



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

March 18, 2005

Olane and LaDoyce Caswell
Caswell Ranch
Maljamar, NM 88264

Fax: 505 392-3085 (in care of Jim Wilson)

Via mail and fax

Re: Case No. 13455

Emergency Order No. R-12307

Artesia Aeration LLC Landfarm Permit No. NM-01-0030, for landfarm located in the N/2 of Sect. 7, TS 17S, R32E, in Lea County, New Mexico.

Dear Mr. and Mrs. Caswell,

On March 11, 2005, Division Director Mark Fesmire issued Emergency Order No. R-12307 allowing Artesia Aeration LLC to accept salt-contaminated oilfield wastes pending a decision on its application for a modification of its landfarm permit, No. NM-01-0030. A copy of the emergency order is enclosed. By statute, an emergency order issued without public notice and a hearing shall remain in effect no longer than fifteen days from its effective date. See NMSA 1978, § 70-2-23. Unless an extension is granted, Emergency Order No. R-12307 will be of no effect after March 26, 2005.

The Oil Conservation Division (OCD) has scheduled a hearing before a Division hearing officer for Friday, March 25, 2005 at 10:00 a.m. in Porter Hall, First Floor, 1220 South St. Francis Drive in Santa Fe New Mexico, to consider whether Emergency Order No. R-12307 should be extended until a decision is reached on Artesia Aeration LLC's pending application for a modification of its landfarm permit. A copy of the public notice for the hearing is enclosed, with a copy of the OCD's pre-hearing statement.

At the hearing, you will have the opportunity to oppose, or support, the issuance of an order allowing Artesia Aeration LLC to accept salt-contaminated oilfield wastes pending a decision on its permit modification application. If you intend to present evidence at the hearing you should file a pre-hearing statement, as required by 19.15.14.1208.B NMAC. You may fax the statement to Ms. Florene Davidson at 505 476-3462.

Please note that this hearing will determine only if Artesia Aeration LLC may continue to accept salt-contaminated oilfield wastes pending a decision on its application for permit modification. A decision on the application for permit modification will be made only after compliance with the notice requirements of 19.15.9.711.B NMAC, and may require a separate hearing.

If you have any questions, please contact me at (505) 476-3451 or gmacquesten@state.nm.us. Please note that I may be out of the office on March 22, 23 and 24.

Very truly yours,

Gail MacQuesten
OCD Attorney