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May 23 2017

Secretary Ken McQueen  
Energy, Minerals and Natural Resources Department  
Office of the Secretary  
1220 South St Francis Drive  
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Re OCC Order No R 14254 B, Case No 15617  
Application of CK Disposal LLC for a Permit to Operate a Commercial Surface  
Waste Management Facility Lea County New Mexico

Dear Secretary McQueen

Please accept this correspondence as the response of CK Disposal LLC ( Applicant ) to the request of Louisiana Energy Services LLC d/b/a URENCO USA ( LES ) for a de novo hearing in the above referenced matter Applicant respectfully urges you to deny the request of LES for a de novo hearing and allow the order in the above reference matter become the final decision of the Oil Conservation Commission ( OCC )

The administrative record conclusively shows that appropriate public notices of the application and hearing on the application were issued in accordance with the applicable regulations Applicant and Oil Conservation Division ( OCD ) demonstrated through testimony exhibits and stipulations that the notice requirements outlined in 19 15 36 9 NMAC were satisfied Pursuant to these notices a public meeting was conducted by the OCC in Eunice New Mexico on January 9 2017 to receive public comment on the application Following the public meeting in Eunice, the OCC conducted an extensive three-day evidentiary hearing on February 9 10 and 11 2017 in Santa Fe to receive technical evidence from the parties on the application and Applicant s proposed facility

The evidence in the record of the hearing conclusively shows the application of CK Disposal LLC meets and exceeds the stringent siting design and operational criteria of Part 36 of the regulations of OCD and promises to provide a necessary and environmentally protective disposal and processing service to New Mexico s oil and gas industry In the evidentiary hearing, the Applicant demonstrated the three central pillars of its proposed facility and Application (a) superior geologic location (b) state of the art environmentally protective design and (c) responsible operations using best management practices The OCC found that Applicant met or exceeded all regulatory requirements for approval of its application based upon the evidence in the record of the hearing

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In its request for a de novo hearing LES has presented no factual basis in support of its allegation that the OCC order contravenes the public interest. Instead, LES incorrectly assumes the issues it raised were ignored by the OCC despite having fully participated in three days of expert witness testimony on the technical issues involving the proposed facility, pre and post hearing briefing and requesting a rehearing on the Application. To the contrary it is apparent from the findings of fact and conclusions of law contained in the order that the OCC fully considered all of the evidence presented by the parties. As a result of the review of the evidence presented the OCC found conclusively that Applicant's proposed facility can be constructed and operated in compliance with the applicable statutes and rules without endangering fresh water public health safety or the environment (and without gross negative consequences to LES the only protestant in the hearing).

Only LES requested and participated as a party in the three day evidentiary hearing. After public notice all interested parties were given the opportunity to present public comment and/or participate in an evidentiary hearing to present technical evidence on Applicant's proposal. After full consideration of the public comments and the technical evidence presented in the hearing the OCC found correctly that Applicant's proposal satisfies all requirements of Part 36 of the regulations for approval. LES has presented no new information after the evidentiary hearing and has provided no information to support its erroneous claim that the public interest has been contravened. Accordingly Applicant respectfully requests the Secretary deny LES request for a de novo hearing.

Respectfully submitted

*/s/ Michael L Woodward*

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David Brooks, counsel for OCD  
Florene Davidson, Commission Clerk