

NM1 - 35

**GENERAL
CORRESPONDENCE**

YEAR(S):

2014-2016

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

Jami Bailey, Division Director
Oil Conservation Division



December 4, 2014

Robert G. Hall
Lea Land LLC
1300 W. Main Street
Oklahoma City, OK 73106

RE: Notice For An Additional 6 Acre Landfill Cell
Permit: NM1-035
Lea Land LLC
Location: Section 32, Township 20 South, Range 32 East, NMPM, Lea County

Dear Mr. Hall,

The Oil Conservation Division (OCD) has received Lea Land LLC's (Lea Land) plans, dated November 25, 2014 and received by OCD on December 2, 2014, to install an additional 6 acre landfill cell for the continued acceptance of incoming oilfield waste material. OCD's review of the plan has resulted in the discovery of information not submitted with the placement plan that is required by permit and the conflict with the landfill cell size limit specified within the permit that prevents OCD from considering the plan.

In August 2009, Lea Land requested minor modifications to the existing permit including to "increase the size of each new cell (or stage) to 3.8 acres from 2.75 acres." OCD approved the permit modification on December 17, 2009, via email correspondence. A review of the administrative record does not indicate that Lea Land has requested any additional modifications to the permit since 2009. OCD is unable to consider the submitted plan to install an additional 6 acre landfill cell, since it conflicts with the existing permit and modifications. Lea Land should not proceed with the installation of the proposed landfill cell, until this issue can be resolved with OCD.

In accordance with Condition #2, Overall Facility Operation, on page 2 of Lea Land's April 27, 2001 Permit NM1-035, "The OCD must be notified prior to the construction of a new landfill cell. Lea Land must submit the design and placement plan for the cell to the OCD." OCD did not receive a design plan of the proposed additional landfill cell. Also, pursuant to the Condition above Lea Land was required to notify OCD "prior to the construction of a new landfill cell." The notice that OCD received on December 2, 2014 indicated that construction of the landfill cell had already been initiated and anticipated the subgrade would be "ready for the liner system to be installed December, 2014."

Another outstanding issue is financial assurance. The current financial assurance amount of \$66, 447.00 is based upon the cost estimates, dated February 28, 2001, for the closure of a 5 acre landfill cell and the leachate collection pond. Since 2001 the landfill area has expanded and modifications have been approved by OCD regarding changes in operations and closure. The most recent Google Earth satellite image of February 13, 2014 (see attached) demonstrates OCD's concern that the current financial assurance amount for the facility is no longer based upon operations at the facility.

OCD is requesting a meeting with representatives of Lea Land to discuss the issues identified in this correspondence. The November 25, 2014 submittal suggests there may be some confusion on what has been requested by Lea Land and approved by OCD. Please contact myself or the Environmental Bureau Chief at (505) 476-3465 or jim.griswold@state.nm.us to schedule the meeting.

Sincerely,

A handwritten signature in black ink, appearing to read 'B. Jones', with a long horizontal line extending to the right.

Brad A. Jones
Environmental Engineer

BAJ/baj

cc: OCD District 1 Office, Hobbs



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Lea Land LLC

RECEIVED OCD
2014 DEC -2 P 3:16

November 25, 2014

David Martin
Office of the Secretary
New Mexico Natural Resources Department
1220 South St. Francis
Santa Fe, New Mexico 87505

Jami Bailey
Division Director
New Mexico Oil Conservation Division
1220 South St. Francis
Santa Fe, New Mexico 87505

Re: Permit WM-1-035
OCD Rule 711

Dear Mr. Martin and Ms. Bailey,

The above referenced permit and site is maintained and managed as one cell, side sloped at 4:1, maintained to drain storm water to a single collection point for discharge pumping to the storm water management pond, to evaporate.

Plans now are to add an additional 6 acres of liner to allow us to continue to accept waste materials. We are engaged in doing the initial earth work, preparing the area with berms and cutting the bottom surface to the initial sub-grade for the proper drainage and collection of the storm water. We anticipate the preparation to be completed and ready for the liner system to be installed in December, 2014. Enclosed is drawing F07 that shows the new liner area.

We always endeavor to inform and maintain contact with OCD employees as we plan and prepare for construction at the facility. This letter will serve as our advice to the OCD of our plans for the next expansion. We would welcome a visit to our facility and are happy to respond to any questions you may have.

Very truly yours,

Robert G. Hall
Managing Member

Enclosure

Corporate Office Located at 1300 W. Main Street, Oklahoma City, OK 73106
Phone: 405-236-4257; Fax: 405-236-4261
Landfill Located at Mile Marker 64, US Highway 62/180 East, Carlsbad, NM 88220
Phone: 575-887-4048; Fax: 575-887-7640

