

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-137
Revised June 10, 2003

Submit Original Plus 1
Copy to Santa Fe
1 Copy Appropriate
District Office

APPLICATION FOR WASTE MANAGEMENT FACILITY

(Refer to the OCD Guidelines for assistance in completing the application)

Commercial Centralized

1. Type: Evaporation Injection Other
 Solids/Landfarm Treating Plant

2. Operator: Gandy Marley, Inc.

Address: P. O. Box 1658, Roswell, NM 88202

Contact Person: Larry Gandy Phone: 505-398-4960

3. Location: Sections 4, 5, 8 and 9
Submit large scale topographic map showing exact location
1/4 Section 11 S Township 31 E Range

4. Is this a modification of an existing facility? Yes No
5. Attach the name and address of the landowner of the facility site and landowners of record within one mile of the site.
6. Attach description of the facility with a diagram indicating location of fences, pits, dikes, and tanks on the facility.
7. Attach designs prepared in accordance with Division guidelines for the construction/installation of the following: pits or ponds, leak-detection systems, aerations systems, enhanced evaporation (spray) systems, waste treating systems, security systems, and landfarm facilities.
8. Attach a contingency plan for reporting and clean-up for spills or releases.
9. Attach a routine inspection and maintenance plan to ensure permit compliance.
10. Attach a closure plan.
11. Attach geological/hydrological evidence demonstrating that disposal of oil field wastes will not adversely impact groundwater. Depth to and quality of ground water must be included.
12. Attach proof that the notice requirements of OCD Rule 711 have been met.
13. Attach a contingency plan in the event of a release of H₂S.
14. Attach such other information as necessary to demonstrate compliance with any other OCD rules, regulations and orders.

15. CERTIFICATION

I hereby certify that the information submitted with this application is true and correct to the best of my knowledge and belief.

Name: Larry Gandy

Title: Vice-President

Signature: Larry Gandy

Date: 7-9-04

E-mail Address: gandy@leaco.net

Case Nos. 13454 & 13455

CRI Exhibit No. 1

Hearing Date: March 25, 2005

**New Mexico Oil Conservation Division
Ground Water Discharge Permit Amendment/Modification**

I. Type of Operation

The facility operates as a soil remediation, recycling and landfarm facility.

II. Operator

Gandy Marley, Inc.
Attn: Larry Gandy
1109 East Broadway
P. O. Box 827
Tatum, New Mexico 88267
(505) 398-4960

III. Location of Landfarm

The facility is located in Southeastern New Mexico, southeast of Roswell, New Mexico. The facility is situated on privately-owned land in Chaves County, New Mexico, in parts of Section 8 and 9 of T11S, R31E.

This location is approximately 39 miles east-southeast of Roswell and approximately 33 miles northwest of Tatum. The site is approximately 2 1/2 miles south of US Highway 380, and four miles west of State Highway 172. State Highway 172 does not provide access to the facility.

IV. Five year Renewal and Modification Request

This permit application proposes the acceptance of brine contaminated soils to be interred within the landfarm. Brine impacted soils and muds are most often collected immediately after a spill event or from within drilling pits and will thus have a significant moisture content. Such muds and soils will first be placed onto areas immediately adjacent to the interment cells to dry. Once the moisture content has been brought down to a level allowing compaction, the soils will be transferred into one of three proposed cells having the approximate dimensions of 200 feet by 250 feet by 6 feet deep.

Each such cell will be surrounded by a containment berm at least five feet tall created from the soils removed from within the impoundment. When the level of the cell is filled to a level two feet below grade, the berms will be used to cover the previously excavated areas on a 3 : 1 slope to promote positive drainage. The outer slope will be capped in a 2' layer of clay.

V. Land and Ownership

As illustrated in Figure 2, the proposed facility site is situated on privately-owned land. There are no other landowners of record within one mile of the proposed facility location and there are no private residences within one mile of the proposed site.