

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

2008 NOV 13 PM 2 00
**APPLICATION OF THE NEW MEXICO OIL CONSERVATION DIVISION,
THROUGH THE ENFORCEMENT AND COMPLIANCE MANAGER, FOR A
COMPLIANCE ORDER IMPOSING PENALTIES AND CANCELLING OR
SUSPENDING THE AUTHORITY OF QUANNAH, INC. TO TRANSPORT
LIQUID WASTES.**

CASE NO. 14110

De Novo

**MOTION OF THE OIL CONSERVATION DIVISION
TO DISMISS CASE NO. 14110**

The Oil Conservation Division (OCD) moves to dismiss Case No. 14110 for the following reasons:

1. On March 13, 2008 the OCD filed an application for hearing in Case 14110, alleging that Quannah, Inc. (Quannah) had disposed of produced water into a private disposal system without the operator's approval.

2. Case 14110 was heard on April 17, 2008.

3. On August 7, 2008 the Division issued Order No. R-12977 finding that Quannah had disposed of produced water into a private disposal system without the operator's approval. The order assessed a penalty of \$1,000, and suspended Quannah's authority to transport oilfield waste for a period of six months, running from August 15, 2008 to February 14, 2009.

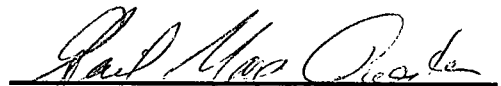
4. Quannah requested de novo review in Case 14110.

5. According to representations made by Quannah's director and owner, Louis Edgett, Quannah no longer operates as a transporter of oilfield waste.

6. Quannah did not pay the \$1,000 penalty assessed in Case 14110, so there is no penalty to be returned to Quannah if the case is dismissed.

For the foregoing reasons, the OCD respectfully requests that Case 14110 be dismissed.

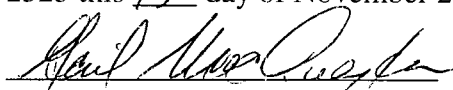
RESPECTFULLY SUBMITTED,
this 13th day of November 2008 by



Gail MacQuesten
Assistant General Counsel
Energy, Minerals and Natural
Resources Department of the State of
New Mexico
1220 S. St. Francis Drive
Santa Fe, NM 87505
(505) 476-3451

Certificate of Service

I hereby certify that a true and correct copy of the foregoing was faxed to Mr. Ernest L. Padilla, attorney for Quannah, Inc. at 505 988-7592, and a hard copy of the foregoing was mailed to Mr. Padilla at Padilla Law Firm PA, P.O. Box 2523, Santa Fe, NM 87504-2523 this 13th day of November 2008.



Gail MacQuesten