:

We are writing to express our concerns regarding a pending application for the construction and operation of a surface waste oil management facility in Lea County. Our understanding is that the application is under review at the Oil Conservation Division (OCD) within the Energy, Minerals and Natural Resources Department.

The proposed facility would be located just south of, directly upwind of and just across the highway, from URENCO USA (UUSA) and its more than 300 employees and contractors. The approval of this specific type of facility could produce new and unnecessary risk to the detriment of public health, safety, and the environment including to the UUSA site and its employees, land, buildings and equipment, as well as detriment to the overall operation of the UUSA facility.

According to the meteorological measurements, the prevailing winds at the UUSA come from the south. If this proposed oil waste facility is permitted, the wind will blow significant atmospheric discharge, primarily in the form of hydrogen sulfide, directly onto UUSA's employees, equipment and buildings, the consequence of which would be new and unwarranted health and safety risks to UUSA site personnel and visitors, as well as environmental risks to the land upon which UUSA is located and risk to UUSA's sensitive equipment.

UUSA has demonstrated through equipment operation and testing that hydrogen sulfide causes damage to its electrical connections. UUSA uses highly sophisticated and precise electronics to operate gaseous centrifuge technology. UUSA deliberately selected the location for its site and since then has invested $5 billion into this state-of-the-art facility that has diversified the local and State economy as well as serving as a national strategic nuclear energy asset.

The decision on where to locate a surface waste oil management facility should be made with the utmost care and consideration for the people and surrounding facilities that will be impacted. We would be available to discuss this with you further via phone or in person.

Sincerely,

Gay G. Kernan
Senate District 42

Stuart Ingle
Senate District 27

David Gallegos
House District 61

Carroll H. Leavell
Senate District 41

Bob Wooley
House District 66

Larry Scott
House District 62

CC: Mr. Tony Delfin –Acting Cabinet Secretary
Energy, Minerals and Natural Resources Department

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

Tony Delfin
Acting Cabinet Secretary

David R. Catanach
Director, Oil Conservation Division

August 26, 2016

Honorable Senator Stuart Ingle
Honorable Senator Carroll H. Leavell
Honorable Senator Gay G. Kernan
Honorable Representative Bob Wooley
Honorable Representative David Gallegos
Honorable Representative Larry Scott

RE: C.K. Disposal, LLC Application for New Surface Waste Management Facility
Section 5, Township 22 South, Range 38 East, NMPM
Lea County, New Mexico

Senators and Representatives,

The Oil Conservation Division ("Division") acknowledges receipt of your letter of August 17, 2016 wherein you collectively voiced concerns regarding the location of C.K. Disposal, LLC's ("Applicant") proposed new oilfield waste management facility sited east of Eunice in Lea County. Your concerns, as we understand them, are: i) as the proposed waste management facility would be located in close proximity to and nominally upwind of the existing URENCO USA ("UUSA") uranium enrichment facility, the UUSA operations will be exposed to atmospheric discharges including hydrogen sulfide gas; and ii) any such discharges may pose health risks to UUSA personnel and visitors, present environmental risks to the land, and adversely impact sensitive equipment at their plant.

The application for a new surface waste management facility was received by the Division earlier this year, and on May 4th a determination of "Administrative Completeness" was made. The Division is still in the process of evaluating the technical merits of the application. Your concerns about potential affects to offset property owners have and will continue to be carefully considered. The Applicant has also been provided a copy of your letter, and the Division anticipates a response.

It should be noted the administrative process in the Division's regulations associated with surface waste management facility applications was amended with an effective date of June 30, 2016. As this application was filed prior to that date, the permitting process is being handled as per the earlier regulations. The next steps in the process are:

a) The Division will soon issue a tentative decision either to approve the application (likely with conditions) or to deny it. The Division will post notice on our website of that decision;

b) Within 30 days of the decision, the Applicant must provide notice in a statewide newspaper, in a Lea County newspaper, and to those people identified by the

Division as having probable interest in the matter. You are all now included on that list of individuals along with others who have previously expressed an interest; and

c) For 30 days following the Applicant's notice, anyone wishing to comment on the decision or request a public hearing may do so. A hearing before the Oil Conservation Commission would be scheduled if the Applicant requests, if the Division determines there is significant public interest, if comments raise objections which have probable technical merit, or if the Division determines a useful water course would be impaired.

The Division will only issue a permit for a new facility if it can be built and operated without endangering fresh water, public health, safety, or the environment.

Respectfully,

David R. Catanach

David R. Catanach
OCD Director

Xc: Mr. Tony Delfin, EMNRD Acting Cabinet Secretary
Mr. Bill Brancard, EMNRD General Counsel

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JEFFREY L. LOWRY
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CRISTINA ADAMS
CYNTHIA A. LOEHR
JOHN N. PATTERSON

BERNARD S. RODEY (1856-1927)
PEARCE C. RODEY (1889-1958)
DON L. DICKASON (1908-1999)
WILLIAM A. SLOAN (1910-1993)
JACKSON G. AKIN (1919-2010)
JOHN D. ROBB (1924-2014)

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WRITER'S DIRECT NUMBER
(505) 768-7318
CGOLDBERG@RODEY.COM

June 3, 2016

Via Email and Hand-Delivery
jim.griswold@state.nm.us
Jim Griswold
Environmental Bureau Chief
EMNRD/Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87505

RE: Electronic Copy Request of Application for Permit for C.K. Disposal - Surface Waste Management Facility

Dear Mr. Griswold:

Enclosed are six (6) thumb drives on which we are requesting electronic copies of the Application for Permit for the C.K. Disposal - Surface Waste Management Facility.

When the copies are ready please advise by email to *CGoldberg@rodey.com* and *ntrujillo@rodey.com*, and we will arrange for a pick up.

Please feel free to call me should you have questions. Thank you for your attention to this matter.

Very truly yours,

RODEY, DICKASON, SLOAN, AKIN & ROBB, P.A.

By: _____
Catherine T. Goldberg

CTG/nct
Enclosure (*as stated*)
cc: Florene Davidson (*florene.davidson@state.nm.us*)

Griswold, Jim, EMNRD

From:	Catherine Goldberg <CGoldberg@rodey.com>
Sent:	Wednesday, June 01, 2016 6:51 PM
To:	Griswold, Jim, EMNRD; Davidson, Florene, EMNRD
Cc:	Nadine Trujillo
Subject:	Comment (under NMAC 19.15.36.9.C) on Application for Surface Waste Management Facility

Dear Jim and Florene,

Please let me know you have received this email, as sometimes there is difficulty with email transmissions.

Thank you very much for speaking to me, separately, on Tuesday, May 31, 2016. In my telephone conversations with each of you, I advised that a client received Notice of Application of C.K. Disposal – Surface Waste Management Facility in an envelope postmarked May 6, 2016. The Notice advises that, pursuant to NMAC 19.15.36, C.K. Disposal is providing notice that the Oil Conservation Division (OCD) has deemed administratively complete an Application for Permit for a new Surface Waste Management Facility (C.K. Disposal). The Notice advises: "Comments regarding the Application may be submitted to OCD within 30 days of Notice." Given a notice mailing date of May 6, 2016, I have asked for your comments on several matters, highlighted in yellow below, and I ask that Jim address them in a response to this email.

As Jim and I discussed, NMAC 19.15.36.9.C. provides:

> C. A person wishing to comment on an application prior to the division's preliminary consideration of the application may file comments within 30 days, or as extended by the director, after the later of the date when the applicant mails the notice required by Subsection A of 19.15.36.9 NMAC or the date when the division distributes the notice provided in Subsection B of 19.5.36.9 NMAC.

The regulations include, at NMAC 19.15.2.13, the following provision pertinent to the computation of time periods under NMAC 19.15.36:

> 19.15.2.13 COMPUTATION OF TIME:
> In computing a period of time 19.15.2 NMAC through 19.15.39 NMAC prescribes, the day from which the period of time begins to run shall not be included. The last calendar day of the time period shall be included in the computation unless it is a Saturday, Sunday or a day on which state agencies observe a legal holiday. In such case, the period of time runs to the close of business on the next regular workday. If the period is less than 11 days, a Saturday, Sunday or legal holiday is excluded from the computation.
> [19.15.2.13 NMAC - Rp, 19.15.14.1226 NMAC, 12/1/08]

Under NMAC 19.15.36.9.C, our client has 30 days from the date the applicant (or its agent) mailed the Notice on May 6 (putting aside the rule for computation in a case where the Division distributes

notice to those who have requested notice of division and commission hearing dockets, which does not appear to apply to the client). Under 19.15.2.13, the day from which the period of time begins to run is not to be included in computing the 30-day period. Thus, 30 days from May 6 falls on Sunday June 5. Under NMAC 19.15.2.13, "[t]he last calendar day of the time period shall be included in the computation unless it is a Saturday, Sunday or a day on which state agencies observe a legal holiday. In such case, the period of time runs to the close of business on the next regular workday." Thus, under NMAC 19.15.2.13, because the 30th day of the time period falls on Sunday, June 5, our client would have until the close of business on Monday June 6 to comment on C.K. Disposal's application prior to the Division's preliminary consideration of the application. Can you please confirm the Monday June 6 deadline calculated in this paragraph, given a May 6 notice mailing date by C.K. Disposal? As I mentioned, our client is planning on filing in advance of the Monday June 6 deadline, but, nonetheless, we wish confirmation that the deadline is Monday June 6, 2016, given that C.K. Disposal (or its agent) mailed the Notice sent to our client on May 6.

This will confirm advice you both gave me that comments can be delivered to Mr. Griswold's attention, as set out below, and that comments also can be emailed to Jim Griswold, with a copy to Florene Davidson, both addressees.

James Griswold
Environmental Bureau Chief
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Can comments under NMAC 19.15.36.9.C be emailed only, or should a hard copy also be sent to the above address?

Finally, at Jim's suggestion, I request, with respect to the Application of C.K. Disposal, LLC for Permit for a new Surface Waste Management Facility (C.K. Disposal), that notification of anything relating to that Application, including any supplements, as well as related commission and division hearing dockets be emailed to me and to my colleague Mark Adams, as follows: cgoldberg@rodey.com and madams@rodey.com

I look forward to hearing from you.

Best regards,
Catherine Goldberg

Catherine T. Goldberg | Attorney

RODEY Law

cgoldberg@rodey.com
505.768.7318

201 Third Street NW, Suite 2200
Albuquerque, New Mexico 87102
fax: 505.768.7395

Rodey, Dickason, Sloan, Akin & Robb, P.A.
www.rodey.com

Walco Ranch, LLC
P. O. Box 1289
Hobbs, NM 88241-1289

June 6, 2016

Jim Griswold
Bureau Chief
Oil Conservation District
1220 South St. Francis Drive
Santa Fe, NM 87505
Via email: Jim.Griswold@state.nm.us
Via facsimile: (505) 476-3462
Via USPS registered mail

Re: C.K. Disposal – Surface Waste Management Facility Application

Mr. Griswold:

I have been provided a copy of the Notice of Application related to an application (Application) filed by C.K. Disposal, LLC (Applicant) for approval of a surface waste management facility (Proposed Facility). I am the Manager and a Member of Walco Ranch, LLC, a New Mexico limited liability company (Walco), that owns the property that adjoins the property described in the Application (Facility Property) on the south property line and west property line of the Facility Property.

As an adjacent property owner on two sides of the Facility Property, I have concerns about the potential for groundwater contamination from the proposed operations at the Proposed Facility. It is very important to me that the OCD confirm that it has adequate information related to the groundwater below the Facility Property and the potential of any contamination of such groundwater from the Proposed Facility. I understand that there is a significant amount of information that has been accumulated over the years related to environmental characteristics in the area based on other projects that have been developed, including the LES project to the north of the Facility Property and the Lea County Landfill facility to the east of the Facility Property. It is my hope and expectation that the OCD would not overly rely on information about the general area where the Proposed Facility will be located and from prior projects that have been developed in the general vicinity of the Proposed Facility. Specifically, I request that data related directly to the Facility Property be required to be developed in reviewing the Application and that comprehensive testing be conducted on the Facility Property itself.

Of specific concern is the freshwater aquifer beneath the Facility Property disclosed in the Application that is also beneath Walco's property.

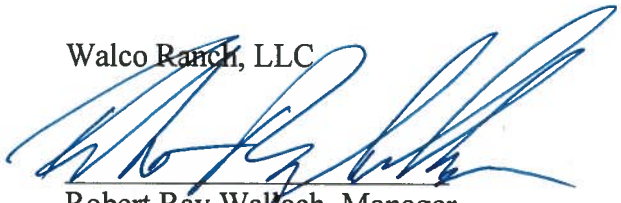
For the protection of the health and safety of the public at large and to insure the future integrity of the property owned by Walco and its neighbors, I am requesting that the OCD fully investigate any contamination potential related to the aquifer referred to above (and other possible ground water sources) that could result due to the construction or operation of the Proposed Facility on the Facility Property.

I request that the Application not be approved until the above issues have been fully addressed, including the development of comprehensive site specific data and research establishing that there will be no contamination or other detrimental impact on Walco's property.

I appreciate your consideration of my comments and the concerns noted above.

Sincerely,

Walco Ranch, LLC



Robert Ray Wallach, Manager

Griswold, Jim, EMNRD

From: Huddleson, Steven, NMENV
Sent: Tuesday, June 14, 2016 9:32 AM
To: Griswold, Jim, EMNRD
Cc: Pullen, Steve, NMENV
Subject: FW: Proposed Oil Waste Facility Unzipped
Attachments: May 6 2016 Notice of Waste Management Facility Application for Section 5....pdf

Jim, would you please put GWQB on your interested parties list for this facilities public notice requirements. As Mr. Pullen points out, there are a number of facilities under different regulatory oversight in this area that it would be helpful to coordinate.

From: Pullen, Steve, NMENV
Sent: Monday, June 13, 2016 10:25 AM
To: Huddleson, Steven, NMENV
Subject: FW: Proposed Oil Waste Facility Unzipped

Steve,

I presume this new facility will be regulated by OCD (Jim Griswold). Not sure what we can do for URENCO but I would be very interested in associated hydo information.

This portion of Lea County needs a coordinated hydo-geo state oversight (Sundance, URENCO, Lea Co. Landfill, WCS) and now this new place.

SP

From: Rickman, Jim [mailto:Jim.Rickman@urenco.com]
Sent: Friday, June 10, 2016 10:54 AM
To: Pullen, Steve, NMENV
Cc: Huddleson, Steven, NMENV
Subject: Proposed Oil Waste Facility Unzipped

Steve P.

The attached information is what I could find out about the proposed waste facility we discussed. UUSA is concerned that the atmospheric and groundwater discharge may have a detrimental effect on UUSA. Any information you could provide is appreciated.

Jim Rickman
Licensing Specialist
URENCO USA
P.O. Box 1789
Eunice, NM 88231

TEL: 575-394-6558
MOB: 575-602-6012
EMAIL: Jim.Rickman@URENCO.com
WEB: URENCO USA

Via personal delivery and via email to jim.griswold@state.nm.us

June 2, 2016

Mr. Jim Griswold
Bureau Chief, New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87505

Mr. David Catanach
Division Director, New Mexico Energy, Minerals, and Natural Resources Division
1220 South St. Francis Drive
Santa Fe, NM 87505

Subject: Initial Response to; Written Request for Extension of Time to Further Respond to; Request for Copy of Application; Request for OCD and Commission Hearing Dockets and Notification of Activity; and, Notice of Possible Future Request for Hearing regarding C.K. Disposal's May 6, 2016 Notice of Application, C.K. Disposal – Surface Waste Management Facility.

Dear Messrs. Griswold and Catanach,

First, to Mr. Griswold, thank you for taking time with me earlier this week to personally explain the New Mexico Oil Conservation Division ("OCD") permit application process.

Louisiana Energy Services ("LES")[1] wishes to comment on C.K. Disposal's May 6, 2016 Notice of Application, C.K. Disposal – Surface Waste Management Facility (attached). The purpose of this response is fivefold: 1.) to provide an initial response within 30 days of Notice per 19.15.36.9.C NMAC, which LES requests the New Mexico Oil Conservation Division ("OCD") take into account prior to issuing a tentative decision regarding C.K. Disposal's application; 2.) to request a 60-day extension of time pursuant to 19.15.36.9.C NMAC, in order to further supplement LES' response with more thorough analysis upon LES receiving a complete copy of C.K. Disposal's Application, which LES understands to contain around 1100 pages; 3.) to request a copy of C.K. Disposal's application for its proposed surface waste facility; 4.) to request that LES be notified of all activity regarding this permit application per 19.15.36.E.2 and 19.15.4.9 NMAC; and 5.) to request that, unless C.K. Disposal's application is denied without further steps taking place, a hearing be held to address LES' concerns regarding public health

[1] LES is an enriched uranium manufacturer licensed by the Nuclear Regulatory Commission ("NRC"), and located in southeastern New Mexico, within ½ mile of the proposed C.K. Disposal facility.

and safety, and the environment including groundwater concerns (LES will additionally and separately file a request with the OCD Clerk at the proper time per 19.15.36.10.A NMAC).

LES supports the need for disposal facilities in support of the oil industry, and LES recognizes the oil industry's contributions to New Mexico. However for the reasons listed below, LES believes that even a tentative approval of C.K. Disposal's application at the proposed location would be unwarranted in terms of producing new and unnecessary risk to the detriment of public health, safety, and the environment, including to the LES site and its employees, land, buildings, and equipment.

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C.K. Disposal currently seeks a tentative decision regarding a permit to construct and operate a surface waste management facility in Lots 1 through 4 and the south half of the north half of Section 5, Township 22 south, Range 38 east, N.M.P.M., Lea County, New Mexico.

Another Entity Is Already Doing What C.K. Disposal Seeks To Do, And Does So Without Producing New Unnecessary Risk To The Detriment Of LES Employees' and Visitors' Health Or Safety

There is an existing waste disposal site located to LES' north which does not pose new unnecessary risk to the health safety of LES' employees or visitors. Reasons that the existing facility just north of the LES site does not pose the same concerns include: 1.) the existing site is not operated to the same extent as the proposed C.K. Disposal site, hence the magnitude of atmospheric discharge is less with the existing site than what C.K. Disposal proposes to do; 2.) the existing site is physically located significantly further from LES enrichment plant operations and, accordingly, the existing site is much further from the locations where the majority of LES' staff are located – LES' operations and its approximately 290 employees and 200 contractors are predominantly located on the south side (not the north side) of LES' property; 3.) the existing disposal site is significantly further from a main highway thoroughfare and therefore does not introduce a traffic safety concern to LES or its employees or to our federally mandated Emergency Response obligations; and 4.) the prevailing wind conditions based on LES' meteorological measurements are such that the wind predominantly blows from the south to the north, meaning that atmospheric discharge from the existing site is predominantly blown in the opposite direction from the LES site and its employees. Significant meteorological data from the surrounding area was gathered and analyzed for both primary wind direction and wind speeds during the licensing of our facility with the Nuclear Regulatory Commission (NRC). As noted in our Safety Analysis Report (Section 1.3.3.1), docketed with the NRC, the prevailing wind direction is from the south.

For Public Health, Safety, Emergency Response, And Environmental Reasons, It Would Be Unwarranted To Place A Site Such As C.K. Disposal Proposes Adjacent To And Directly Upwind Of LES' Site And Its Employees & Visitors

LES' concerns reside with the lack of justification regarding the risk of placing such an operation as C.K. Disposal proposes *directly adjacent to a strategic national nuclear asset that is continuously manned 24 hours a day, 7 days a week.* According to our meteorological measurements, the prevailing winds from the south will blow atmospheric discharge directly onto LES' site, employees, equipment, and buildings, the consequence of which is the risk of new and unwarranted health and safety risks to LES site personnel and visitors, as well as unknown environmental risks to the land upon which LES is located, and new and unwarranted risk of damage to LES' sensitive equipment.[2]

Relative to employee safety and emergency response responsibilities, additional concerns are as follows: 1.) LES has received no data regarding the nature and type(s) of chemical material and quantities that would be discharged in to the environment, nor has LES received information regarding even more detrimental possible combinations 2.) further, a correlation of this data to allowable federal exposure limits, for example federal ppm standards, has not been provided; 3.) both construction and especially operation of the facility C.K. Disposal proposes would increase heavy truck traffic entering/exiting the highway, but LES has not received any analysis of this type of traffic safety implications; and 4.) as a federally licensed facility, we are obligated to produce and implement procedures, emergency drills and training for postulated accidents on our site as well as response to accidents on adjacent properties – LES has not been presented with sufficient data to understand the impact to our emergency response requirements, memorandums of understanding with medical and emergency response organizations and the highway patrol.

Relative to environmental compliance, LES is licensed to operate under a number of federal requirements imposed through the Nuclear Regulatory Commission, Department of Energy and other federal facilities. Additionally, we are regulated by the State of New Mexico CID and NMED divisions. In the case of NMED we are required to submit environmental discharge reports for our facility on a routine basis that include air discharge, ground water and other measurements. Without further details on the proposed facility, it is unclear how our reporting and monitoring obligations and associated cost may be impacted in order to demonstrate releases from an adjacent operation are not the result of our site performance.

[2] LES has demonstrated through equipment operation and testing that hydrogen sulfide causes damage to electrical equipment and connections. LES uses highly sophisticated and precise electronics to operate centrifuge technology. Increased air contaminates of this and similar types will require a significant unplanned capital investment to resolve.

Additionally, Another Entity Has Already Applied To Do What C.K. Disposal Seeks To Do Now, But The Other Entity Applied To Use A Location Where We Know Of No New And Unnecessary Risks To The Detriment Of Public Health And Safety

In fact, it has been brought to LES' attention that an application very similar to C.K. Disposal's application has already been filed with OCD for a facility of this type, but which proposes to be located further from the LES site and downwind from the LES site, which would significantly lessen the risk to LES employees' and visitors' health and safety compared to what C.K. Disposal proposes to do and the existing disposal facility north of our site.

To place all this in appropriate context I would like to offer a brief summary of our operation and the value asset we provide to the local community, State of New Mexico and the US Federal Government. For these reasons, we are concerned and intend to fully engage in this process.

In 2006, LES received is Construct and Operate License from the NRC to build the first nuclear project in the United States in almost thirty years. At project completion, LES will have an investment of nearly $5 Billion and will provide enriched uranium for nuclear power generation resulting in 10% of the electricity required for the United States. As the only uranium enrichment plant in North America, LES uses world-leading centrifuge technology to produce this important domestic source of enrichment. LES provides 290 direct, full-time, high paying, safe jobs as well as 200 contracted jobs and is held in high regard by the community as a good corporate citizen. LES and our employees provide the largest donation to the United Way of Lea County each year and our contributions have exceeded $1 Million in the past ten years. We invest an additional $500,000 in the local community in the form of scholarships, sponsorships, and organized community service projects each year. Also, LES utilizes over 150 of its employees to visit 20 schools annually to teach over 2,100 students about science though our Richie Enrichment Science Workshops. LES also provides support to our federal government on matters dealing with international nuclear nonproliferation. As you can see from this brief overview, LES is not only a strategic asset to provide energy resources and security for America, but is also a key employer and community partner for New Mexico.

Finally, please be advised that we intend to broaden the range of chemical constituents we routinely test for at our site boundaries to includes those types of chemicals that could be expected to result from an operation similar to the one proposed. We intend to establish this as a baseline. Should the application process for C.K. Disposal's proposed facility move forward, we will employ this monitoring on a routine basis to confirm applicable federal and state emission standards are continuously met.

Conclusion

As explained above, LES generally supports the need for this type of facility. However, LES, its employees and its visitors should not be subjected to new and unnecessary health and safety risks which C.K. Disposal's plans would expose them to by locating such a site adjacent to and directly upwind of LES, when: 1.) there's already a site doing this very nearby which does not

present new and unnecessary risks to our employees' and visitors' health or safety; and 2.) there's another application for a very similar disposal site which is further away from and downwind from the existing disposal site and our facility and hence would not subject LES' employees and visitors to new and unnecessary risks to their health and safety.

LES hereby respectfully requests that a complete copy of C.K. Disposal's application be sent to LES at the address below.

LES hereby respectfully requests an additional 60-day extension of time pursuant to 19.15.36.9.C NMAC, in order to further supplement this LES response with more thorough analysis upon LES receiving a complete copy of C.K. Disposal's Application.

LES hereby respectfully requests that LES be notified of OCD and commission hearing dockets going forward, all administrative activity regarding C.K. Disposal's application, and to be notified of OCD applications generally going forward.

Should the OCD tentatively grant a permit for the facility C.K. Disposal proposes, LES will respectfully file a hearing request with the OCD Clerk pursuant to regulation.

Again, LES appreciates the opportunity to comment on this important application, and **LES respectfully requests that the OCD deny C.K. Disposal's application for its proposed Surface Waste Management Facility**.

Sincerely,

David E. Sexton
President and Chief Executive Officer
URENCO USA
P.O. Box 1789
Eunice, NM 88231

Tel: +1 575 394 5215
Email: dave.sexton@urenco.com
Web: www.urenco.com

Cc:

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NMED
Care of Ryan Flynn, Secretary
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Santa Fe, NM 87505

NOTICE OF APPLICATION
C.K. DISPOSAL – SURFACE WASTE MANAGEMENT FACILITY

Pursuant to 19.15.36, Oil Conservation Division Surface Waste Management Facilities regulations, C.K. Disposal is providing notice that the Oil Conservation Division (OCD) has deemed administratively complete an Application for Permit for a new Surface Waste Management Facility (C.K. Disposal). The Application for Permit was originally submitted to OCD by C.K. Disposal on 11/06/2015. Comments regarding the Application may be submitted to OCD within 30 days of Notice.

1. **Applicant's name and address**: C.K. Disposal, LLC, 5909 86th Street, Lubbock, Texas 79424
2. **Facility location and address**: C.K. Disposal E & P Landfill and Processing Facility is located in Lots 1 through 4 and the south half of the north half of Section 5, Township 22 south, Range 38 east, N.M.P.M., Lea County New Mexico. The site is 0.05-miles south of State Highway 234, approximately 4.16-miles southeast of Eunice, New Mexico.
3. **Brief description of surface waste management facility**: The facility will encompass a total of 316.97-acres with a landfill footprint of 141.50-acres, a liquid processing unit of 57.75-acres, and a saltwater disposal unit of 5.10-acres. At full build-out, the Processing Area will include an oil treatment facility consisting of an estimated 9 produced water load-out points, 12 produced water receiving tanks, 48 produced water settling tanks, 12 evaporation ponds, 5 crude oil recovery tanks, and 5 oil sales tanks; as well as 1 stabilization and solidification area. The landfill consists of six (6) cell that will have a combined disposal capacity of approximately 24,585,056-cubic yards. The landfill method will be below grade fill with 4H:1V side slopes and aerial fill with 5H:1V final cover side slopes, with a maximum 3.5% final cover top slope. The site estimated incoming waste for the life of the facility will vary from 500-cubic yards to 1,500-cubic yards of waste per day. In addition, various support facilities, including: a Processing Area Gatehouse, Landfill Scalehouse, waste acceptance/security features, roads, emergency shower and eyewash station, and stormwater detention basins are proposed for the new Facility. The C.K. Disposal surface waste management facility has been designed and permitted in accordance with NMAC 19.15.36.8 through 19.15.36.20.
4. **Depth and quality of shallowest aquifer**: Based upon information projected from nearby wells, the shallowest potential water-bearing zone in the vicinity is Chinle Formation, which is approximately 225-feet (ft) below ground surface (bgs) at the C.K. Disposal site. In addition, the C.K. Disposal site characterization boring investigation results demonstrate that no shallow groundwater is present above a depth of 150-feet bgs at any of the boring locations. Based on nearby wells, groundwater depth is approximately 225-feet below the site with a maximum TDS concentration of approximately 11,600-mg/L.

Interested parties may contact Jim Griswold, Bureau Chief, Oil Conservation Division at (505) 476-3465 for further information.

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LES-16-00116-OCD

Mr. Jim Griswold
Bureau Chief, New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87505

Mr. David Catanach
Division Director, New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87505

Subject: LES' Supplemental Comments to Proposed C.K. Disposal Surface Waste Management Facility

References:
1. Notice of Application C.K. Disposal –Surface Waste Management Facility
2. Letter from D. Sexton to J. Griswold and D. Catanach providing LES' initial response to Reference 1, dated 6/2/16.

Dear Messrs. Griswold and Catanach,

Louisiana Energy Services LLC ("LES"), dba URENCO USA ("UUSA") appreciates the opportunity to provide supplemental comments to Reference 2 regarding the proposed disposal facility South of LES' UUSA facility near Eunice New Mexico and the access you provided to the complete application. This access has allowed us to analyze the content of the application and provide more informed comments as noted herein.

As outlined in Reference 2, LES' UUSA facility is an internationally recognized facility that provides uranium enrichment services to customers worldwide. The safety and well-being of our employees and the local community is paramount to us. Additional information about UUSA is contained in Enclosure 2.

We acknowledge that the Permian Basin oil reserves provide enormous economic benefit to the Eunice area and to the state of New Mexico. For this reason, we fully support the oil industry. We're not against the permitting of a facility of the type proposed, within Lea County, however, we do have concerns with siting such a facility directly upwind of our site, which is manned 24 hours a day, 7 days a week and has 490 employees and contractors.

We want to ensure that the health of our employees and visitors is not affected by air concentrations of hydrogen sulfide and other airborne hazardous chemicals. Based on the permit application, the C.K. facility is expected to release levels of hydrogen

sulfide and other hazardous chemicals at levels that will be harmful to employees and visitors at the UUSA facility. Because our facility is manned continuously and will operate for at least the next 40 to 50 years, we have a large number of employees who could be exposed to the airborne discharge of such a facility for a very long period of time.

We want to ensure that our employees and visitors are not placed in an unsafe condition by increased road traffic and road conditions on NM HWY 176. This road is already heavily trafficked by trucks and daily vehicle traffic.

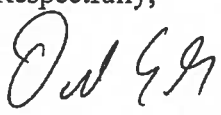
The UUSA process contains support systems that are essential to the operation of billions of dollars' worth of assets. These critical systems consist of several uninterruptable power supplies and over a hundred chiller units. Due to the current levels of sulfur compounds in the air, we have seen some degradation of electronic circuit boards that control these systems. The C.K. Disposal plant emissions will increase the hydrogen sulfide emissions and result in escalating repair costs and an amplified risk of loss to our process systems.

UUSA believes in the mission of the Lea County Energy Plex and is supportive of the oil and gas community, but the proposed location and health and safety concerns around it lead us to believe that such a project is better suited to a more remote area of the county that is not adjacent to a continuously occupied facility of strategic national interest.

UUSA's detailed comments are included as Enclosure 1. As you will see, review identified that C.K. Disposal's application is simply insufficient to conclude that it is an acceptable application or that C.K. Disposal's proposed facility can be constructed and operated in compliance with applicable statutes and rules and without endangering fresh water, public health, safety or the environment, and is therefore unacceptable per 19.15.36.12.A. NMAC. Instead, it is only possible to conclude C.K. Disposal's proposed facility presents detriment to fresh water, public health, safety and the environment per 19.15.36.12.B. NMAC.

Again, UUSA appreciates the opportunity to supplement its previous June 2, 2016 comments regarding this important application. Pursuant to 19.15.36.12.A. NMAC, UUSA requests that the OCD not issue a permit for C.K. Disposal's proposed facility. Similarly, and pursuant to 19.15.36.12.B. NMAC, UUSA further requests that the OCD deny the permit for C.K. Disposal's proposed facility.

Respectfully,



David E. Sexton
President and Chief Executive Officer
URENCO USA
P.O. Box 1789
Eunice, NM 88231

Enclosures:

1. URENCO USA Comments on the C.K. Disposal Facility Permit Application
2. About URENCO USA

CC:

The Honorable David Martin
New Mexico ENMRD
1220 South St. Francis Drive
Santa Fe, NM 87505

The Honorable Ryan Flynn
New Mexico Environment Department
Harold Runnels Building
1190 Saint Francis Drive
PO Box 5469
Santa Fe NM 87502

ENCLOSURE 1

URENCO USA Comments on the C.K. Facility Permit Application

I. C.K. Disposal's Proposed Waste Management Facility May be Detrimental to Fresh Water, Public Health, Safety, and the Environment and Should be Denied.

A. Detriment to Public Health and Safety

1. Increased public safety concerns arise due to the increase in congestion and other traffic related accidents and issues.

As Item 24 of the NMAC permit application indicates, the division may require additional information to demonstrate that the surface waste management facility will not adversely impact public safety. There is no assessment of traffic impacts due to waste delivery to the proposed facility contained in the permit application; therefore, the potential impact to public safety due to increased traffic has not been adequately addressed. Further, since both the proposed facility and the existing URENCO USA facility utilize the State Highway (NM 234, also known as NM 176 and Andrews Highway) as access points for their respective entrance gates and employees, the cumulative impacts of the facilities should be evaluated.

Specific Comments:

1) C.K. Disposal's permit application does not specify the number of anticipated waste shipments to the facility but has indicated a landfill capacity ranging from 500 cubic yards to 1,500 cubic yards per day. If the typical truck shipment to the site were 20 cubic yards, the number of additional truck trips on the Highway would range from 25 to 75 more trucks per day. Depending on the typical approach to the site (from east of west) there may be impacts and safety concerns for the public due to congestion at the nearest intersection. This truck traffic would be in addition to the normal truck traffic utilizing the highway to reach other destinations and in addition to the routine truck traffic to and from the URENCO USA facility located almost directly across the Highway from the proposed waste facility location. The current URENCO USA truck deliveries and shipments are about 7-10 per day, including shipments of radiological materials.

2) The permit application does not include an evaluation of the proposed location for the entrance to the facility from NM Highway 234 in relation to the existing main gate entrance for the URENCO USA facility. This is an area of potential traffic congestion due to the placement of the new proposed entrance.

3) There has been no evaluation of the individual or cumulative traffic impacts from employee vehicle traffic from the proposed facility or in combination with the adjacent facility for the combined impacts that may be experienced at certain times of the day especially at shift changes.

2. The hydrogen sulfide emissions threaten public health.

In addition to air emissions, the actual impact to human health should be evaluated to assure that the levels in the facility's application are protective and that appropriate monitoring will be conducted. The current proposed waste acceptance level and fence line concentration limit for H2S of 10 ppm is not protective of the public and must be lowered.

19.15.36.12(A) NMAC stipulates that new permits must be constructed to ensure and operated in a such a manner that does not endanger public health:

> "The division may issue a permit for a new surface waste management facility or major modification upon finding that an acceptable application has been filed, that the conditions of 19.15.36.9 NMAC and 19.15.36.11 NMAC have been met and that the surface waste management facility or modification can be constructed and operated in compliance with applicable statutes and rules and without endangering fresh water, public health, safety or the environment."

19.15.36.12(C) NMAC further states that:

> "The division may impose conditions or requirements, in addition to the operational requirements set forth in 19.15.36 NMAC, that it determines are necessary and proper for the protection of fresh water, public health, safety or the environment."

Finally, 19.15.36.17(B) states that:

> "The operator shall ensure each pit, pond and below-grade tank is designed, constructed and operated so as to contain liquids and solids in a manner that will protect fresh water, public health, safety and the environment."

The Application presents proposed methods for ensuring protection of public health and control of H2S odors in Attachment K. The Application states that a trigger level of 10 ppm H2S will be applied at the downwind property boundary, and that if levels exceed 20 ppm H2S at the downwind property boundary, emergency response, including facility evacuation, will take place. Furthermore, and as noted in Section 1, the Application states that all oilfield waste loads will be monitored for H2S upon arriving at the site. If H2S levels exceed 10 ppm, then treatment will be performed to reduce H2S levels prior to unloading shipments.

Specific Comments:

1) Although the Application indicates that H2S will be monitored at potential sources such as the evaporation ponds and at the property boundary, the Application does not indicate if H2S will be released from truck shipments that are being treated to reduce H2S. Furthermore, if H2S is released from trucks that are treated, the application does not indicate how such levels will be monitored at the downwind property boundary, which presumably is directly adjacent to the incoming waste treatment area.

2) The Application does not provide any information concerning the nature of the response actions that will be instituted at neighboring properties if the monitoring If the H2S threshold is exceeded at the property boundary, or how the response actions will be coordinated (e.g., through MOUs, or access agreements.).

3) The Application does not provide any modeling estimates of H2S liberation or downwind migration. Consequently, the response and contingency plan cannot be placed into context with the likelihood of incurring the need for a response action.

4) The Application does not state whether emergency evacuation requirements are limited to the employees of the applicant or if mandated evacuation of adjacent businesses would be required. Federal regulations imposed on UUSA for the control of special nuclear material require 24 hours a day, 7 days a week continuous protection. Complete evacuation of our facility under any circumstances is not allowed. Further, the Application does not define any detection means, protective actions or emergency actions for an airborne release in excess of proposed limits during non-work hours when the facility is not open.

5) The 10 ppm threshold for H2S is not protective of public health for workers in neighboring properties. The odor threshold for H2S is 0.01 to 1.5 ppm; this is the range of concentrations where people can detect a rotten egg smell from H2S[1]. The odor becomes offensive in the 3 to 5 ppm range. Prolonged exposure to H2S concentrations in the 2 to 5 ppm range can cause nausea, tearing of the eyes, headaches, loss of sleep and airway problems (bronchial constriction) in some asthma patients[2]. Moreover, NIOSH stipulates a recommend exposure limit of 10 ppm for a 10 minute continuous exposure, after which exposure mitigation is recommended[3]. Similarly, the American Conference of Government Industrial Hygienists (ACGIH) stipulates a threshold limit value (TLV) of 5 ppm for a 15 minute continuous exposure, after which exposure mitigation is recommended.

These values, however, are intended to be applied to individuals who work with H2S as part of their employment, and who have been informed of H2S hazards as part of the workplace right to know regulations. For individuals that are not working with H2S as a component of their occupation, non-occupational standards apply. USEPA recommends a long-term time-weighted average (TWA) not to exceed value of 0.006 ppm[4] based on adverse effects to the nervous and respiratory systems[5]. USEPA also recommends a 24-hour TWA not to exceed 0.07 ppm based

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[1] OSHA Safety and Health Topics: Hydrogen Sulfide. www.osha.gov/SLTC/hydrogensulfide/hazards.html
[2] ibid
[3] Centers for Disease Control, National Institute for Occupational Safety and Health (NIOSH). http://www.cdc.gov/niosh/npg/npgd0337.html
[4] USEPA Regional Screening Levels. Composite Worker Air. https://www.epa.gov/risk/regional-screening-levels-rsls-generic-tables-may-2016
[5] Integrated Risk Information System. Hydrogen Sulfide. https://cfpub.epa.gov/ncea/iris2/chemicalLanding.cfm?substance_nmbr=61

on the threshold concentration that produces an allergic response in sensitive human populations[6].

To meet these requirements, the threshold levels at the property boundary must be lowered to be protective of public health. The design, operation and emergency response need to take the requirements into consideration.

B. Detriment to Air Quality, the Environment, and Fresh Water

1. **The air pollutant emissions, based on the type and amount of waste material planned for disposal, pose a threat to the air quality and need to be closely monitored.**

With respect to air emissions, the permit application does not quantify potential or expected actual emissions of regulated air pollutants. The construction and operation of an industrial facility in the State of New Mexico requires an evaluation of whether an air permit is applicable and required for the intended operation [New Mexico Administrative Code (NMAC) 20.2.72 addresses Statewide Air Quality Construction Permitting requirements and NMAC 20.2.73 addresses Notice of Intent and Emissions Inventory Requirements. Both regulations require the quantification of hourly and annual emissions of regulated air pollutants including Nitrogen Oxides (NOx) Carbon Monoxide (CO), Volatile Organic Compounds (VOCs), Sulfur Oxides (SOx), Total Particulate Matter (TSP), Particulate Matter less than 10 microns (PM10), Particulate Matter less than 2.5 microns (PM2.5), Hydrogen Sulfide (H2S), and Lead. However, the New Mexico air regulations 20.2.72.402(C)(5) specifically exempt Oil & Gas production facilities from being regulated under the state's "Toxic Air Pollutants' program. Oil & Gas production facility is defined under 202.72.401(F) as "facilities for the exploration, development, production, treatment, separation, storage, transport, and sale of unrefined hydrocarbons, natural gas liquids, and CO2 (e.g., major SIC group 13, oil and gas extraction, SIC industry group no. 4612, crude, petroleum, pipeline and SIC industry no. 4922, natural gas transmission)". Regardless of the exemption, a new facility would need to apply for an air construction and operating permit for all other regulated air pollutants, noted above. Please note that it does not appear to meet the definition of an Oil & Gas production facility as 'landfill and water treatment' are not listed and the Standard Industrial Classification (SIC) or North American Industry Classification System (NAICS) codes are not provided in the facility's application.

Specific Comments:

1) Fundamental to the permitting process is the calculation of potential emission rates of any regulated air contaminant emitted by the source. The permit application attempts to address odor issues for hydrogen sulfide (H2S), but does not quantify or address emissions of particulate matter, volatile organic compounds (VOCs), or hazardous air pollutants (HAPs). Quantifying the level of emissions from proposed evaporation ponds, air stripper, truck loading/unloading and tank venting should be addressed.

[6] Agency for Toxic Substances and Disease Registry (ATSDR). Acute Minimum Risk Level for hydrogen sulfide. http://www.atsdr.cdc.gov/mrls/pdfs/atsdr_mrls.pdf

2) The stated purpose of the evaporation ponds and the water processing operation is to generate marketable water. The application notes that "volatiles and dissolved gasses can be problematic in other treatment activities as well as oil and gas use. The treatment goal of the stripping tower is to minimize these harmful constituents in effluent water" and "at this time, expected air would simply be off-gassed to the ambient atmosphere." This process includes a seven-foot diameter air stripper whose air emissions are not completely described and remains unquantified. The permit also states that iron compounds, manganese compounds and chlorides are anticipated corrosives in the waste stream. These would likely be emitted to the air in addition to any volatiles and should be addressed.

3) The application does not anticipate or address any air dispersion modeling. The state of New Mexico has recently published draft guidance for the oil and gas production industry to streamline the air permitting of compressor stations. The draft guidance specified that modeling is not required if the facility meets several requirements including that H2S emissions not exceed 0.01 pounds per hour (lbs/hr) and the facility not be located at least 2,634 feet (or 800 meters) from a source that emits over 25 tons per year of NOx. Although this is not a direct correlation, as the application for a disposal and processing facility is not the same as a compressor station; emission levels and air dispersion modeling should be addressed in the application to determine if the emission rate from the facility meets applicable standards.

4) The application proposed to monitor H2S in the headspace (presumably) of delivery containers. This screening method does not directly correlate to quantities processed by the facility or the emission rates anticipated from the operations at the proposed facility. A trigger level of 10 parts per million (ppm) and a treatment to 1 ppm in the headspace does not quantify the VOC and H2S concentrations in the material itself. The emissions generated by processing the material cannot be correlated to headspace concentrations at the time of delivery.

5) With respect to air emissions, if the water processing unit operates at the levels included in the application (12,000 barrels per day, 24 hours per day, seven days per week) and assuming a VOC concentration of 200 ppm, the annual potential emissions of a 90% efficient stripper exceed 130 tons per year. The potential emissions of VOCs are greater than the 100 tons per year major source limit and therefore would require a Title V air permit. This permit was not noted in the facility's application.

2. The evaporation ponds that collect contaminated discharge pose an ecological risk

The New Mexico environmental regulations state that "The application shall include.... other information that the division may require to demonstrate that the surface waste management facility's operation will not adversely impact fresh water, public health, safety or the environment...." (NMAC 19.15.36.8C (17)). The proposed development of this facility has not addressed potential impacts to the immediate environment caused by the construction of the 317-acre facility.

Areas subject to surface disturbance should be evaluated for the presence of sensitive habitat and/or Rare, Threatened, or Endangered species. This is usually accomplished through the completion of some type of biological inventory and clearance. An on-the-ground inspection by a qualified biologist should be required to quantify, using elementary survey sampling techniques, the types and numbers of plants, mammals, birds, reptiles and amphibians. In cases where sensitive species are affected, the preferred response would be to modify the proposed action to avoid the species or its habitat (avoidance). If avoidance of a threatened, endangered, or sensitive species or its habitat is not possible, consultation with USFWS would be required and a biological assessment would be prepared to recommend actions to protect the species or its habitat. A list of species that the biologist should be aware of can be obtained from the New Mexico Department of Fish and Game (e.g. "Threatened and Endangered Species of New Mexico").

In addition to the requirements above, ponds attract migratory birds. In Section 1.9 of the Permit application, C.K. Disposal, LLC states the following:

> "C.K. Disposal LLC herein requests an exception to 19.15.36.13.I NMAC. The Migratory Bird Protection Plan presented as describes an alternate methodology to the screening requirement of the storage ponds. This Plan describes visual inspections and migratory bird retrieval and clean up procedures should bird(s) require decontamination."

There was no indication in the Permit application that a detailed "Migratory Bird Protection Plan" was presented. The southeastern region of New Mexico is an important component of the "Central Flyway" and therefore, since significantly large ponds will be present, these waterbodies will undoubtedly attract migrating waterfowl that have been observed in southeastern New Mexico including ducks, geese, herons, pelicans and swans.

Specific Comments:

1) C.K. Disposal should institute and plan Best Management Practices for the protection of migratory birds. The application states that "Visual inspections" and "migratory bird retrieval and clean up procedures" will be conducted, however these will not protect migratory birds from the exposure to environmental contaminants. At a minimum, personnel trained in the capture, handling and/or cleaning of birds will be necessary within a reasonable time frame if a bird is in jeopardy.

2) Birds at the disposal facility may be exposed to environmental contaminants that could affect individuals by reducing reproduction or survival. The uptake of contaminants from ponded environments is of particular concern. Contaminants in soils may erode and become concentrated within ponds. These metallic and organic compounds accumulate in aquatic sediments and also may accumulate or biomagnify in the tissues of aquatic organisms. The facility should conduct routine and scheduled sampling of surface water and sediments and action should be taken if concentrations are above some predetermined regulatory benchmark. Best management practices for contaminants should include the ongoing evaluation of ecological risks and the communication of any risks to management. An ecological risk assessment should be included in the permit application to help prioritize future environmental remediation.

3) Mitigation measures for environmental contaminants may include identifying and reporting birds that are found with deformities or areas with high numbers of unexplained bird mortality. The proposed evaporation ponds that receive contaminated effluents should be evaluated for risk to bird species such as swallows which make heavy direct use of ponded waters and associated insects. If these ponds present an unacceptable risk, they should be covered so that they are unavailable to migrating species. Regular maintenance should be conducted to ensure covered ponds remain unavailable. Ecological risk assessments should consider impacts of contaminants to migratory birds most at risk. Information from these assessments should be used to prioritize mitigation of ecological risk. Finally, the use of integrated pest management techniques to minimize the use and exposure to pesticides should be considered.

3. Groundwater is threatened by inadequate testing and monitoring.

In general, the application (Attachment G – Hydrogeology Report) presents the geology and hydrogeology of the region with only limited site data. Five soil borings were completed, but no soil or groundwater samples were collected to support this evaluation.

Section 3.4 of Attachment G states that because the facility is "not permitted and thus has no existing groundwater wells, there is no existing analytical data". Groundwater wells should be installed in support of the permit process and to obtain site specific data. Instead of relying on published data from the region, quarterly groundwater samples should be analyzed for the constituents required by OCD and should be collected for a minimum of one year, to be able to evaluate seasonal fluctuations, and establish baseline conditions. Furthermore, the groundwater wells would also provide information on the physical properties of the aquifer below the facility.

Although no groundwater monitoring wells were installed, or are proposed to be installed, the facility has proposed a Vadose Monitoring Plan (Attachment H).

This plan is based on sentinel shallow vadose monitoring points to be installed around the facility. A simple vadose model (such as HYDRUS-1) should be employed to model potential releases and to evaluate if the plan is appropriate for the setting and amount and types of materials that could be released to the environment. Unfortunately, the soil properties needed for such a model (and required by OCD) were not collected and were not found in published literature for the shallow Ogallala Formation. As noted in Section 3, these data should be collected and then used to evaluate potential contaminant migration in the vadose zone before the Vadose Monitoring Plan (Attachment H) and Sampling Plans (Attachment I) are approved.

II. THE DIVISION SHOULD NOT APPROVE C.K. DISPOSAL'S UNACCEPTABLE APPLICATION, BECAUSE IT FAILS TO IDENTIFY OR ADDRESS THE INFORMATION NECESSARY FOR A PROPER EVALUATION.

A. The geology and hydrogeology data provided in the application, is insufficient to establish base line data for the permit and fails to meet the application requirement—under Subsection C(15) of 19.15.36.8. NMAC.

Item 22 of the OCD Application for a Surface Waste Management Facility requires the following site-specific information be included in the application so that the base line data is understood. These requirements are provided below, including an evaluation to determine if each were met:

1) A map showing names and locations of streams, springs, or other watercourses, and water wells within one mile of the site.

   Although this is a desert setting and there are few, if any, surface water features, the scale of the map is difficult to read.

2) Laboratory analyses performed by an independent commercial laboratory, for major cations and anions, benzene, toluene, ethyl benzene, and xylenes (BTEX), RCRA metals, and total dissolved solids (TDS) of groundwater samples of the shallowest fresh water aquifer beneath the proposed site;

   No groundwater samples were collected from the site. A total of five (5) soil borings were completed to 175 feet below ground surface (bgs), knowing that groundwater was encountered at approximately 225 feet bgs. Site specific data should be collected for at least four (4) quarterly rounds to establish a baseline for groundwater quality of the shallowest freshwater aquifer. Samples should be submitted to an independent commercial laboratory for analysis of the parameters listed above.

3) Depth to, formation name, type and thickness of the shallowest fresh water aquifer;

   A detailed geologic description of the region is provided in the application; however, it is based on published literature and boring logs conducted by others. The site characterization effort did complete five borings on site to characterize soils, but each boring was terminated in the Ogallala formation, and was not completed to a sufficient depth to characterize the Chinle formation where the shallowest freshwater aquifer is encountered. Furthermore, as noted before, soil samples were not collected to meet the requirements of Item 7, below.

4) Soil types beneath the proposed surface waste management facility, including a lithologic description of soil and rock members from ground surface down to the top of the shallowest fresh water aquifer;

   As noted above, the application refers to published literature to describe the geology and lithology of the soil and rock members below the proposed facility. Borings completed were terminated in the Ogallala Formation and did not extend into the shallowest aquifer.

5) Geologic cross-sections

   Geologic cross sections were completed, however because the borings were not completed in the Chinle, they do not represent hydrogeologic conditions, but rather the

soils above the water table and therefore do not extend to the depths needed to adequately present site conditions.

6) Potentiometric maps for the shallowest fresh water aquifer

   Potentiometric maps for the site included previously published maps for the site of Eunice and do not extend to the proposed facility. Groundwater wells and contour maps should be developed for the site to establish groundwater flow direction and support a baseline evaluation to characterize groundwater. This is specifically important as the facility plans groundwater injection as part of its process, making the baseline data critical in the evaluation of potential environmental impacts.

7) Porosity, permeability, conductivity, compaction rations and swelling characteristics for the sediments on which the contaminated soils will be placed.

   No soils data were analyzed from the borings and instead, previously published values were used from regional borings. These are not site-specific, as local conditions may vary. Furthermore, the soil properties of porosity, specific capacity and storativity for the Ogallala formation (the shallow formation that will underlie the facility) were not listed. These are several of the parameters that are critical for vadose modeling.

In addition to not meeting the minimum requirements specified by the permit application, the facility is also planning for groundwater injection. However, there are no groundwater models to evaluate how this process could impact the current hydrogeology, nor is there mention for a permit for conducting such activities.

B. Financial assurances estimates in the application are unsatisfactory and fail to properly address the application requirements of a closure and post-closure plan—under Subsection C(9) of 16.15.36.8. NMAC.

As part of the permit application requirements, the facility must provide a cost estimate for closure activities. The permit application offers $2.3 million for closure activities with the financial assurance maintained by bond, letter of credit, trust, or other forms acceptable under NMAC 19.15.36.11.E). Although the application states that the specific method of financial assurance will be determined later, we believe that this cost is conservatively low and omits several significant items. Following are some examples potential under estimation of closure cost for the Oil Treating Plant, Landfill Cell, and Pond Closures. Please note that the specific comments are based on the costs provided in the application.

Oil Treating Plant Closure

1) The permit offers a cost of $25,000 for the removal of the tanks. Per the Site Operations Plan, the total tankage on the completely built out facility will include:
   - 16 produced water tanks (1,000 bbl each)
   - 48 settling tanks (1,000 bbl each)
   - 5 crude oil recovery tanks (1,000 bbl each); and

- 4 oil sales tanks (1,000 bbl each)

Per NMAC 19.15.36.18(D)(1)(a), this item must include that all tanks be emptied, cleaned and removed (disposed of, re-used or recycled). All wastes from the cleaning must be disposed of at an approved facility. The cleaning and disposal of 73 tanks (totaling over 3 million gallons of storage) will cost significantly more than $25,000. It is our opinion that $25,000 is closer to the cost for a single tank (including cleaning, dismantling, transportation & disposal of contents and cleaning solutions, and removal and transportation of the tank) and does not represent the projected costs of all tank closure.

2) The permit offers a cost of $25,000 for the closure and removal of Process Equipment. Per the Site Operations Plan, the total process equipment at the built-out facility may include:
   - One Boiler;
   - Four Mechanical oil-water separation units;
   - One Air Stripping Tower;
   - Four Greensand Filters;
   - One Reverse Osmosis unit; and
   - An unknown amount of process piping.

   Per NMAC 19.15.36.18(D)(1)(a), this item must include that all process equipment be emptied, cleaned and removed (disposed of, re-used or recycled). All wastes from the cleaning must be disposed of at an approved facility.

   The cleaning and disposal of 11 pieces of process equipment will cost significantly more than $25,000. It is our opinion that $25,000 is closer to the cost for a single piece of equipment (including cleaning, dismantling, transportation & disposal of contents and cleaning solutions, and removal and transportation of the equipment).

3) The permit estimates $10,000 for earthwork. The tasks included in earthwork are not clearly defined, however, it is assumed that the earthwork task may include the following items, which would appear to be required under NMAC:
   - Removal of receiving tank liner system;
   - Removal of tank and equipment foundations;

   There are likely additional earthwork tasks regarding the treatment area. However, even these small tasks would typically cost more than the $10,000 allocated.

4) There are no costs for the required soil sampling and analysis:
   Per (NMAC 19.15.36.18(D)(1)(b)):

   "the site is sampled, in accordance with the procedures specified in chapter nine of EPA publication SW-846, test methods for evaluating solid waste, physical/chemical methods, for TPH, BTEX, major cations and anions and RCRA

metals, in accordance with a gridded plat of the site containing at least four equal sections that the division has approved"

Based on the size and various operations at the site, it is also likely that substantially more than the minimum four sections will be required to meet the closure requirements.

Landfill Cell Closure

The Financial Assurance estimate only includes the closure of one 23.6 acre cell of the landfill. In order to meet the permit requirements, the costs to close the full facility (approximately 142 acres) must be included. This is relevant in the case of a closure initiated by the agency or abandonment.

Unit costs for many of the cap construction elements appear conservatively low. The estimate includes an area which is nearly exactly 23.6 acres and does not account for side slopes, which will increase the surface area over an aerial determination of 23.6 acres when shown in plan view. While we disagree with the assumption of only using 23.6 acres, the estimate accounts for an area that is 80% side slope and only 20% of the more costly "cap". This is a very specific situation which reduces closure costs substantially (4.66 acres of geomembrane and geocomposite in the 23.6 acre closure). Other specific comments pertaining to the cost estimated are provided below:

1) Infiltration layer (24")
   - Standard compaction of the sand layer is not included in the estimate. 7.5% additional sand is standard practice.
   - Costs for the sand layer are extremely low. Costs must include:
     - Purchase (borrow) and hauling of sand layer (For comparison RSMeans 310516100500 for load at pit, haul 2 mile round trip, spread with 200 HP dozer shows $30.56 per LCY for Roswell). It is anticipated that costs would be higher due to a longer haul
     - Compaction: Compaction costs are not included (RSMeans 312323240400 for sheepsfoot roller, 8" lifts, select fill shows $1.35 per ECY for Roswell).

2) Soil Erosion layer (12")
   - Soil must be imported in order to support vegetation.
   - Costs for the soil layer are extremely low. Costs must include:
     - Purchase (borrow) and hauling of the topsoil (Means 310513100800 for topsoil borrow, weed free, load at pit, haul 2 mile round trip spread with 200 HP dozer shows $35.59 per CY for Roswell).
     - Compaction Costs should be similar to those for the sand infiltration layer.

3) Missing costs. There are no costs presented for the following items:
   - Establishment of Vegetative Cover. Specific requirements are in place in NMAC 19.15.36.18(D)(2)(b), for vegetative cover, including type and coverage. (Means

329219131000 shows mechanical seeding for large areas including lime, fertilizer and seed at $0.68 per square yard for Roswell - $78k for one cell and $467k for entire landfill)
- With the potential for H2S gas in the landfill components, the lack of installation of a gas control layer is a concern.

Pond Closure

The Cost Estimate seems to underestimate many of the quantities and costs associated with the evaporation pond closures. According to the design drawings, each pond it approximately 400' by 200' (80,000 sf) at the surface. There are 12 ponds on the facility, for a total area of evaporation ponds of 960,000 square feet. The removal and disposal of liquids is estimated at 286 bbl (or 8,608 gallons, or 1,151 cubic feet). This would equate to approximately 0.01" (one one-hundredth of an inch) of water across the areas of the pond). It is more likely that the water that needs to be removed from the ponds after operations have ceased will be measured in feet and not hundredths of an inch. One foot of water across all ponds would equate to approximately 238,000 bbl of water.

1) The removal and disposal of sludge is estimated at 4,444 tons. Using an approximation of 1.5 tons per cubic yard, this is a total of approximately 3,000 cubic yards or 81,000 square feet. This would be approximately 1" of sludge across the area of the ponds. It is more likely that the amount of residual sludge in the ponds will be measured more in feet of sludge than inches.

2) The transport and disposal cost of $21.50 per ton appears low. Based on the required haul distance as well as the anticipated characteristics of the waste, the transportation and disposal costs are anticipated to be much higher.

3) The omission of backfill fill material (e.g., 0 cubic yards) that will be required for the pond backfill and contouring is of concern. It is not believed that suitable backfill material will be available on-site. The placement and compaction of only 11,853 yards (approximately 4" deep over the area of the 12 ponds) also seems to be an underestimation of what is required.

Post-Closure Cost Estimate

Per NMAC 19.15.36.18, the following elements must be included in the post-closure of a landfill for a period of 30 years:

- Maintenance of cover integrity;
- Maintenance and operation of a leak detection and leachate collection and removal system; and
- Operation of gas and groundwater monitoring systems.

Comments on estimate:

1) Engineering Estimate:
   - Vadose zone monitoring/lab/reporting costs are low. The task must include obtaining the sample, shipping the sample to the laboratory, analyzing the sample and provide an annual report of the results to the agency, comparing the results to standards. A cost of $400 per sample appears low for this.
   - Groundwater sampling/analysis/reporting is not included in this estimate. Identical types of costs as for the vadose monitoring must be included. As noted above, there are no existing groundwater monitoring wells on site, and no wells are proposed. Site specific groundwater data must be obtained so that closure activities may document changes to groundwater quality as a result of facility operations.

2) Construction and Maintenance Costs
   - Cap and Side slope repair costs seem low, as the proposed cost of $3,000 per year for 126 acres of cap. Assuming that one membrane repair or revegetation is required each year over the 30 years, it is unlikely that $3,000 would cover the cost of a cap repair. Revegetation of even 1% of the landfill (approximately 1 acre) per year would exceed the annual budget, outside of heavy equipment and earthwork required for cap or side slope repair.
   - Mowing costs of $25 per acre seem low. For comparison, RSMeans 320190191660 for Mowing brush, light density, tractor with mower, shows a cost of $48.84 per 1,000 sf.
   - No costs, as required, for the operation and maintenance of the leak detection system are included in the estimate.

3) Leachate Management

   - No costs are included for the operation or maintenance of a leachate recovery system.
   - The HELP model indicates significant volumes of leachate will be generated, as part of the permeable sideslopes proposed in the design. The $4,000 per year is not sufficient for the removal and disposal of tens of thousands of gallons of leachate that will be generated. Substantially more costs for operations and maintenance of a leachate removal system, and transportation and disposal of the collected leachate will be required.

Overall, the cost estimate for closure is likely substantially understated in the permit application, and therefore will require far less financial assurance putting NMED at risk. The estimate should be revised to include all required activities and to be inclusive of all structures that will be removed, or areas to be capped or backfilled. The estimate should also include realistic values for each proposed action.

III. CLOSING

The permit application submitted for C.K. Disposal lacks technical merit for several important categories and does not have a baseline dataset to be able to evaluate how the proposed operations may impact the environment.

Additionally, as UUSA has demonstrated, C.K. Disposal's application is simply insufficient to conclude that it is an acceptable application or that C.K. Disposal's proposed facility can be constructed and operated in compliance with applicable statutes and rules and without endangering fresh water, public health, safety or the environment, and is therefore unacceptable per 19.15.36.12.A. NMAC. Instead, it is only possible to conclude C.K. Disposal's proposed facility may be detrimental to fresh water, public health, safety and the environment per 19.15.36.12.B. NMAC.

Pursuant to 19.15.36.12.A. NMAC, UUSA requests that the OCD not issue a permit for C.K. Disposal's proposed facility. Similarly, and pursuant to 19.15.36.12.B. NMAC, UUSA further requests that the OCD deny the permit for C.K. Disposal's proposed facility.

ENCLOSURE 2

About URENCO USA

- UUSA represents a 5 billion dollar investment made by our parent company, URENCO LTD, based in Stoke Poges, England. The Eunice NM facility is one of 4 enrichments plants owned by URENCO Ltd. The other plants are located in the Netherlands, Germany and the United Kingdom.

- The plant is a strategic national asset for nuclear enrichment and currently provides for over 5% of total electricity use nationwide.

- UUSA actively participates with the federal government in projects to deter nuclear proliferation.

- UUSA routinely host visitors from the local community, all government agencies and positions, from across the US and other many other countries. Typically, UUSA hosts 1000 visitors annually.

- UUSA is an industry leader in employee benefits and compensation. UUSA provides life, health, vision, dental, disability and pet insurances. 401K, Roth and company pension retirement plans are also provided. Additionally, Employee Assistance and Legal Assistance programs are available. A gym and fitness center is located on site for employee use with focus on health and wellness.

- Currently the largest contributor to the Lea County United Way. Over $1,400,000 has been donated since 2008.

- Awards $150,000 in college scholarships annually and offers summer internships to approximately 20 students annually.

- Company employees annually present science workshops at surrounding schools. In 2015, 150 employees presented to 2100 students.

- Hosts a variety of community events. Some examples are the Women's Symposium, United Way Chili Cook-off, Robotics Expo and LEGO League.

- Each year, around September 11, employees volunteer to help local families with home maintenance and repair. All materials are provided by URENCO USA. Since 2008, employee volunteers have repaired 135 homes.

ANDREWS, TEXAS

Via Federal Express and via email to jim.griswold@state.nm.us

June 2, 2016

Mr. Jim Griswold
Bureau Chief, New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87505

Mr. David Catanach
Division Director, New Mexico Energy, Minerals, and Natural Resources Division
1220 South St. Francis Drive
Santa Fe, NM 87505

Subject: Request for Extension of Time to Provide Comments and
Request for Additional Information Concerning
Notice of Application—C.K. Disposal – Surface Waste Management Facility

Gentlemen,

Waste Control Specialists LLC ("WCS") operates a licensed hazardous and low level radioactive waste processing, storage and disposal facility within half a mile of the proposed C.K. Disposal facility in Lea County, New Mexico and thus has a substantial interest in the Notice of Application for the proposed facility. Very little information was provided in the Notice of Application, and WCS has been unable to obtain additional information through public sources. Accordingly, WCS requests a copy of the complete application for the proposed C.K. Disposal Facility. In addition, WCS would appreciate an extension to review the application to determine the potential impacts on the WCS facility and its workforce and to develop any formal comments to be considered during the application process. WCS requests an additional thirty (30) days from its receipt of a copy of the application.

WCS has received a copy of the June 2, 2016 preliminary comments of Louisiana Energy Services ("LES") concerning this Notice of Application. WCS provides its general concurrence with LES' comments, but reserves the right to provide specific comments if the extension is granted.

Courtney J. Riley
5430 LBJ Freeway, Ste. 1700
Three Lincoln Centre
Dallas, TX 75240
Ph. 972-445-1466
Fx. 972-448-1419

Facility
P.O. Box 1129
Andrews, TX 79714
Ph. 888-789-2783
Fx. 505-394-3427

Finally, WCS asks to be included on the distribution list for all future actions and notifications concerning this proposed facility pursuant to 19.15.39 NAC. Please forward all such information to:

Courtney J. Riley
Waste Control Specialists LLC
5430 LBJ Freeway, Suite 1700
Dallas, Texas 75240
criley@valhi.net
972-448-1466

Thank you for your attention to this matter.

Sincerely,

Courtney J. Riley
EVP of Legal Services and Environmental Affairs

cc: Elicia Sanchez--WCS

RECEIVED OCD
2016 JUN 23 P 3:37

ANDREWS, TEXAS

Via Federal Express and via email to jim.griswold@state.nm.us

June 22, 2016

Mr. Jim Griswold
Bureau Chief, New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87505

Mr. David Catanach
Division Director, New Mexico Energy, Minerals, and Natural Resources Division
1220 South St. Francis Drive
Santa Fe, NM 87505

Subject: Waste Control Specialists LLC Comments
Notice of Application—C.K. Disposal – Surface Waste Management Facility

Gentlemen,

Waste Control Specialists LLC ("WCS") operates a licensed hazardous and low level radioactive waste processing, storage and disposal facility within half a mile of the proposed C.K. Disposal ("C.K.") facility in Lea County, New Mexico. WCS has a substantial interest in the Notice of Application for the proposed facility.

Thank you for your email verifying that the comment period for this application runs through June 22, 2016 and for making a copy of the application available for our review. Now that we have had an opportunity to review the full application we would like to provide the following comments in addition to the comments provided in WCS' June 3, 2016 letter:

1) Generally, WCS is supportive of new businesses and facilities that would like to locate to the Eunice, New Mexico area. WCS found the C.K. Disposal facility application to depict a robust and impressive proposed facility. As explained more fully in the following specific comments, our main concern about the facility and operations described in the C.K. Disposal application is the potential that certain of C.K.'s operations may negatively impact WCS' own compliance monitoring and other regulatory requirements applicable to WCS' highly regulated facility located downwind in close proximity to the proposed location of the C.K. facility. Because of the nature of our business, WCS operates pursuant to two radioactive materials licenses, water discharge permits and an air permit

Corporate
5430 LBJ Freeway, Ste. 1700
Three Lincoln Centre
Dallas, TX 75240
Ph. 972-445-1466
Fx. 972-448-1419

Facility
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Andrews, TX 79714
Ph. 888-789-2783
Fx. 505-394-3427

issued by the state of Texas among many other regulatory authorizations. We are subject to continuous monitoring of all environmental media to ensure compliance with those authorizations and for public health, safety and environmental purposes. Therefore, WCS must be vigilant in watching out for conditions that could lead to potential impacts to public health, safety and the environment.

2) The C.K. facility application proposes an underground injection well for purposes of waste water disposal. As you know, such wells are currently being studied for their seismicity. A significant increase in seismicity would require us to evaluate potential impacts on the integrity and security of WCS' radioactive waste disposal cells. A full study of the seismic impacts should be concluded prior to any determination of the C.K. application.

3) The C.K. application does not propose adequate air monitoring. The application discloses that certain gases and other substances will be emitted into the air. It has been demonstrated many times that the types of gasses that will be released at the C.K. facility into the air have the potential to contaminate and/or interfere with compliance monitoring and sampling WCS must conduct at its facility downwind of the proposed C.K. facility. This could lead to analytical data false positives at WCS resulting in regulatory compliance issues for WCS. Therefore, C.K. should be required to perform air monitoring on a greater frequency for more substances to establish C.K.'s contribution to air quality in the area. In addition, WCS proposes some additional specific measures to ensure the protection of WCS personnel and the public.
    a. The C.K. application proposes air monitoring for H2S only. In order to determine C.K.'s contribution to air quality in the area and to prevent interference with WCS' compliance monitoring at its downwind site, WCS requests that C.K. monitor for volatile organic compounds in addition to H2S. The frequency of such samples should be sufficient to establish C.K.'s contribution to air impacts in the area.
    b. C.K. proposes to monitor H2S at 10 ppm, however, for the protection of WCS employees and others in the area, WCS suggests that C.K. monitor H2S in accordance with the February 2010 the American Conference of Governmental Industrial Hygienists new threshold limit value for H2S. The AGCIH lowered the 8-hour time weighted average to 1.0 ppm and the short term exposure limit to 5.0 ppm.
    c. For protection of onsite and offsite workers and the community, WCS requests that C.K.'s Emergency Response Plan require that C.K. report all release events to the adjacent businesses--WCS, Lea County Landfill and URENCO, who employ around 450-500 people during business hours.

WCS appreciates the opportunity to provide comments. WCS does not believe that the current application provides sufficient information or proposes adequate operational controls to ensure compliance with applicable law and protection of fresh water, public health, safety or the environment per 19.15.36.12.A. NMAC. WCS requests that the OCD not issue a permit for C.K. Disposal pursuant to 19.15.36.12.B. NMAC until such information is provided and OCD can

confirm that such a facility at this particular location will not negatively impact the safety and security of WCS' operations.

Thank you for your attention to this matter.

Sincerely,

Elicia Sanchez
SVP and General Manager

cc: Rod Baltzer--WCS
Courtney Riley--WCS

Cassandra Morrison
11024 Montgomery Blvd. NE #155
Albuquerque, NM 87111
(305) 902-3037
cass@pinnacleic.net

June 21, 2016

Jim Griswold
Bureau Chief
Oil Conservation District
1220 South St. Francis Drive
Santa Fe, NM 87505
Via email: Jim.Griswold@state.nm.us

Re: C.K. Disposal's Surface Waste Management Facility Notice/Application

Mr. Griswold—

I had previously submitted the attached objection letter to you in regards to C.K. Disposal's surface waste management facility notice of application. I am resending my letter to you with a request that you add me to the notification list in regards to this application. I can be reached at the above contact information.

Thanks,

Cassandra Morrison

June 7, 2016

Jim Griswold
Bureau Chief
Oil Conservation District
1220 South St. Francis Drive
Santa Fe, NM 87505
Via email: Jim.Griswold@state.nm.us
Via facsimile: (505) 476-3462

Re: C.K. Disposal's Surface Waste Management Facility Notice/Application

Mr. Griswold--

I am the lessee of property that is essentially adjacent to the proposed C.K. Disposal Facility near Eunice. My leased premises are located within the half mile notice area. I am in receipt of a copy of C.K. Disposal's surface waste management facility notice and application, and would like to submit the comments below and objections to the development of this proposed facility. From review, it seems that substantial additional information and revisions of the information provided by the applicant must be required before the Oil Conservation District can properly evaluate the application and eliminate the health, safety and welfare concerns caused by the development of this proposed facility.

There are multiple health and safety concerns that surface upon review of the facility application. First, the applicant's application form failed to state the office held by each of the officers of C.K. Disposal with ownership of the company, the principal officers, or to identify the individuals that will be responsible for overseeing the management of the facility. As an adjacent property lessee, this contact information is needed for safety reasons due to the nature of the other facilities operating in this area. There is no delineation of the procedures that the site manager will take to protect human health, what agencies he will notify if there is an emergency, or what he will do and who he will notify if any off-site structures are at risk due to C.K.'s operations.

Some of the maps and figures in the application appear to be incorrect and deficient. The mines, minerals and quarries map shows the facility location in Texas instead of New Mexico. The Trinity CO2 pipeline crossing, any of the wellhead protection areas, locations of the receiving tanks and settling pits, future saltwater

disposal area, the future liquid processing area, and the produced water loadout manifold, nearby faults in Texas, and leak detection sumps are not shown on the maps and figures. Because the leak detection sumps are not shown, the ability of the leak detection sumps to protect the fresh water, public safety, or the environment cannot be evaluated. Because the locations of the receiving tanks, extent of the liner system, the means to recover liquids should a tank leak or be overfilled or a tanker truck leak during off-loading are not discussed or shown on any of the maps and figures, the ability of the off-loading equipment and processes to protect fresh water, public health, safety, or the environment cannot be evaluated. Also, the method of delivering treated water from the processing area to the evaporation ponds and the system to prevent overflows from the evaporation ponds is not provided so the ability of the design of these ponds to protect fresh water, public health, safety, or the environment cannot be evaluated.

The potentiometric map for the shallowest freshwater aquifer is completely missing from the application. The text of the application states that the shallowest freshwater is 225' based on records from the WCS and LES wells, but the potentiometric surface map provided is for the significantly deeper Ogallala aquifer. The vadose monitoring system proposed for the facility is not sufficient. Groundwater monitoring wells should be installed to appropriate depths to monitor the uppermost aquifer due to the potential for groundwater contamination caused by the operations at the facility and to investigate the presence of fresh water.

The Notice describes a liquid processing unit of 57.75 acres but the beginning of the application says that the acreage of the liquid processing unit is 6 acres less. This inconsistency is concerning. Also, the Oil Field Waste Management Plan, Odor Management Plan and the Operations, Inspection and Maintenance Plan are missing altogether.

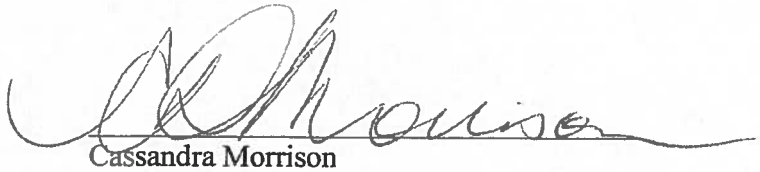
The application requests approval for an alternate migratory bird protection plan that describes an alternate method to the screen requirement for ponds and represents that the alternate plan will include daily visual inspections of the ponds and migratory bird retrieval and clean up procedures should any birds require decontamination. The applicable plan does not discuss migratory bird retrieval and clean up procedures and the facility inspection procedures do not include daily inspection of the ponds for birds. Because the stated precautions that will be put in place with the alternate plan are not even included in the facility operation documents, this alternate plan does not seem to be protective of the environment at all.

No information concerning the deep well injection is provided and the closure and post-closure plan does not address injection. If a well is going to be installed, it seems that a major modification application will need to be submitted.

Also, the adjacent landowners within a one mile radius do not appear to be a complete list as the tax appraisal records show that ACE LLC owns property in the same section to the west of LES. ACE was not included in this list and the information provided for the adjacent landowners is conflicting in other places of the application.

In regards to closure, the portions of the application applicable to this part of the permit state that soil samples will be taken at a depth of one foot. It seems that most contamination will occur at or near the surface, and soil samples to determine contamination should be taken closer to/at the surface instead of one foot below the surface. The sampling procedures and depths appear inadequate.

I request that the OCD take the comments and objections in this letter into consideration and reject the C.K. Disposal application due to C.K. Disposal's failure to adequately address how it is going to protect fresh water, public health, safety, and/or the environment.



Cassandra Morrison

New Mexico State Legislature

STATE CAPITOL
Santa Fe

October 25, 2016

David Catanach
Division Director, Oil Conservation Division
Energy, Minerals and Natural Resources Department
1220 South St. Francis Drive
Santa Fe, NM 87505

Dear Mr. Catanach:

We are writing to request a public hearing regarding the tentative permit issued by the Oil Conservation Division (OCD) of the Energy, Minerals and Natural Resources Department to C.K. Disposal, LLC. C.K. Disposal applied to build and operate a 24-million cubic yard surface-oil waste disposal facility immediately south of the URENCO USA uranium enrichment plant in Lea County.

It is our belief that a public hearing in Eunice, in Lea County, is necessary. By conducting the public hearing, the OCD would be afforded the opportunity to hear from those who would be directly affected by the surface-oil waste disposal facility.

Sincerely,

GAY G. KERNAN
State Senator, District 42

STUART INGLE
State Senator, District 27

DAVID M. GALLEGOS
State Representative, District 61

CARROLL H. LEAVELL
State Senator, District 41

BOB WOOLEY
State Representative, District 66

LARRY R. SCOTT
State Representative, District 62

GGK/SI/DMG/CHL/BW/LRS:nm

City of Eunice

Matt White - Mayor
Martin D. Moore, PhD. - City Manager

Candy Brito - City Clerk
Connie L. Whitmire - Finance Director

New Mexico

November 3, 2016

David Catanach, Director
Oil Conservation Division
State of New Mexico Energy, Minerals and Natural Resources Department
1220 South St. Francis Drive
Santa Fe, NM 87505

RE: Request for Hearing_ Eunice, New Mexico

Dear Mr. Catanach,

The City of Eunice is writing to express concerns regarding a pending application for the construction and operation of a surface waste oil disposal facility outside of Eunice, NM. We respectfully request that you hold a public hearing in Eunice, NM to discuss the draft permit issued by the Oil Conservation Division (OCD).

The proposed waste oil disposal facility is expected to have an impact to the citizens and businesses located in and around the area. The environmental hazards regarding the output of an additional facility in the geographic area that emits hydrogen sulfide gas should be explained by the OCD to the citizens of Eunice.

We have a further concern that OCD did not look at the impacts to local traffic and what the impact of the increased volume of trucks on Highway 176 would do to the businesses, residents, and infrastructure of the area. We look forward to further discussion on this issue.

Sincerely:

Johnnie M. (Matt) White, Mayor
City of Eunice

Xc: Clint Williamson
Congressman Steve Pearce

Griswold, Jim, EMNRD

From: Griswold, Jim, EMNRD
Sent: Thursday, November 10, 2016 10:13 AM
To: 'mccasland_67@msn.com'
Subject: CK Disposal application for new surface waste management facility

Mr. McCasland,

Thanks for taking the time to call this morning. My contact information is below. I have provided a hyperlink which will take you directly to the tentative decision for the CK Disposal applicationon our website:

http://www.emnrd.state.nm.us/OCD/documents/201610.18NM1-61tentativedecision.pdf

I have also provided a link to our regulations:

http://www.emnrd.state.nm.us/OCD/documents/SearchablePDFofOCDTitle19Chapter15-Revised10-5-16.pdf

Pay particular attention to Part 36 dealing with surface waste management facilities, especially those requirements associated with public notice and possible hearings. I have added your name to our list of interested parties associated with this specific application. If you wish to review the application itself, here is a link to it as well but remember it is quite large (140 MB).

http://www.emnrd.state.nm.us/OCD/documents/CKDisposalApplicationforSurfaceWasteManagementFacility.pdf

Please confirm that you have received this email so I can be sure I didn't get the address wrong. Thanks again.

Jim Griswold
Environmental Bureau Chief
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505
505.476.3465
email: jim.griswold@state.nm.us

November 15, 2016

FROM:

Pat McCasland
#11 Drinkard Road
P.O. Box 718
Eunice, New Mexico 88231

TO:

Director Catanach
New Mexico Oil Conservation Division (NMOCD)
Energy, Minerals and Natural Resources Department
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Re: Draft permit for C.K. Disposal (NM1-61)

Dear Mr. Catanach,

My name is Pat McCasland and live approximately 2.5 miles due west of the proposed site for C.K. Disposal. My adjacent neighbors include 6 young grandchildren.

My experience with this type of disposal/crude oil recovery facilities include the Sundance facility approximately 2.5 miles northeast of my home and the facility at Halfway on highway 62/180 previously known as Controlled Recovery, Inc. (CRI). My comment and observation is that, while they serve the industry, the odor associated with the facilities is extremely undesirable and often intolerable. At times, the wind from the Sundance facility brings these unbearable odorous vapors across our neighborhood and, most of the time, when passing the CRI facility, I experience the same acrid foul odor.

While the odor issue is important, my real concern is the potential health hazards posed by these facilities to us as nearby residents. Even though these oilfield wastes are exempt from the RCRA hazardous waste regulations, the carcinogenic health hazards associated with Benzene, Toluene, Xylene, etc. found in crude oil cannot be disregarded by the NMOCD or C.K. Disposal.

I formally request the NMOCD, as our advocate, provide the nearest residents to the facility, i.e., my family and neighbors, with a technically vetted

assessment of the potential health hazards associated with long term exposure to these carcinogenic volatile organic emissions from the proposed facility. Our community is surrounded by existing oil and gas production and processing plants and is exposed daily to varying ambient concentrations of these compounds. I maintain that, with this facility, increased exposure to these hazardous chemicals cannot be avoided and will increase the likelihood of the incidence of cancer in the local population. For this reason, I/we request the facility be relocated away from population centers or stipulations be applied to the permit eliminating the possibility of public exposure to these hazardous compounds.

I am willing to testify before the Oil Conservation Commission to express my concerns and request a public hearing be convened to discuss our concerns.

Sincerely,

Pat McCasland
#11 Drinkard Road
2 miles east of Eunice
Eunice, New Mexico

Mail:
P.O. Box 718
Eunice, New Mexico 88231

Email:
Mccasland_67@msn.com

Phone:
575.394.2600 (H)
575.631.1667 (M)

News-Sun

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Page 2

Comm... News

Hobbs Health care is currently holding a **HEATER DRIVE**. United Way of Lea County officials ask that all donations be taken to Hobbs Health Care, 5715 N Lovington Hwy. and ask for Flor Meza. All heaters must be new, for safety reasons. All monetary donations for new heaters can be brought to the United Way 211 office, 320 N Shipp.

United Way 211 has also teamed up with all the fire departments in Lea County and the Lea County Emergency Preparedness Committee to accept donations of very gently **USED COATS OR NEW COATS.** First responders at all of Lea's fire stations will accept donations including: Hobbs, Tatum, Lovington, Eunice and Jal. For locations outside of the Hobbs area coats can be directly picked up from the site. For those inside the Hobbs area, coats can be picked up at the Unit-

Eunice, URENCO unhappy with location of proposed waste oil disposal facility

CURTIS C. WYNNE
NEWS-SUN

EUNICE — Lubbock-based CK Disposal, LCC, wants to build a 317-acre surface waste oil management plant in eastern Lea County.

It's the location that irks Eunice officials and urnanium enrichment giant URENCO USA, because the proposed site is directly across N.M. Highway 176 from the URENCO USA facility.

"The first we heard about it was in the Albuquerque Journal," Eunice Mayor Matt White said.

In a Nov. 3 letter to the Oil Conservation District Director David Catanach, White had requested a public hearing in Eunice but was denied under current OCD rules.

"The proposed waste oil disposal facility is expected to have an impact to the citizens and businesses located in and around the area," White said in the letter. "The environmental hazards regarding the output of an additional facility in the geographic area that emits hydrogen sulfide gas should be explained by the OCD to the citizens of Eunice."

White met with Bryce Karger, CK Disposal president, and engineers of Lubbock's Parkhill, Smith & Cooper on Friday. Eunice City Manager Marty Moore, county commissioner-elect Don Jones and Rep. David Gallegos, R-Eunice, also attended the meeting.

Gallegos and the other five state legislators representing Lea County had signed a letter in August expressing concerns about that location and the potential for contaminating the URENCO site with "significant atmospheric discharge, primarily in the form of hydrogen sulfide."

The legislators concluded, "The decision on where to locate a surface waste oil management facility should be made with the utmost care and consideration for the people and surrounding facilities that will be impacted."

The OCD provided a tentative decision of approval for a permit on Oct. 13 with the provision that CK Disposal must issue a notice of the decision within 30 days by publishing a display advertisement in a newspaper of general circulation in New Mexico and a newspaper of general circulation in Lea County.

Karger's engineers on Friday countered the hydrogen sulfide concern with assertions that the maximum possible release would be below background, in the three parts per billion range, while the Occupational Safety and Health Administration allows 10 parts per million, over 3,000 times as much, in an eight-hour workplace for worker protection.

Other concerns included the traffic issue, considering about 300 employees

SEE DISPOSAL, Page 5

NEWS-SUN PHOTO
Aerial view shows the proposed waste oil site immediately south of URENCO USA and west of the Lea County Landfill on N.M. Highway 176.

Disposal

from PAGE 1

at URENCO and other traffic on the two-lane highway, potentially congested by up to 60 oilfield trucks per day.

The CK Disposal president acknowledged a need to involve the New Mexico Department of Transportation in designing and constructing deceleration and passing lanes.

White and Moore both pointed out the rumors in Eunice need to be addressed with some kind of public meeting even if the OCD is not required to hold a public hearing.

Karger agreed to a public meeting, but hesitated to specify a date pending completion of the OCD permit process.

"We have nothing to hide," he said.

White countered, "The sooner the better."

Meanwhile, White committed himself to arrange a meeting between Karger and URENCO officials.

Curtis Wynne may be contacted at 575-391-5436 or reporter3@hobbsnews.com.

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November 22, 2016

RECEIVED OCD
2016 NOV 22 A 10:51

VIA HAND-DELIVERY
David Catanach
Division Director
Oil Conservation Division
N.M. Energy, Minerals and Natural Resources Department
1220 South St. Francis Dr.
Santa Fe, NM 87505

Re: October 13, 2016 Tentative Decision regarding Commercial Surface Waste Management Facility Permit NM1-61, To Be Issued to C.K. Disposal, LLC

Dear Mr. Catanach:

This firm represents Louisiana Energy Services, LLC, d/b/a URENCO USA ("LES"), which operates a uranium enrichment facility, licensed by the United States Nuclear Regulatory Commission, located immediately to the north of the land on which C.K. Disposal, LLC ("C.K."), proposes to build and operate the oil and gas waste disposal facility that is the subject of your agency's October 13, 2016 tentative decision. Pursuant to 19.15.36.10(A) NMAC and your August 26, 2016 to State Senator Stuart Ingle and other legislators, LES respectfully requests that the Oil Conservation Commission schedule an evidentiary hearing on C.K.'s application.

First, LES' hearing request is timely, in that it is submitted to you less than thirty days following the October 25, 2016 publication of C.K.'s notice of the tentative decision.

Second, Energy, Minerals and Natural Resources Department General Counsel Bill Brancard previously has advised that the internal reference to 19.15.36.9 NMAC in

19.15.36.10(A) NMAC is concerned with the standing of a person who requests a hearing. As an owner and lessee of adjacent and nearby land,[1] LES clearly has standing to seek a hearing.

Third, the legislators' August 26, 2016 letter to you, as well as the other comments that have been submitted to your office since publication of C.K.'s application this spring, demonstrate that there is significant public interest in the application. (This interest has been further demonstrated by requests for hearing filed by various legislators on October 25, 2016 and by the City of Eunice on November 3, 2016.)

Fourth, LES' June 2 and 22, 2016 comments submitted to you, copies of which are attached hereto and incorporated by reference herewith, raise objections that have probable technical merit, as discussed in more detail below.

Fifth, LES opposes C.K.'s application because of the serious problems the proposed facility would create for the operation of LES' uranium enrichment facility. LES requests a hearing on the application for the following reasons, among others:

Pursuant to the version of 19.15.36.12(A)(1) NMAC in effect as of November 6, 2016, when C.K. filed its application and which is therefore applicable to it, the Oil Conservation Division ("OCD") may grant C.K's application and grant the permit only if C.K. demonstrates in its application and the agency finds that the proposed facility can be constructed and operated "in compliance with applicable statutes and regulations" and (that is, regardless of such compliance) the facility will not endanger "fresh water, public health, safety or the environment."[2] Contrary to state law, see, e.g., Atlixco Coalition v. Maggiore, 1998-NMCA-134, ¶ 17, 125 N.M. 786 (agency decision must "adequately reflect the basis for [its] determination and the reasoning used in arriving at such determination" (internal quotation marks and citation omitted)), neither the October 13, 2016 tentative decision nor the agency's internal record explains how the OCD has

[1] LES leases from the New Mexico State Land Office ("SLO") the triangular-shaped parcel of land that is located south of State Road 176 and immediately to the north of the land on which the proposed C.K. facility would be built, and owns in fee the trapezoidal-shaped parcel of land located immediately to the north thereof, across the highway. As has been communicated to the SLO previously, LES continues to be interested in development of a solar power installation on the leased parcel lying between the C.K. property and the highway.

[2] This "endangerment" standard appears to be derived from solid waste disposal laws and regulations. See generally 42 U.S.C. § 6972(a)(1)(B) (RCRA); 42 U.S.C. § 6973(a) (CERCLA); In re Rhino Envtl. Servs., 2005-NMSC-024, ¶ 24, 138 N.M. 133 (New Mexico Solid Waste Act). Courts interpret "endangerment" to mean threatened or potential harm, not actual harm, Burlington Northern & Santa Fe Ry. v. Grant, 505 F.3d 1013, 1020 (10th Cir. 2007), and will err in favor of protecting public health and the environment. Id. Accord In re Rhino Envtl. Servs., 2005-NMSC-024, ¶ 34 (agency must interpret regulations liberally to realize purposes of governing act).

concluded that C.K.'s application meets either of these requirements. In particular, the agency has not addressed the numerous concerns raised and discussed in LES' June 22, 2016 comments.

Further, C.K.'s application[3] does not demonstrate that it can meet these requirements. For example, the application does not address at all compliance with federal and state air quality statutes and regulations that would govern emissions of hydrogen sulfide, volatile organic compounds, and particulates (including salt water and crude oil). Indeed, to our knowledge neither C.K. nor the OCD has contacted other agencies to determine whether the proposed oil and gas waste disposal facility, as described in the application, would comply with the statutes and regulations that those other agencies enforce. Rather, the application (as well as OCD's review) appears to focus only on compliance with the engineering specifications and other requirements of 19.15.36 NMAC. The application also fails to demonstrate that construction and operation of the facility will meet 19.15.36 NMAC's ultimate requirement, i.e., that it will not endanger public health, safety and the environment in the surrounding area, including but not limited to LES' uranium enrichment plant.

LES' June 2 and 22, 2016 comments, incorporated herein, articulate specific concerns that will be addressed at the public hearing about how the proposed C.K. facility would endanger fresh water, public health, safety and the environment. However, and without limiting the scope of the evidence it would present, LES seeks a hearing to address the following general and/or additional concerns:

1. Hydrogen sulfide. First, C.K.'s application assumes that at times its facility may have emissions that will trigger evacuation of surrounding areas. As a matter of federal law, and because it is handling nuclear material, LES cannot shut down its operations and evacuate all of its employees. Second, C.K's application generally establishes a hydrogen sulfide standard of no more than 10 or 20 ppm, but in fact the gas is dangerous at much lower concentrations. Third, C.K.'s September 9, 2016 hydrogen sulfide modeling (which constitutes an improper supplementation of its application, see footnote 3 below) makes unrealistic assumptions that minimize projected concentrations, and also calculates concentrations other than at the closest fence line. Fourth, contrary to 19.15.36.17(A) NMAC, C.K.'s application does not demonstrate that it will prevent the emission of nuisance (i.e., concentrations less than hazardous) as well as hazardous hydrogen sulfide and other odors. Generally, C.K.'s business plan appears to be premised on accepting crude oil and associated waste containing high concentrations of

[3] C.K. filed its application on November 6, 2015. From our review of your agency's record, it appears that since that date C.K. has been permitted to modify and supplement its application. While modification and supplementation may be permitted under the revised version of 19.15.36 NMAC that took effect on June 30, 2016, it does not appear to be permitted under the version of the regulation that is applicable to C.K.'s application. LES objects to any agency consideration of any such modifications and supplementation.

hydrogen sulfide that producers do not want and then evaporating the gas into the atmosphere adjacent to LES' plant. This method of disposing of hydrogen sulfide is unacceptable to LES.

2. Other air contaminants. C.K.'s application contemplates and will result in the release of VOCs, particulates and other contaminants into the atmosphere. However, neither C.K. nor the OCD has quantified those releases or otherwise demonstrated that C.K. will not be required to obtain (or alternatively that it will obtain) the necessary permit(s) from the New Mexico Environment Department.

3. Traffic safety. C.K's application does not demonstrate that its facility would not create serious traffic safety hazards on State Road 176, which would be the access route to the facility. The facility would not have sufficient space to accommodate trucks containing oil and gas waste that are waiting to offload, and as a result those trucks on occasion would be backed up into and block (opposite the entrance to LES' plant) both lanes of traffic on the highway. The trucks would deposit mud and oil on the state highway, further exacerbating safety conditions. C.K. also cannot establish legal access from the highway to its land.

4. Ground water. Contrary to 19.15.36.8(C)(15) NMAC, C.K.'s application does not provide data from the shallowest aquifer below the proposed site. Its geological data and description is inadequate, because its test borings are too shallow.

For these reasons, LES respectfully requests a public hearing on C.K.'s application. As the aforementioned state legislators have requested in their October 25, 2016 letter to you, LES asks that the hearing take place in Eunice. LES also requests, as a preliminary matter, that you schedule a pre-hearing conference in the near future at which the parties who wish to participate in the hearing can discuss hearing dates (we anticipate the hearing will last multiple days) and other preparations for the hearing.

Very truly yours,

RODEY, DICKASON, SLOAN, AKIN & ROBB, P.A.

By: _____ for
Henry M. Bohnhoff

HMB:jcm
Attachments (as indicated)

cc: Bill Brancard (via e-mail - bill.brancard@state.nm.us)
David Sexton (via e-mail - Dave.Sexton@urenco.com)
Perry Robinson (via e-mail - Perry.Robinson@urenco.com)
Brandt Graham (via e-mail - Brandt.Graham@urenco.com)

Via personal delivery and via email to jim.griswold@state.nm.us

June 2, 2016

Mr. Jim Griswold
Bureau Chief, New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87505

Mr. David Catanach
Division Director, New Mexico Energy, Minerals, and Natural Resources Division
1220 South St. Francis Drive
Santa Fe, NM 87505

Subject: Initial Response to; Written Request for Extension of Time to Further Respond to; Request for Copy of Application; Request for OCD and Commission Hearing Dockets and Notification of Activity; and, Notice of Possible Future Request for Hearing regarding C.K. Disposal's May 6, 2016 Notice of Application, C.K. Disposal – Surface Waste Management Facility.

Dear Messrs. Griswold and Catanach,

First, to Mr. Griswold, thank you for taking time with me earlier this week to personally explain the New Mexico Oil Conservation Division ("OCD") permit application process.

Louisiana Energy Services ("LES")[1] wishes to comment on C.K. Disposal's May 6, 2016 Notice of Application, C.K. Disposal – Surface Waste Management Facility (attached). The purpose of this response is fivefold: 1.) to provide an initial response within 30 days of Notice per 19.15.36.9.C NMAC, which LES requests the New Mexico Oil Conservation Division ("OCD") take into account prior to issuing a tentative decision regarding C.K. Disposal's application; 2.) to request a 60-day extension of time pursuant to 19.15.36.9.C NMAC, in order to further supplement LES' response with more thorough analysis upon LES receiving a complete copy of C.K. Disposal's Application, which LES understands to contain around 1100 pages; 3.) to request a copy of C.K. Disposal's application for its proposed surface waste facility; 4.) to request that LES be notified of all activity regarding this permit application per 19.15.36.E.2 and 19.15.4.9 NMAC; and 5.) to request that, unless C.K. Disposal's application is denied without further steps taking place, a hearing be held to address LES' concerns regarding public health

[1] LES is an enriched uranium manufacturer licensed by the Nuclear Regulatory Commission ("NRC"), and located in southeastern New Mexico, within ½ mile of the proposed C.K. Disposal facility.

and safety, and the environment including groundwater concerns (LES will additionally and separately file a request with the OCD Clerk at the proper time per 19.15.36.10.A NMAC).

LES supports the need for disposal facilities in support of the oil industry, and LES recognizes the oil industry's contributions to New Mexico. However for the reasons listed below, LES believes that even a tentative approval of C.K. Disposal's application at the proposed location would be unwarranted in terms of producing new and unnecessary risk to the detriment of public health, safety, and the environment, including to the LES site and its employees, land, buildings, and equipment.

.

C.K. Disposal currently seeks a tentative decision regarding a permit to construct and operate a surface waste management facility in Lots 1 through 4 and the south half of the north half of Section 5, Township 22 south, Range 38 east, N.M.P.M., Lea County, New Mexico.

Another Entity Is Already Doing What C.K. Disposal Seeks To Do, And Does So Without Producing New Unnecessary Risk To The Detriment Of LES Employees' and Visitors' Health Or Safety

There is an existing waste disposal site located to LES' north which does not pose new unnecessary risk to the health safety of LES' employees or visitors. Reasons that the existing facility just north of the LES site does not pose the same concerns include: 1.) the existing site is not operated to the same extent as the proposed C.K. Disposal site, hence the magnitude of atmospheric discharge is less with the existing site than what C.K. Disposal proposes to do; 2.) the existing site is physically located significantly further from LES enrichment plant operations and, accordingly, the existing site is much further from the locations where the majority of LES' staff are located – LES' operations and its approximately 290 employees and 200 contractors are predominantly located on the south side (not the north side) of LES' property; 3.) the existing disposal site is significantly further from a main highway thoroughfare and therefore does not introduce a traffic safety concern to LES or its employees or to our federally mandated Emergency Response obligations; and 4.) the prevailing wind conditions based on LES' meteorological measurements are such that the wind predominantly blows from the south to the north, meaning that atmospheric discharge from the existing site is predominantly blown in the opposite direction from the LES site and its employees. Significant meteorological data from the surrounding area was gathered and analyzed for both primary wind direction and wind speeds during the licensing of our facility with the Nuclear Regulatory Commission (NRC). As noted in our Safety Analysis Report (Section 1.3.3.1), docketed with the NRC, the prevailing wind direction is from the south.

For Public Health, Safety, Emergency Response, And Environmental Reasons, It Would Be Unwarranted To Place A Site Such As C.K. Disposal Proposes Adjacent To And Directly Upwind Of LES' Site And Its Employees & Visitors

LES' concerns reside with the lack of justification regarding the risk of placing such an operation as C.K. Disposal proposes *directly adjacent to a strategic national nuclear asset that is continuously manned 24 hours a day, 7 days a week.* According to our meteorological measurements, the prevailing winds from the south will blow atmospheric discharge directly onto LES' site, employees, equipment, and buildings, the consequence of which is the risk of new and unwarranted health and safety risks to LES site personnel and visitors, as well as unknown environmental risks to the land upon which LES is located, and new and unwarranted risk of damage to LES' sensitive equipment.[2]

Relative to employee safety and emergency response responsibilities, additional concerns are as follows: 1.) LES has received no data regarding the nature and type(s) of chemical material and quantities that would be discharged in to the environment, nor has LES received information regarding even more detrimental possible combinations 2.) further, a correlation of this data to allowable federal exposure limits, for example federal ppm standards, has not been provided; 3.) both construction and especially operation of the facility C.K. Disposal proposes would increase heavy truck traffic entering/exiting the highway, but LES has not received any analysis of this type of traffic safety implications; and 4.) as a federally licensed facility, we are obligated to produce and implement procedures, emergency drills and training for postulated accidents on our site as well as response to accidents on adjacent properties – LES has not been presented with sufficient data to understand the impact to our emergency response requirements, memorandums of understanding with medical and emergency response organizations and the highway patrol.

Relative to environmental compliance, LES is licensed to operate under a number of federal requirements imposed through the Nuclear Regulatory Commission, Department of Energy and other federal facilities. Additionally, we are regulated by the State of New Mexico CID and NMED divisions. In the case of NMED we are required to submit environmental discharge reports for our facility on a routine basis that include air discharge, ground water and other measurements. Without further details on the proposed facility, it is unclear how our reporting and monitoring obligations and associated cost may be impacted in order to demonstrate releases from an adjacent operation are not the result of our site performance.

[2] LES has demonstrated through equipment operation and testing that hydrogen sulfide causes damage to electrical equipment and connections. LES uses highly sophisticated and precise electronics to operate centrifuge technology. Increased air contaminates of this and similar types will require a significant unplanned capital investment to resolve.

Additionally, Another Entity Has Already Applied To Do What C.K. Disposal Seeks To Do Now, But The Other Entity Applied To Use A Location Where We Know Of No New And Unnecessary Risks To The Detriment Of Public Health And Safety

In fact, it has been brought to LES' attention that an application very similar to C.K. Disposal's application has already been filed with OCD for a facility of this type, but which proposes to be located further from the LES site and downwind from the LES site, which would significantly lessen the risk to LES employees' and visitors' health and safety compared to what C.K. Disposal proposes to do and the existing disposal facility north of our site.

To place all this in appropriate context I would like to offer a brief summary of our operation and the value asset we provide to the local community, State of New Mexico and the US Federal Government. For these reasons, we are concerned and intend to fully engage in this process.

In 2006, LES received is Construct and Operate License from the NRC to build the first nuclear project in the United States in almost thirty years. At project completion, LES will have an investment of nearly $5 Billion and will provide enriched uranium for nuclear power generation resulting in 10% of the electricity required for the United States. As the only uranium enrichment plant in North America, LES uses world-leading centrifuge technology to produce this important domestic source of enrichment. LES provides 290 direct, full-time, high paying, safe jobs as well as 200 contracted jobs and is held in high regard by the community as a good corporate citizen. LES and our employees provide the largest donation to the United Way of Lea County each year and our contributions have exceeded $1 Million in the past ten years. We invest an additional $500,000 in the local community in the form of scholarships, sponsorships, and organized community service projects each year. Also, LES utilizes over 150 of its employees to visit 20 schools annually to teach over 2,100 students about science though our Richie Enrichment Science Workshops. LES also provides support to our federal government on matters dealing with international nuclear nonproliferation. As you can see from this brief overview, LES is not only a strategic asset to provide energy resources and security for America, but is also a key employer and community partner for New Mexico.

Finally, please be advised that we intend to broaden the range of chemical constituents we routinely test for at our site boundaries to includes those types of chemicals that could be expected to result from an operation similar to the one proposed. We intend to establish this as a baseline. Should the application process for C.K. Disposal's proposed facility move forward, we will employ this monitoring on a routine basis to confirm applicable federal and state emission standards are continuously met.

Conclusion

As explained above, LES generally supports the need for this type of facility. However, LES, its employees and its visitors should not be subjected to new and unnecessary health and safety risks which C.K. Disposal's plans would expose them to by locating such a site adjacent to and directly upwind of LES, when: 1.) there's already a site doing this very nearby which does not

present new and unnecessary risks to our employees' and visitors' health or safety; and 2.) there's another application for a very similar disposal site which is further away from and downwind from the existing disposal site and our facility and hence would not subject LES' employees and visitors to new and unnecessary risks to their health and safety.

LES hereby respectfully requests that a complete copy of C.K. Disposal's application be sent to LES at the address below.

LES hereby respectfully requests an additional 60-day extension of time pursuant to 19.15.36.9.C NMAC, in order to further supplement this LES response with more thorough analysis upon LES receiving a complete copy of C.K. Disposal's Application.

LES hereby respectfully requests that LES be notified of OCD and commission hearing dockets going forward, all administrative activity regarding C.K. Disposal's application, and to be notified of OCD applications generally going forward.

Should the OCD tentatively grant a permit for the facility C.K. Disposal proposes, LES will respectfully file a hearing request with the OCD Clerk pursuant to regulation.

Again, LES appreciates the opportunity to comment on this important application, and **LES respectfully requests that the OCD deny C.K. Disposal's application for its proposed Surface Waste Management Facility.**

Sincerely,

David E. Sexton
President and Chief Executive Officer
URENCO USA
P.O. Box 1789
Eunice, NM 88231

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Email: dave.sexton@urenco.com
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NMED
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Santa Fe, NM 87505

NOTICE OF APPLICATION
C.K. DISPOSAL – SURFACE WASTE MANAGEMENT FACILITY

Pursuant to 19.15.36, Oil Conservation Division Surface Waste Management Facilities regulations, C.K. Disposal is providing notice that the Oil Conservation Division (OCD) has deemed administratively complete an Application for Permit for a new Surface Waste Management Facility (C.K. Disposal). The Application for Permit was originally submitted to OCD by C.K. Disposal on 11/06/2015. Comments regarding the Application may be submitted to OCD within 30 days of Notice.

1. **Applicant's name and address:** C.K. Disposal, LLC, 5909 86th Street, Lubbock, Texas 79424
2. **Facility location and address:** C.K. Disposal E & P Landfill and Processing Facility is located in Lots 1 through 4 and the south half of the north half of Section 5, Township 22 south, Range 38 east, N.M.P.M., Lea County New Mexico. The site is 0.05-miles south of State Highway 234, approximately 4.16-miles southeast of Eunice, New Mexico.
3. **Brief description of surface waste management facility:** The facility will encompass a total of 316.97-acres with a landfill footprint of 141.50-acres, a liquid processing unit of 57.75-acres, and a saltwater disposal unit of 5.10-acres. At full build-out, the Processing Area will include an oil treatment facility consisting of an estimated 9 produced water load-out points, 12 produced water receiving tanks, 48 produced water settling tanks, 12 evaporation ponds, 5 crude oil recovery tanks, and 5 oil sales tanks; as well as 1 stabilization and solidification area. The landfill consists of six (6) cell that will have a combined disposal capacity of approximately 24,585,056-cubic yards. The landfill method will be below grade fill with 4H:1V side slopes and aerial fill with 5H:1V final cover side slopes, with a maximum 3.5% final cover top slope. The site estimated incoming waste for the life of the facility will vary from 500-cubic yards to 1,500-cubic yards of waste per day. In addition, various support facilities, including: a Processing Area Gatehouse, Landfill Scalehouse, waste acceptance/security features, roads, emergency shower and eyewash station, and stormwater detention basins are proposed for the new Facility. The C.K. Disposal surface waste management facility has been designed and permitted in accordance with NMAC 19.15.36.8 through 19.15.36.20.
4. **Depth and quality of shallowest aquifer:** Based upon information projected from nearby wells, the shallowest potential water-bearing zone in the vicinity is Chinle Formation, which is approximately 225-feet (ft) below ground surface (bgs) at the C.K. Disposal site. In addition, the C.K. Disposal site characterization boring investigation results demonstrate that no shallow groundwater is present above a depth of 150-feet bgs at any of the boring locations. Based on nearby wells, groundwater depth is approximately 225-feet below the site with a maximum TDS concentration of approximately 11,600-mg/L.

Interested parties may contact Jim Griswold, Bureau Chief, Oil Conservation Division at (505) 476-3465 for further information.

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4222 85th Street Lubboc

CERTIFIED MAIL

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urenco

Via personal delivery and via email to jim.griswold@state.nm.us

June 22, 2016

LES-16-00116-OCD

Mr. Jim Griswold
Bureau Chief, New Mexico Oil Conservation Division
1220 South St. Francis Drive
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Mr. David Catanach
Division Director, New Mexico Oil Conservation Division
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Subject: LES' Supplemental Comments to Proposed C.K. Disposal Surface Waste Management Facility

References:
1. Notice of Application C.K. Disposal –Surface Waste Management Facility
2. Letter from D. Sexton to J. Griswold and D. Catanach providing LES' initial response to Reference 1, dated 6/2/16.

Dear Messrs. Griswold and Catanach,

Louisiana Energy Services LLC ("LES"), dba URENCO USA ("UUSA") appreciates the opportunity to provide supplemental comments to Reference 2 regarding the proposed disposal facility South of LES' UUSA facility near Eunice New Mexico and the access you provided to the complete application. This access has allowed us to analyze the content of the application and provide more informed comments as noted herein.

As outlined in Reference 2, LES' UUSA facility is an internationally recognized facility that provides uranium enrichment services to customers worldwide. The safety and well-being of our employees and the local community is paramount to us. Additional information about UUSA is contained in Enclosure 2.

We acknowledge that the Permian Basin oil reserves provide enormous economic benefit to the Eunice area and to the state of New Mexico. For this reason, we fully support the oil industry. We're not against the permitting of a facility of the type proposed, within Lea County, however, we do have concerns with siting such a facility directly upwind of our site, which is manned 24 hours a day, 7 days a week and has 490 employees and contractors.

We want to ensure that the health of our employees and visitors is not affected by air concentrations of hydrogen sulfide and other airborne hazardous chemicals. Based on the permit application, the C.K. facility is expected to release levels of hydrogen

sulfide and other hazardous chemicals at levels that will be harmful to employees and visitors at the UUSA facility. Because our facility is manned continuously and will operate for at least the next 40 to 50 years, we have a large number of employees who could be exposed to the airborne discharge of such a facility for a very long period of time.

We want to ensure that our employees and visitors are not placed in an unsafe condition by increased road traffic and road conditions on NM HWY 176. This road is already heavily trafficked by trucks and daily vehicle traffic.

The UUSA process contains support systems that are essential to the operation of billions of dollars' worth of assets. These critical systems consist of several uninterruptable power supplies and over a hundred chiller units. Due to the current levels of sulfur compounds in the air, we have seen some degradation of electronic circuit boards that control these systems. The C.K. Disposal plant emissions will increase the hydrogen sulfide emissions and result in escalating repair costs and an amplified risk of loss to our process systems.

UUSA believes in the mission of the Lea County Energy Plex and is supportive of the oil and gas community, but the proposed location and health and safety concerns around it lead us to believe that such a project is better suited to a more remote area of the county that is not adjacent to a continuously occupied facility of strategic national interest.

UUSA's detailed comments are included as Enclosure 1. As you will see, review identified that C.K. Disposal's application is simply insufficient to conclude that it is an acceptable application or that C.K. Disposal's proposed facility can be constructed and operated in compliance with applicable statutes and rules and without endangering fresh water, public health, safety or the environment, and is therefore unacceptable per 19.15.36.12.A. NMAC. Instead, it is only possible to conclude C.K. Disposal's proposed facility presents detriment to fresh water, public health, safety and the environment per 19.15.36.12.B. NMAC.

Again, UUSA appreciates the opportunity to supplement its previous June 2, 2016 comments regarding this important application. Pursuant to 19.15.36.12.A. NMAC, UUSA requests that the OCD not issue a permit for C.K. Disposal's proposed facility. Similarly, and pursuant to 19.15.36.12.B. NMAC, UUSA further requests that the OCD deny the permit for C.K. Disposal's proposed facility.

Respectfully,

David E. Sexton
President and Chief Executive Officer
URENCO USA
P.O. Box 1789
Eunice, NM 88231

Enclosures:

1. URENCO USA Comments on the C.K. Disposal Facility Permit Application
2. About URENCO USA

CC:

The Honorable David Martin
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Santa Fe, NM 87505

The Honorable Ryan Flynn
New Mexico Environment Department
Harold Runnels Building
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ENCLOSURE 1

URENCO USA Comments on the C.K. Facility Permit Application

I. C.K. Disposal's Proposed Waste Management Facility May be Detrimental to Fresh Water, Public Health, Safety, and the Environment and Should be Denied.

A. Detriment to Public Health and Safety

1. Increased public safety concerns arise due to the increase in congestion and other traffic related accidents and issues.

As Item 24 of the NMAC permit application indicates, the division may require additional information to demonstrate that the surface waste management facility will not adversely impact public safety. There is no assessment of traffic impacts due to waste delivery to the proposed facility contained in the permit application; therefore, the potential impact to public safety due to increased traffic has not been adequately addressed. Further, since both the proposed facility and the existing URENCO USA facility utilize the State Highway (NM 234, also known as NM 176 and Andrews Highway) as access points for their respective entrance gates and employees, the cumulative impacts of the facilities should be evaluated.

Specific Comments:

1) C.K. Disposal's permit application does not specify the number of anticipated waste shipments to the facility but has indicated a landfill capacity ranging from 500 cubic yards to 1,500 cubic yards per day. If the typical truck shipment to the site were 20 cubic yards, the number of additional truck trips on the Highway would range from 25 to 75 more trucks per day. Depending on the typical approach to the site (from east of west) there may be impacts and safety concerns for the public due to congestion at the nearest intersection. This truck traffic would be in addition to the normal truck traffic utilizing the highway to reach other destinations and in addition to the routine truck traffic to and from the URENCO USA facility located almost directly across the Highway from the proposed waste facility location. The current URENCO USA truck deliveries and shipments are about 7-10 per day, including shipments of radiological materials.

2) The permit application does not include an evaluation of the proposed location for the entrance to the facility from NM Highway 234 in relation to the existing main gate entrance for the URENCO USA facility. This is an area of potential traffic congestion due to the placement of the new proposed entrance.

3) There has been no evaluation of the individual or cumulative traffic impacts from employee vehicle traffic from the proposed facility or in combination with the adjacent facility for the combined impacts that may be experienced at certain times of the day especially at shift changes.

2. **The hydrogen sulfide emissions threaten public health.**

In addition to air emissions, the actual impact to human health should be evaluated to assure that the levels in the facility's application are protective and that appropriate monitoring will be conducted. The current proposed waste acceptance level and fence line concentration limit for H2S of 10 ppm is not protective of the public and must be lowered.

19.15.36.12(A) NMAC stipulates that new permits must be constructed to ensure and operated in a such a manner that does not endanger public health:

> "The division may issue a permit for a new surface waste management facility or major modification upon finding that an acceptable application has been filed, that the conditions of 19.15.36.9 NMAC and 19.15.36.11 NMAC have been met and that the surface waste management facility or modification can be constructed and operated in compliance with applicable statutes and rules and without endangering fresh water, public health, safety or the environment."

19.15.36.12(C) NMAC further states that:

> "The division may impose conditions or requirements, in addition to the operational requirements set forth in 19.15.36 NMAC, that it determines are necessary and proper for the protection of fresh water, public health, safety or the environment."

Finally, 19.15.36.17(B) states that:

> "The operator shall ensure each pit, pond and below-grade tank is designed, constructed and operated so as to contain liquids and solids in a manner that will protect fresh water, public health, safety and the environment."

The Application presents proposed methods for ensuring protection of public health and control of H2S odors in Attachment K. The Application states that a trigger level of 10 ppm H2S will be applied at the downwind property boundary, and that if levels exceed 20 ppm H2S at the downwind property boundary, emergency response, including facility evacuation, will take place. Furthermore, and as noted in Section 1, the Application states that all oilfield waste loads will be monitored for H2S upon arriving at the site. If H2S levels exceed 10 ppm, then treatment will be performed to reduce H2S levels prior to unloading shipments.

Specific Comments:

1) Although the Application indicates that H2S will be monitored at potential sources such as the evaporation ponds and at the property boundary, the Application does not indicate if H2S will be released from truck shipments that are being treated to reduce H2S. Furthermore, if H2S is released from trucks that are treated, the application does not indicate how such levels will be monitored at the downwind property boundary, which presumably is directly adjacent to the incoming waste treatment area.

2) The Application does not provide any information concerning the nature of the response actions that will be instituted at neighboring properties if the monitoring If the H2S threshold is exceeded at the property boundary, or how the response actions will be coordinated (e.g., through MOUs, or access agreements.).

3) The Application does not provide any modeling estimates of H2S liberation or downwind migration. Consequently, the response and contingency plan cannot be placed into context with the likelihood of incurring the need for a response action.

4) The Application does not state whether emergency evacuation requirements are limited to the employees of the applicant or if mandated evacuation of adjacent businesses would be required. Federal regulations imposed on UUSA for the control of special nuclear material require 24 hours a day, 7 days a week continuous protection. Complete evacuation of our facility under any circumstances is not allowed. Further, the Application does not define any detection means, protective actions or emergency actions for an airborne release in excess of proposed limits during non-work hours when the facility is not open.

5) The 10 ppm threshold for H2S is not protective of public health for workers in neighboring properties. The odor threshold for H2S is 0.01 to 1.5 ppm; this is the range of concentrations where people can detect a rotten egg smell from H2S[1]. The odor becomes offensive in the 3 to 5 ppm range. Prolonged exposure to H2S concentrations in the 2 to 5 ppm range can cause nausea, tearing of the eyes, headaches, loss of sleep and airway problems (bronchial constriction) in some asthma patients[2]. Moreover, NIOSH stipulates a recommend exposure limit of 10 ppm for a 10 minute continuous exposure, after which exposure mitigation is recommended[3]. Similarly, the American Conference of Government Industrial Hygienists (ACGIH) stipulates a threshold limit value (TLV) of 5 ppm for a 15 minute continuous exposure, after which exposure mitigation is recommended.

These values, however, are intended to be applied to individuals who work with H2S as part of their employment, and who have been informed of H2S hazards as part of the workplace right to know regulations. For individuals that are not working with H2S as a component of their occupation, non-occupational standards apply. USEPA recommends a long-term time-weighted average (TWA) not to exceed value of 0.006 ppm[4] based on adverse effects to the nervous and respiratory systems[5]. USEPA also recommends a 24-hour TWA not to exceed 0.07 ppm based

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[1] OSHA Safety and Health Topics: Hydrogen Sulfide. www.osha.gov/SLTC/hydrogensulfide/hazards.html
[2] ibid
[3] Centers for Disease Control, National Institute for Occupational Safety and Health (NIOSH). http://www.cdc.gov/niosh/npg/npgd0337.html
[4] USEPA Regional Screening Levels. Composite Worker Air. https://www.epa.gov/risk/regional-screening-levels-rsls-generic-tables-may-2016
[5] Integrated Risk Information System. Hydrogen Sulfide. https://cfpub.epa.gov/ncea/iris2/chemicalLanding.cfm?substance_nmbr=61

on the threshold concentration that produces an allergic response in sensitive human populations[6].

To meet these requirements, the threshold levels at the property boundary must be lowered to be protective of public health. The design, operation and emergency response need to take the requirements into consideration.

B. Detriment to Air Quality, the Environment, and Fresh Water

1. **The air pollutant emissions, based on the type and amount of waste material planned for disposal, pose a threat to the air quality and need to be closely monitored.**

With respect to air emissions, the permit application does not quantify potential or expected actual emissions of regulated air pollutants. The construction and operation of an industrial facility in the State of New Mexico requires an evaluation of whether an air permit is applicable and required for the intended operation [New Mexico Administrative Code (NMAC) 20.2.72 addresses Statewide Air Quality Construction Permitting requirements and NMAC 20.2.73 addresses Notice of Intent and Emissions Inventory Requirements. Both regulations require the quantification of hourly and annual emissions of regulated air pollutants including Nitrogen Oxides (NOx) Carbon Monoxide (CO), Volatile Organic Compounds (VOCs), Sulfur Oxides (SOx), Total Particulate Matter (TSP), Particulate Matter less than 10 microns (PM10), Particulate Matter less than 2.5 microns (PM2.5), Hydrogen Sulfide (H2S), and Lead. However, the New Mexico air regulations 20.2.72.402(C)(5) specifically exempt Oil & Gas production facilities from being regulated under the state's "Toxic Air Pollutants' program. Oil & Gas production facility is defined under 202.72.401(F) as "facilities for the exploration, development, production, treatment, separation, storage, transport, and sale of unrefined hydrocarbons, natural gas liquids, and CO2 (e.g., major SIC group 13, oil and gas extraction, SIC industry group no. 4612, crude, petroleum, pipeline and SIC industry no. 4922, natural gas transmission)". Regardless of the exemption, a new facility would need to apply for an air construction and operating permit for all other regulated air pollutants, noted above. Please note that it does not appear to meet the definition of an Oil & Gas production facility as 'landfill and water treatment' are not listed and the Standard Industrial Classification (SIC) or North American Industry Classification System (NAICS) codes are not provided in the facility's application.

Specific Comments:

1) Fundamental to the permitting process is the calculation of potential emission rates of any regulated air contaminant emitted by the source. The permit application attempts to address odor issues for hydrogen sulfide (H2S), but does not quantify or address emissions of particulate matter, volatile organic compounds (VOCs), or hazardous air pollutants (HAPs). Quantifying the level of emissions from proposed evaporation ponds, air stripper, truck loading/unloading and tank venting should be addressed.

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[6] Agency for Toxic Substances and Disease Registry (ATSDR). Acute Minimum Risk Level for hydrogen sulfide. http://www.atsdr.cdc.gov/mrls/pdfs/atsdr_mrls.pdf

2) The stated purpose of the evaporation ponds and the water processing operation is to generate marketable water. The application notes that "volatiles and dissolved gasses can be problematic in other treatment activities as well as oil and gas use. The treatment goal of the stripping tower is to minimize these harmful constituents in effluent water" and "at this time, expected air would simply be off-gassed to the ambient atmosphere." This process includes a seven-foot diameter air stripper whose air emissions are not completely described and remains unquantified. The permit also states that iron compounds, manganese compounds and chlorides are anticipated corrosives in the waste stream. These would likely be emitted to the air in addition to any volatiles and should be addressed.

3) The application does not anticipate or address any air dispersion modeling. The state of New Mexico has recently published draft guidance for the oil and gas production industry to streamline the air permitting of compressor stations. The draft guidance specified that modeling is not required if the facility meets several requirements including that H2S emissions not exceed 0.01 pounds per hour (lbs/hr) and the facility not be located at least 2,634 feet (or 800 meters) from a source that emits over 25 tons per year of NOx. Although this is not a direct correlation, as the application for a disposal and processing facility is not the same as a compressor station; emission levels and air dispersion modeling should be addressed in the application to determine if the emission rate from the facility meets applicable standards.

4) The application proposed to monitor H2S in the headspace (presumably) of delivery containers. This screening method does not directly correlate to quantities processed by the facility or the emission rates anticipated from the operations at the proposed facility. A trigger level of 10 parts per million (ppm) and a treatment to 1 ppm in the headspace does not quantify the VOC and H2S concentrations in the material itself. The emissions generated by processing the material cannot be correlated to headspace concentrations at the time of delivery.

5) With respect to air emissions, if the water processing unit operates at the levels included in the application (12,000 barrels per day, 24 hours per day, seven days per week) and assuming a VOC concentration of 200 ppm, the annual potential emissions of a 90% efficient stripper exceed 130 tons per year. The potential emissions of VOCs are greater than the 100 tons per year major source limit and therefore would require a Title V air permit. This permit was not noted in the facility's application.

2. The evaporation ponds that collect contaminated discharge pose an ecological risk

The New Mexico environmental regulations state that "The application shall include.... other information that the division may require to demonstrate that the surface waste management facility's operation will not adversely impact fresh water, public health, safety or the environment...." (NMAC 19.15.36.8C (17)). The proposed development of this facility has not addressed potential impacts to the immediate environment caused by the construction of the 317-acre facility.

Areas subject to surface disturbance should be evaluated for the presence of sensitive habitat and/or Rare, Threatened, or Endangered species. This is usually accomplished through the completion of some type of biological inventory and clearance. An on-the-ground inspection by a qualified biologist should be required to quantify, using elementary survey sampling techniques, the types and numbers of plants, mammals, birds, reptiles and amphibians. In cases where sensitive species are affected, the preferred response would be to modify the proposed action to avoid the species or its habitat (avoidance). If avoidance of a threatened, endangered, or sensitive species or its habitat is not possible, consultation with USFWS would be required and a biological assessment would be prepared to recommend actions to protect the species or its habitat. A list of species that the biologist should be aware of can be obtained from the New Mexico Department of Fish and Game (e.g. "Threatened and Endangered Species of New Mexico").

In addition to the requirements above, ponds attract migratory birds. In Section 1.9 of the Permit application, C.K. Disposal, LLC states the following:

> "C.K. Disposal LLC herein requests an exception to 19.15.36.13.I NMAC. The Migratory Bird Protection Plan presented as describes an alternate methodology to the screening requirement of the storage ponds. This Plan describes visual inspections and migratory bird retrieval and clean up procedures should bird(s) require decontamination."

There was no indication in the Permit application that a detailed "Migratory Bird Protection Plan" was presented. The southeastern region of New Mexico is an important component of the "Central Flyway" and therefore, since significantly large ponds will be present, these waterbodies will undoubtedly attract migrating waterfowl that have been observed in southeastern New Mexico including ducks, geese, herons, pelicans and swans.

Specific Comments:

1) C.K. Disposal should institute and plan Best Management Practices for the protection of migratory birds. The application states that "Visual inspections" and "migratory bird retrieval and clean up procedures" will be conducted, however these will not protect migratory birds from the exposure to environmental contaminants. At a minimum, personnel trained in the capture, handling and/or cleaning of birds will be necessary within a reasonable time frame if a bird is in jeopardy.

2) Birds at the disposal facility may be exposed to environmental contaminants that could affect individuals by reducing reproduction or survival. The uptake of contaminants from ponded environments is of particular concern. Contaminants in soils may erode and become concentrated within ponds. These metallic and organic compounds accumulate in aquatic sediments and also may accumulate or biomagnify in the tissues of aquatic organisms. The facility should conduct routine and scheduled sampling of surface water and sediments and action should be taken if concentrations are above some predetermined regulatory benchmark. Best management practices for contaminants should include the ongoing evaluation of ecological risks and the communication of any risks to management. An ecological risk assessment should be included in the permit application to help prioritize future environmental remediation.

3) Mitigation measures for environmental contaminants may include identifying and reporting birds that are found with deformities or areas with high numbers of unexplained bird mortality. The proposed evaporation ponds that receive contaminated effluents should be evaluated for risk to bird species such as swallows which make heavy direct use of ponded waters and associated insects. If these ponds present an unacceptable risk, they should be covered so that they are unavailable to migrating species. Regular maintenance should be conducted to ensure covered ponds remain unavailable. Ecological risk assessments should consider impacts of contaminants to migratory birds most at risk. Information from these assessments should be used to prioritize mitigation of ecological risk. Finally, the use of integrated pest management techniques to minimize the use and exposure to pesticides should be considered.

3. Groundwater is threatened by inadequate testing and monitoring.

In general, the application (Attachment G – Hydrogeology Report) presents the geology and hydrogeology of the region with only limited site data. Five soil borings were completed, but no soil or groundwater samples were collected to support this evaluation.

Section 3.4 of Attachment G states that because the facility is "not permitted and thus has no existing groundwater wells, there is no existing analytical data". Groundwater wells should be installed in support of the permit process and to obtain site specific data. Instead of relying on published data from the region, quarterly groundwater samples should be analyzed for the constituents required by OCD and should be collected for a minimum of one year, to be able to evaluate seasonal fluctuations, and establish baseline conditions. Furthermore, the groundwater wells would also provide information on the physical properties of the aquifer below the facility.

Although no groundwater monitoring wells were installed, or are proposed to be installed, the facility has proposed a Vadose Monitoring Plan (Attachment H).

This plan is based on sentinel shallow vadose monitoring points to be installed around the facility. A simple vadose model (such as HYDRUS-1) should be employed to model potential releases and to evaluate if the plan is appropriate for the setting and amount and types of materials that could be released to the environment. Unfortunately, the soil properties needed for such a model (and required by OCD) were not collected and were not found in published literature for the shallow Ogallala Formation. As noted in Section 3, these data should be collected and then used to evaluate potential contaminant migration in the vadose zone before the Vadose Monitoring Plan (Attachment H) and Sampling Plans (Attachment I) are approved.

II. The Division Should Not Approve C.K. Disposal's Unacceptable Application, Because It Fails to Identify or Address the Information Necessary for a Proper Evaluation.

A. The geology and hydrogeology data provided in the application, is insufficient to establish base line data for the permit and fails to meet the application requirement—under Subsection C(15) of 19.15.36.8. NMAC.

Item 22 of the OCD Application for a Surface Waste Management Facility requires the following site-specific information be included in the application so that the base line data is understood. These requirements are provided below, including an evaluation to determine if each were met:

1) A map showing names and locations of streams, springs, or other watercourses, and water wells within one mile of the site.

   Although this is a desert setting and there are few, if any, surface water features, the scale of the map is difficult to read.

2) Laboratory analyses performed by an independent commercial laboratory, for major cations and anions, benzene, toluene, ethyl benzene, and xylenes (BTEX), RCRA metals, and total dissolved solids (TDS) of groundwater samples of the shallowest fresh water aquifer beneath the proposed site;

   No groundwater samples were collected from the site. A total of five (5) soil borings were completed to 175 feet below ground surface (bgs), knowing that groundwater was encountered at approximately 225 feet bgs. Site specific data should be collected for at least four (4) quarterly rounds to establish a baseline for groundwater quality of the shallowest freshwater aquifer. Samples should be submitted to an independent commercial laboratory for analysis of the parameters listed above.

3) Depth to, formation name, type and thickness of the shallowest fresh water aquifer;

   A detailed geologic description of the region is provided in the application; however, it is based on published literature and boring logs conducted by others. The site characterization effort did complete five borings on site to characterize soils, but each boring was terminated in the Ogallala formation, and was not completed to a sufficient depth to characterize the Chinle formation where the shallowest freshwater aquifer is encountered. Furthermore, as noted before, soil samples were not collected to meet the requirements of Item 7, below.

4) Soil types beneath the proposed surface waste management facility, including a lithologic description of soil and rock members from ground surface down to the top of the shallowest fresh water aquifer;

   As noted above, the application refers to published literature to describe the geology and lithology of the soil and rock members below the proposed facility. Borings completed were terminated in the Ogallala Formation and did not extend into the shallowest aquifer.

5) Geologic cross-sections

   Geologic cross sections were completed, however because the borings were not completed in the Chinle, they do not represent hydrogeologic conditions, but rather the

soils above the water table and therefore do not extend to the depths needed to adequately present site conditions.

6) Potentiometric maps for the shallowest fresh water aquifer

   Potentiometric maps for the site included previously published maps for the site of Eunice and do not extend to the proposed facility. Groundwater wells and contour maps should be developed for the site to establish groundwater flow direction and support a baseline evaluation to characterize groundwater. This is specifically important as the facility plans groundwater injection as part of its process, making the baseline data critical in the evaluation of potential environmental impacts.

7) Porosity, permeability, conductivity, compaction rations and swelling characteristics for the sediments on which the contaminated soils will be placed.

   No soils data were analyzed from the borings and instead, previously published values were used from regional borings. These are not site-specific, as local conditions may vary. Furthermore, the soil properties of porosity, specific capacity and storativity for the Ogallala formation (the shallow formation that will underlie the facility) were not listed. These are several of the parameters that are critical for vadose modeling.

In addition to not meeting the minimum requirements specified by the permit application, the facility is also planning for groundwater injection. However, there are no groundwater models to evaluate how this process could impact the current hydrogeology, nor is there mention for a permit for conducting such activities.

B. Financial assurances estimates in the application are unsatisfactory and fail to properly address the application requirements of a closure and post-closure plan—under Subsection C(9) of 16.15.36.8. NMAC.

As part of the permit application requirements, the facility must provide a cost estimate for closure activities. The permit application offers $2.3 million for closure activities with the financial assurance maintained by bond, letter of credit, trust, or other forms acceptable under NMAC 19.15.36.11.E). Although the application states that the specific method of financial assurance will be determined later, we believe that this cost is conservatively low and omits several significant items. Following are some examples potential under estimation of closure cost for the Oil Treating Plant, Landfill Cell, and Pond Closures. Please note that the specific comments are based on the costs provided in the application.

Oil Treating Plant Closure

1) The permit offers a cost of $25,000 for the removal of the tanks. Per the Site Operations Plan, the total tankage on the completely built out facility will include:
   - 16 produced water tanks (1,000 bbl each)
   - 48 settling tanks (1,000 bbl each)
   - 5 crude oil recovery tanks (1,000 bbl each); and

- 4 oil sales tanks (1,000 bbl each)

Per NMAC 19.15.36.18(D)(1)(a), this item must include that all tanks be emptied, cleaned and removed (disposed of, re-used or recycled). All wastes from the cleaning must be disposed of at an approved facility. The cleaning and disposal of 73 tanks (totaling over 3 million gallons of storage) will cost significantly more than $25,000. It is our opinion that $25,000 is closer to the cost for a single tank (including cleaning, dismantling, transportation & disposal of contents and cleaning solutions, and removal and transportation of the tank) and does not represent the projected costs of all tank closure.

2) The permit offers a cost of $25,000 for the closure and removal of Process Equipment. Per the Site Operations Plan, the total process equipment at the built-out facility may include:
   - One Boiler;
   - Four Mechanical oil-water separation units;
   - One Air Stripping Tower;
   - Four Greensand Filters;
   - One Reverse Osmosis unit; and
   - An unknown amount of process piping.

   Per NMAC 19.15.36.18(D)(1)(a), this item must include that all process equipment be emptied, cleaned and removed (disposed of, re-used or recycled). All wastes from the cleaning must be disposed of at an approved facility.

   The cleaning and disposal of 11 pieces of process equipment will cost significantly more than $25,000. It is our opinion that $25,000 is closer to the cost for a single piece of equipment (including cleaning, dismantling, transportation & disposal of contents and cleaning solutions, and removal and transportation of the equipment).

3) The permit estimates $10,000 for earthwork. The tasks included in earthwork are not clearly defined, however, it is assumed that the earthwork task may include the following items, which would appear to be required under NMAC:
   - Removal of receiving tank liner system;
   - Removal of tank and equipment foundations;

   There are likely additional earthwork tasks regarding the treatment area. However, even these small tasks would typically cost more than the $10,000 allocated.

4) There are no costs for the required soil sampling and analysis:
   Per (NMAC 19.15.36.18(D)(1)(b)):

   "the site is sampled, in accordance with the procedures specified in chapter nine of EPA publication SW-846, test methods for evaluating solid waste, physical/chemical methods, for TPH, BTEX, major cations and anions and RCRA

metals, in accordance with a gridded plat of the site containing at least four equal sections that the division has approved"

Based on the size and various operations at the site, it is also likely that substantially more than the minimum four sections will be required to meet the closure requirements.

Landfill Cell Closure

The Financial Assurance estimate only includes the closure of one 23.6 acre cell of the landfill. In order to meet the permit requirements, the costs to close the full facility (approximately 142 acres) must be included. This is relevant in the case of a closure initiated by the agency or abandonment.

Unit costs for many of the cap construction elements appear conservatively low. The estimate includes an area which is nearly exactly 23.6 acres and does not account for side slopes, which will increase the surface area over an aerial determination of 23.6 acres when shown in plan view. While we disagree with the assumption of only using 23.6 acres, the estimate accounts for an area that is 80% side slope and only 20% of the more costly "cap". This is a very specific situation which reduces closure costs substantially (4.66 acres of geomembrane and geocomposite in the 23.6 acre closure). Other specific comments pertaining to the cost estimated are provided below:

1) Infiltration layer (24")
   - Standard compaction of the sand layer is not included in the estimate. 7.5% additional sand is standard practice.
   - Costs for the sand layer are extremely low. Costs must include:
     - Purchase (borrow) and hauling of sand layer (For comparison RSMeans 310516100500 for load at pit, haul 2 mile round trip, spread with 200 HP dozer shows $30.56 per LCY for Roswell). It is anticipated that costs would be higher due to a longer haul
     - Compaction: Compaction costs are not included (RSMeans 312323240400 for sheepsfoot roller, 8" lifts, select fill shows $1.35 per ECY for Roswell).

2) Soil Erosion layer (12")
   - Soil must be imported in order to support vegetation.
   - Costs for the soil layer are extremely low. Costs must include:
     - Purchase (borrow) and hauling of the topsoil (Means 310513100800 for topsoil borrow, weed free, load at pit, haul 2 mile round trip spread with 200 HP dozer shows $35.59 per CY for Roswell).
     - Compaction Costs should be similar to those for the sand infiltration layer.

3) Missing costs. There are no costs presented for the following items:
   - Establishment of Vegetative Cover. Specific requirements are in place in NMAC 19.15.36.18(D)(2)(b), for vegetative cover, including type and coverage. (Means

329219131000 shows mechanical seeding for large areas including lime, fertilizer and seed at $0.68 per square yard for Roswell - $78k for one cell and $467k for entire landfill)
- With the potential for H2S gas in the landfill components, the lack of installation of a gas control layer is a concern.

Pond Closure

The Cost Estimate seems to underestimate many of the quantities and costs associated with the evaporation pond closures. According to the design drawings, each pond it approximately 400' by 200' (80,000 sf) at the surface. There are 12 ponds on the facility, for a total area of evaporation ponds of 960,000 square feet. The removal and disposal of liquids is estimated at 286 bbl (or 8,608 gallons, or 1,151 cubic feet). This would equate to approximately 0.01" (one one-hundredth of an inch) of water across the areas of the pond). It is more likely that the water that needs to be removed from the ponds after operations have ceased will be measured in feet and not hundredths of an inch. One foot of water across all ponds would equate to approximately 238,000 bbl of water.

1) The removal and disposal of sludge is estimated at 4,444 tons. Using an approximation of 1.5 tons per cubic yard, this is a total of approximately 3,000 cubic yards or 81,000 square feet. This would be approximately 1" of sludge across the area of the ponds. It is more likely that the amount of residual sludge in the ponds will be measured more in feet of sludge than inches.

2) The transport and disposal cost of $21.50 per ton appears low. Based on the required haul distance as well as the anticipated characteristics of the waste, the transportation and disposal costs are anticipated to be much higher.

3) The omission of backfill fill material (e.g., 0 cubic yards) that will be required for the pond backfill and contouring is of concern. It is not believed that suitable backfill material will be available on-site. The placement and compaction of only 11,853 yards (approximately 4" deep over the area of the 12 ponds) also seems to be an underestimation of what is required.

Post-Closure Cost Estimate

Per NMAC 19.15.36.18, the following elements must be included in the post-closure of a landfill for a period of 30 years:

- Maintenance of cover integrity;
- Maintenance and operation of a leak detection and leachate collection and removal system; and
- Operation of gas and groundwater monitoring systems.

Comments on estimate:

1) Engineering Estimate:
   - Vadose zone monitoring/lab/reporting costs are low. The task must include obtaining the sample, shipping the sample to the laboratory, analyzing the sample and provide an annual report of the results to the agency, comparing the results to standards. A cost of $400 per sample appears low for this.
   - Groundwater sampling/analysis/reporting is not included in this estimate. Identical types of costs as for the vadose monitoring must be included. As noted above, there are no existing groundwater monitoring wells on site, and no wells are proposed. Site specific groundwater data must be obtained so that closure activities may document changes to groundwater quality as a result of facility operations.

2) Construction and Maintenance Costs
   - Cap and Side slope repair costs seem low, as the proposed cost of $3,000 per year for 126 acres of cap. Assuming that one membrane repair or revegetation is required each year over the 30 years, it is unlikely that $3,000 would cover the cost of a cap repair. Revegetation of even 1% of the landfill (approximately 1 acre) per year would exceed the annual budget, outside of heavy equipment and earthwork required for cap or side slope repair.
   - Mowing costs of $25 per acre seem low. For comparison, RSMeans 320190191660 for Mowing brush, light density, tractor with mower, shows a cost of $48.84 per 1,000 sf.
   - No costs, as required, for the operation and maintenance of the leak detection system are included in the estimate.

3) Leachate Management

   - No costs are included for the operation or maintenance of a leachate recovery system.
   - The HELP model indicates significant volumes of leachate will be generated, as part of the permeable sideslopes proposed in the design. The $4,000 per year is not sufficient for the removal and disposal of tens of thousands of gallons of leachate that will be generated. Substantially more costs for operations and maintenance of a leachate removal system, and transportation and disposal of the collected leachate will be required.

Overall, the cost estimate for closure is likely substantially understated in the permit application, and therefore will require far less financial assurance putting NMED at risk. The estimate should be revised to include all required activities and to be inclusive of all structures that will be removed, or areas to be capped or backfilled. The estimate should also include realistic values for each proposed action.

III. Closing

The permit application submitted for C.K. Disposal lacks technical merit for several important categories and does not have a baseline dataset to be able to evaluate how the proposed operations may impact the environment.

Additionally, as UUSA has demonstrated, C.K. Disposal's application is simply insufficient to conclude that it is an acceptable application or that C.K. Disposal's proposed facility can be constructed and operated in compliance with applicable statutes and rules and without endangering fresh water, public health, safety or the environment, and is therefore unacceptable per 19.15.36.12.A. NMAC. Instead, it is only possible to conclude C.K. Disposal's proposed facility may be detrimental to fresh water, public health, safety and the environment per 19.15.36.12.B. NMAC.

Pursuant to 19.15.36.12.A. NMAC, UUSA requests that the OCD not issue a permit for C.K. Disposal's proposed facility. Similarly, and pursuant to 19.15.36.12.B. NMAC, UUSA further requests that the OCD deny the permit for C.K. Disposal's proposed facility.

ENCLOSURE 2

About URENCO USA

- UUSA represents a 5 billion dollar investment made by our parent company, URENCO LTD, based in Stoke Poges, England. The Eunice NM facility is one of 4 enrichments plants owned by URENCO Ltd. The other plants are located in the Netherlands, Germany and the United Kingdom.

- The plant is a strategic national asset for nuclear enrichment and currently provides for over 5% of total electricity use nationwide.

- UUSA actively participates with the federal government in projects to deter nuclear proliferation.

- UUSA routinely host visitors from the local community, all government agencies and positions, from across the US and other many other countries. Typically, UUSA hosts 1000 visitors annually.

- UUSA is an industry leader in employee benefits and compensation. UUSA provides life, health, vision, dental, disability and pet insurances. 401K, Roth and company pension retirement plans are also provided. Additionally, Employee Assistance and Legal Assistance programs are available. A gym and fitness center is located on site for employee use with focus on health and wellness.

- Currently the largest contributor to the Lea County United Way. Over $1,400,000 has been donated since 2008.

- Awards $150,000 in college scholarships annually and offers summer internships to approximately 20 students annually.

- Company employees annually present science workshops at surrounding schools. In 2015, 150 employees presented to 2100 students.

- Hosts a variety of community events. Some examples are the Women's Symposium, United Way Chili Cook-off, Robotics Expo and LEGO League.

- Each year, around September 11, employees volunteer to help local families with home maintenance and repair. All materials are provided by URENCO USA. Since 2008, employee volunteers have repaired 135 homes.

November 14, 2016

Mr. David Catanach
Director Oil Conservation Division
State of New Mexico Energy, Minerals and Natural Resources Department
1220 South St. Francis Drive
Santa Fe, NM 87505

Dear Mr. Catanach,

We are writing to express our request for a public hearing regarding the draft permit that has been issued by the Oil Conservation Division for C.K. Disposal, based in Lubbock, TX. C.K. Disposal has applied to build and operate a surface oil disposal facility south of the URENCO USA Uranium Enrichment Plant in Lea County.

We live in Eunice, NM which is only about three miles from the proposed site of this oil disposal facility. In addition, we work at URENCO USA which is directly across the highway from the proposed location. Our request for the public hearing is from a safety perspective, more specifically the protection of human, health and safety. Ourselves and three thousand three hundred colleagues and community members could be impacted by the physical placement of this facility.

We implore you to hold this public hearing in Eunice, NM so you have the opportunity to hear from those within the community who will be directly impacted by the operation of this facility.

Sincerely,

Susan Pannell Wilson

Susan Pannell Wilson

Samuel V. Wilson

1004 Whitaker Avenue
PO Box 1658
Eunice, NM 88231

PO Box 1658
Eunice, NM 88231

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Mr. David Catanach
Director of Oil Conservation Division
State of NM Energy, Minerals & Resources
1220 South St Francis Drive
Santa Fe, NM 87505

November 15, 2016

FROM:
Pat McCasland
#11 Drinkard Road
P.O. Box 718
Eunice, New Mexico 88231

TO:
Director Catanach
New Mexico Oil Conservation Division (NMOCD)
Energy, Minerals and Natural Resources Department
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Re: Draft permit for C.K. Disposal (NM1-61)

Dear Mr. Catanach,

My name is Pat McCasland and live approximately 2.5 miles due west of the proposed site for C.K. Disposal. My adjacent neighbors include 6 young grandchildren.

My experience with this type of disposal/crude oil recovery facilities include the Sundance facility approximately 2.5 miles northeast of my home and the facility at Halfway on highway 62/180 previously known as Controlled Recovery, Inc. (CRI). My comment and observation is that, while they serve the industry, the odor associated with the facilities is extremely undesirable and often intolerable. At times, the wind from the Sundance facility brings these unbearable odorous vapors across our neighborhood and, most of the time, when passing the CRI facility, I experience the same acrid foul odor.

While the odor issue is important, my real concern is the potential health hazards posed by these facilities to us as nearby residents. Even though these oilfield wastes are exempt from the RCRA hazardous waste regulations, the carcinogenic health hazards associated with Benzene, Toluene, Xylene, etc. found in crude oil cannot be disregarded by the NMOCD or C.K. Disposal.

I formally request the NMOCD, as our advocate, provide the nearest residents to the facility, i.e., my family and neighbors, with a technically vetted

assessment of the potential health hazards associated with long term exposure to these carcinogenic volatile organic emissions from the proposed facility. Our community is surrounded by existing oil and gas production and processing plants and is exposed daily to varying ambient concentrations of these compounds. I maintain that, with this facility, increased exposure to these hazardous chemicals cannot be avoided and will increase the likelihood of the incidence of cancer in the local population. For this reason, I/we request the facility be relocated away from population centers or stipulations be applied to the permit eliminating the possibility of public exposure to these hazardous compounds.

I am willing to testify before the Oil Conservation Commission to express my concerns and request a public hearing be convened to discuss our concerns.

Sincerely,

Pat McCasland
#11 Drinkard Road
2 miles east of Eunice
Eunice, New Mexico

Mail:
P.O. Box 718
Eunice, New Mexico 88231

Email:
Mccasland_67@msn.com

Phone:
575.394.2600 (H)
575.631.1667 (M)

November 10, 2016

Mr. David Catanach
Director
Oil Conservation Division
State of New Mexico Energy, Minerals and Natural Resources Department
1220 South St. Francis Drive
Santa Fe, NM 87505

Dear Mr. Catanach,

I am writing to you to express my request for a public hearing regarding the draft permit that has been issued by the Oil Conservation Division for C.K. Disposal, based in Lubbock, TX. C.K. Disposal has applied to build and operate a surface oil disposal facility South of the URENCO USA uranium enrichment plant in Lea County.

I work at the URENCO USA plant.

My request for the public hearing is from a safety perspective, more specifically the protection of human health and safety. Over three hundred of my colleagues and myself could be affected by this proposed facility right across the street.

Additionally, our plant hosts over 1,000 visitors each year. As the only operating enrichment plant in the United States, we host visitors from around the world.

I implore you to hold this public hearing in Eunice, NM so you have the opportunity to hear those of us who will be directly affected by the proposed facility.

Sincerely,

Eric Carlson

Alexander W. Riedy
3901 North Central Drive, Apt. C207
14 Regency Square
Hobbs, NM 88242

November 14, 2016

Mr. David Catanach
Director
Oil Conservation Division
State of New Mexico Energy, Minerals and Natural Resources Department
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

Dear Mr. Catanach,

I would like to convey my strong concern about the proposed surface oil disposal facility that has been proposed by the firm C. K. Disposal.

My understanding is that New Mexico's Oil Conservation Division issued a draft permit for such a facility to be located East of Eunice, NM and South of Hwy 176. The proposed location for the facility is directly South of the URENCO USA site, where a multi-billion dollar gas centrifuge uranium enrichment plant was recently constructed and is now in operation. I work at this facility in the Plant Engineering Department as a safety analysis engineer. The prevailing winds are primarily from the Southern direction. If this oil disposal waste processing site is located directly across the street I am concerned about the noxious H_2S airborne releases from the facility with potential harmful effects on the health and safety of our workforce and the longer term potential damage to URENCO's process equipment due to the corrosive nature of H_2S emissions. In addition, if approved this would also send the wrong message to prospective investors that may be interested in expanding or investing in URENCO's high tech facility. Furthermore, I believe this will exacerbate URENCO's ability to recruit highly qualified professionals to a region of New Mexico that is in a remote and sparse region of the state.

I respectfully request that your office hold a public hearing in Eunice, New Mexico so we in the community can better understand the hazards associated with the facility. This would also give you and your division's staff the opportunity to hear my concerns, those of my colleagues, and the surrounding community.

With regards,

Alexander W. Riedy

Rick Kohrt
14 Regency Square
Hobbs, NM 88242

November 14, 2016

Mr. David Catanach
Director
Oil Conservation Division
State of New Mexico Energy, Minerals and Natural Resources Department
1220 South St. Francis Drive
Santa Fe, NM 87505

Dear Mr. Catanach,

I am writing to express my concern for the surface oil disposal facility proposed by C. K. Disposal.

Your Oil Conservation Division issued a draft permit for such a facility to be located East of Eunice, NM and South of Hwy 176. The location is directly South of the URENCO USA site where I work. Prevailing winds are from the South. My concern is for airborne releases from the facility adversely affecting health and safety for myself and my co-workers.

I implore you to hold a public hearing in Eunice, NM so I can better understand the hazards associated with the facility and you have the opportunity to hear my concerns.

Sincerely,

Rick Kohrt