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44440.0004

July 31, 2003

VIA HAND DELIVERY

Mr. David K. Brooks,
Legal Bureau
New Mexico Energy, Minerals & Natural Resources Dept.
Oil Conservation Commission
1220 South St. Francis Dr.
Santa Fe, NM 87505

RECEIVED

JUL 31 2003

Oil Conservation Division

Re: Proposed Draft Pit Rule 07/18/03

Dear Mr. Brooks

Controlled Recovery Inc. ("CRI") has been directed to your office to answer questions regarding the applicability of the Proposed Draft Pit Rule to its facility.

Subpart A of the draft rule states: "Facilities permitted by the division pursuant to 19.15.9.771 or Water Quality Control Commission Regulations are exempt *from this section.*" Does this exemption mean CRI's facility is exempt from all of the provisions of the Proposed Draft Pit Rule? If not, what provisions of the Proposed Draft Pit Rule does the Commission consider applicable to CRI's facility?

Your assistance in answering these questions will obviously determine how involved CRI needs to be in the rulemaking process.

Sincerely,



Michael H. Feldewert

MHF/jlp

cc: Ken Marsh, Controlled Recovery, Inc.

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BEFORE THE COMMISSION
Santa Fe, New Mexico
Case No. 12969 Exhibit No. 1
Submitted by:
CONTROLLED RECOVERY, INC.
Hearing Date: November 13, 2003

Michael H. Feldewert

From: Brooks, David K [DKBrooks@state.nm.us]
Sent: Thursday, July 31, 2003 4:59 PM
To: Michael H. Feldewert
Subject: Your letter of July 31 re CRI

Mike

Literally "this section" is the entire pit rule except the definitions. So CRI's facility would be exempt from all of the substantive provisions of the proposed pit rule.

David Brooks