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

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION COMMISSION FOR THE PURPOSE OF CONSIDERING:

CASE NO. 14110 (De Novo)
Order No. R-12977-A

APPLICATION OF THE NEW MEXICO OIL CONSERVATION DIVISION FOR A COMPLIANCE ORDER IMPOSING PENALTIES AND CANCELLING OR SUSPENDING THE AUTHORITY OF QUANNAH, INC. TO TRANSPORT LIQUID WASTES, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

This matter, having come before the Chair of the Oil Conservation Commission upon a Motion to Dismiss De Novo Case No. 14110 filed by the Oil Conservation Division (OCD) through its attorney, Gail MacQuesten, on November 13, 2008, the Chair,

FINDS THAT:

(1) On March 13, 2008, the OCD filed an application for hearing in Case 14110, alleging that Quannah, Inc. (Quannah) had violated Rule 52 by disposing of produced water into a tank connected to a disposal system without authorization from the operator of the tank or the operator of the disposal system.

(2) The case was heard by an examiner on April 17, 2008, and Order No. R-12977 was entered on August 7, 2008, assessing a penalty of $1,000 to be paid on or before August 15, 2008 and suspending Quannah's authority to transport oilfield waste for a period of six months, commencing on August 15, 2008 and terminating on February 14, 2009.

(3) Quannah filed an application for de novo review in the case on September 5, 2008, and the de novo case was scheduled for hearing before the Oil Conservation Commission on November 20, 2008.

(4) On November 13, 2008, the OCD filed a Motion to Dismiss Case No. 14110 on the grounds that Quannah no longer operates as a transporter of oilfield waste.

(5) De novo Case No. 14110 should be dismissed.

IT IS THEREFORE ORDERED THAT:

(1) De novo Case No. 14110 is hereby dismissed.

DONE at Santa Fe, New Mexico, on this 18th day of November, 2008.

SEAL

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

MARK E. FESMIRE, P.E., Chair