

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

**IN THE MATTER OF THE APPLICATION OF THE OIL
CONSERVATION DIVISION TO EXTEND THE EFFECTIVE
DURATION OF AN EMERGENCY ORDER TO OPERATE
ISSUED TO ARTESIA AERATION, LLC**

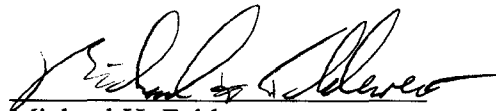
CASE NO. 13455

ENTRY OF APPEARANCE

HOLLAND & HART, L.L.P. hereby enters its appearance in the above-referenced case on behalf of Controlled Recovery Inc. ("CRI"). CRI did not learn of the issuance of this "emergency" order or the scheduling of this matter for hearing until today, March 21st. CRI has not yet had an opportunity to review the "emergency" order or the application filed in this matter. Accordingly, CRI has served the division's attorney with a copy of this entry of appearance for distribution to all appropriate parties.

Respectfully submitted,

Holland & Hart LLP



Michael H. Feldewert
Post Office Box 2208
Santa Fe, New Mexico 87504-2208
(505) 988.4421

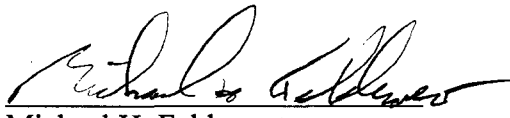
Attorneys for Controlled Recovery Inc.

2005 MAR 21 PM 3 23

CERTIFICATE OF SERVICE

The undersigned hereby certifies that on March 21, 2005, a copy of this Entry of Appearance was hand delivered to the following:

Gail MacQuesten
State of New Mexico
Energy, Minerals, Natural Resources Department
Oil Conservation Division
1200 South St. Francis Drive
Santa Fe, New Mexico 87505

A handwritten signature in black ink, appearing to read "Michael H. Feldewert", written over a horizontal line.

Michael H. Feldewert

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CASE NO. 13455

CRI's PRE-HEARING STATEMENT

This pre-hearing statement is submitted by Holland & Hart LLP on behalf of Controlled Recovery Inc. ("CRI").

APPEARANCES

INTERESTED PARTY

Controlled Recovery Inc.
Post Office Box 388
Hobbs, New Mexico 88241-0388

ATTORNEY

Michael H. Feldewert, Esq.
Holland & Hart LLP
P.O. Box 2208
Santa Fe, NM 87504
505-988-4421

2005 MAR 23 PM 1 32

Handwritten signature/initials

CRI's STATEMENT OF THE CASE

On March 11, 2005, the Division issued Emergency Order E-12307 allowing the Artesia Aeration LLC landfarm to accept salt-contaminated oilfield waste. Emergency Order E-12307 was issued on the basis of the allegations contained in Artesia Aeration's "Request for temporary emergency order allowing a landfarm to accept salt-contaminated oilfield waste." To CRI's knowledge, no evidence was presented or testimony taken in support of this request for "emergency" relief. The allegations contained in Artesia Aeration's request are not sufficient to establish an emergency. CRI and other properly permitted facilities are available in southeast New Mexico to accept salt contaminated oilfield wastes. Accordingly, no imminent threat to the public health and environment exists to support an emergency order, and the corresponding

infringement on the due process rights of these properly permitted facilities. Moreover, Emergency Order No. E-12307 contains the following findings:

- (11) The records of the Oil Conservation Division confirm Operator's description of conditions at the site of the landfarm.
- (12) Conditions at the site of the landfarm are such that the landfarm may accept salt-contaminated oilfields wastes without posing a hazard to groundwater.

To CRI's knowledge, no testimony or evidence was presented to support these "findings" and the public has not been afforded proper notice and an opportunity to be heard on these issues. Accordingly, Emergency Order No. E-12307 should be rescinded in its entirety and Artesia Aeration's pending request to accept salt contaminated oilfield waste should proceed under the normal course of events for permit applications.

CRI's PROPOSED EVIDENCE

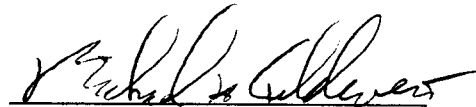
WITNESSES	ESTIMATED TIME	EXHIBITS
Ken Marsh, President of CRI	Approx. 20 Minutes	Approx. 4

PROCEDURAL MATTERS

Please see CRI's statement of the case.

Respectfully submitted,

Holland & Hart LLP



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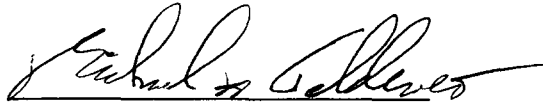
Attorneys for Controlled Recovery Inc.

CERTIFICATE OF SERVICE

The undersigned hereby certifies that on March 23, 2005, a copy of this Pre-Hearing Statement was served to the following:

Via Hand Delivery to:

Gail MacQuesten
State of New Mexico
Energy, Minerals, Natural Resources Department
Oil Conservation Division
1200 South St. Francis Drive
Santa Fe, New Mexico 87505

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Michael H. Feldewert