

*LAW OFFICES*

**HEIDEL, SAMBERSON, NEWELL, COX & McMAHON**

C. GENE SAMBERSON  
MICHAEL T. NEWELL  
LEWIS C. COX, III  
PATRICK B. McMAHON

311 NORTH FIRST STREET  
POST OFFICE DRAWER 1599  
LOVINGTON, NM 88260  
TELEPHONE (575) 396-5303  
FAX (575) 396-5305

F.L. HEIDEL  
(1913-1985)

February 26, 2013

**FEDERAL EXPRESS**

New Mexico Oil Conservation Division  
1220 South St. Francis Drive  
Santa Fe, NM 87505

**Re: New Mexico Salt Water Disposal Company, Inc.  
State 28 #001-SWD Well (API #30-025-25558)  
Unit Letter I, 1980' FSL and 660' FEL  
Section 28, T-10-S, R-34-E**

Case 14960  
RECEIVED OGD  
2013 FEB 27 A 11:35

Gentlemen:

Justin Johnson will be attending the Oil Conservation Division ("Division") hearing scheduled at 8:15 A.M. on Thursday, March 7, 2013, in the captioned matter. He plans to participate in the hearing.

Mr. Johnson filed a written objection with the Division in this matter in the form of a letter dated January 22, 2013, directed to the attention of Richard Ezeanyim, Bureau Chief of the Division. He has requested this firm to file a copy of his January 22<sup>nd</sup> letter as his Prehearing Statement; therefore, a copy of said letter is enclosed. Please cause the enclosure to be filed in the captioned case as his Prehearing Statement.

Mr. Johnson's direct testimony is estimated to require approximately fifteen (15) minutes. He does not plan to call other witnesses to testify at the hearing in support of his objection. However, he reserves the right to cross-examine witnesses who testify in support of the application.

This firm's scope of employment in this matter is merely to assist Mr. Johnson to the extent of filing with the Division the enclosed Prehearing Statement. He will participate in the hearing *pro se*.

Letter to New Mexico Oil Conservation Division

*Re: New Mexico Salt Water Disposal Company, Inc.  
State 28 #001-SWD Well (API #30-025-25558)  
Unit Letter I, 1980' FSL and 660' FEL  
Section 28, T-10-S, R-34-E*

February 26, 2013

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A copy of this letter and enclosure is being sent via facsimile this date to Gary W. Larson, Esq., attorney for Applicant, at (505) 982-8623, and via U.S. Postal Mail, postage prepaid.

Very Truly Yours,

**HEIDEL, SAMBERSON, NEWELL, COX & MCMAHON**

By:   
**C. Gene Samberson**

CGS:cd

Enclosure

pc w/encl: Justin Johnson  
Gary W. Larson, Esq.

**In the Matter of  
New Mexico Salt Water Disposal Company, Inc.'s**

**Application To Change Disposal Zone for  
State 28 #001-SWD Well (API #30-025-25558)  
Unit Letter I, 1980' FSL and 660' FEL  
Section 28, T-10-S, R-34-E  
Lea County, New Mexico**

**PREHEARING STATEMENT  
OF  
JUSTIN JOHNSON  
IN THE CAPTIONED MATTER**

January 22, 2013

New Mexico Oil Conservation Division  
ATTN: Richard Ezeanyim, Bureau Chief  
1220 S. St. Francis Drive  
Santa Fe, NM 87505

**Re: New Mexico Salt Water Disposal Company, Inc.  
Application to Change Disposal Zone for  
API No. 30-025-25558**

Gentlemen:

Please accept this letter as my formal objection to the above application of New Mexico Salt Water Disposal Company.

In October 2010, a huge salt water leak in one of New Mexico Salt Water Disposal Inc.'s disposal pipeline system was discovered on Diamond & Half, Inc.'s ranch. The salt water contaminated a large area. I have requested the company to excavate the contaminated area, haul the contaminated soil for proper disposal and fill the excavated area with clean top soil. To date the company has refused. The company has threatened to file bankruptcy if it is required to dig and haul the contaminated soil.

The above leak is just one of many leaks or spills from its disposal system on Diamond & Half, Inc.'s ranch with no action by the company to reclaim the contaminated areas. At present you have a case pending before you involving some of these leaks and spills. I have appeared in one hearing before the OCD staff in that case on May 20, 2011, requesting the OCD to order this company to reclaim the contaminated areas resulting from its operations so it is held responsible for the waste resulting from its operations.

I object to the company continuing to conduct its operations as usual without being required to remove contamination resulting from past operational failures. I would be relieved to finally see that NMSWD is required and demanded upon to reclaim the soil and water before being allowed to proceed with operations as usual.

The above disposal well is located near a residential dwelling on my ranch. Authorizing the company to dispose into the Glorieta formation will create a greater risk my fresh water will be contaminated due to its history of failing to maintain its disposal system.

**DIAMOND & HALF, INC.**

By:

**COPY**

**Justin Johnson, President**