

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

PUBLIC HEARING

9:00 A.M.

March 10, 2016

Porter Hall

**1220 S. St. Francis Drive
Santa Fe, New Mexico**

Oil Conservation Commission

**Proposed Amendments to Rules
19.15.36, 19.15.35 and 19.15.2 NMAC**

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

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APPLICATION OF THE NEW MEXICO OIL CONSERVATION DIVISION FOR -3 P 3: 19
AMENDMENT OF CERTAIN PROVISIONS OF TITLE 19, CHAPTER 15, PART
36 OF THE NEW MEXICO ADMINISTRATIVE CODE CONCERNING
SURFACE WASTE MANGEMENT FACILITIES
CASE NO. 15443

APPLICANT'S PRE-HEARING STATEMENT

APPLICANT

New Mexico Oil Conservation Division

APPLICANT'S ATTORNEY

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STATEMENT OF THE CASE

The New Mexico Oil Conservation Division (OCD) has applied to the New Mexico Oil Conservation Commission (OCC) for an order amending three Parts of Title 19, Chapter 15, of the New Mexico Administrative Code ("NMAC"), as follows:

1. Part 36 (Surface Waste Management Facilities) as reflected in OCD Exhibit 1 as submitted;
2. Part 2 (defining "Oil field waste") as reflected in OCD Exhibit 2 as submitted
3. Part 35 (Waste Disposal) as reflected in OCD Exhibit 3 as submitted;

The intended effects of the proposed rule amendments are as follows:

1. For persons engaged in applying for and operating a Surface Waste Management Facility pursuant to 19.15.36 NMAC:
 - a. To define "Operator;"
 - b. to clarify who makes application under Part 36 and the operator's responsibilities;
 - c. to create a more efficient permitting process by providing clear guidance for applicants in the application process and notice requirements;
 - d. to clarify how a person may file comments and/or request a hearing on applications;
 - e. to clarify financial assurance requirements;

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- f. to clarify closure and post-closure;
 - g. and to clarify the transitional provisions including financial assurance and closure/post-closure plans for facilities permitted prior to the effective date of Part 36.
- 2. Concerning 19.15.2 NMAC, defining “oil field waste” in accordance with the statutory language under the Oil and Gas Act
- 3. For persons engaged waste disposal pursuant to 19.15.35 NMAC, to clarify the rule by establishing requirements for waste disposal and defining oil field waste;

The OCD will demonstrate that the proposed rule amendments will protect ground water, human health and the environment, help the development of oil and gas, protect against waste, and protect correlative rights.

APPLICANT’S PROPOSED EVIDENCE

WITNESS:

ESTIMATED TIME:

1. Jim Griswold

3 Hours

Mr. Griswold holds a Bachelor of Science, has an extensive background in the environmental regulatory oversight of activities related to the oil and gas industry in New Mexico, and served as the chair of the OCD committee that drafted the proposed rule amendments. His educational background and work experience are reflected on OCD Exhibit 5 as submitted. Mr. Griswold will discuss the nature of surface waste management facilities, the need for such facilities, the current impediments to the application and permit process as well as discuss the need to clarify portions of 19.15.36 NMAC. Mr. Griswold will also discuss the proposed amendments to Parts 2 and 35.

2. Allison Marks

20 minutes

Ms. Marks holds a Juris Doctorate, has extensive experience representing financial institutions and working on finance-related matters, including the review and drafting of financial assurance documents. Ms. Marks played a large role in drafting the proposed amendments to 19.15.36.11 (Financial Assurance) and will discuss the proposed amendments.

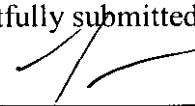
EXHIBITS

OCD anticipates entering into evidence a total of thirty-six (36) exhibits that are submitted with this pre-hearing statement.

PROCEDURAL MATTERS

OCD does not anticipate any procedural matters.

Respectfully submitted:

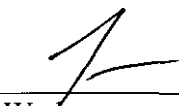


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Attorney for the Oil Conservation Division

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing pleading was electronically mailed on the following parties on March 3, 2016:

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Gabriel Wade