Statement to Oil Conservation Commission Santa Fe, New Mexico

September 11, 2003

My name is Carl Johnson, a 3rd generation rancher in Lea County since my family's move to New Mexico in 1914. I have ranched in the Jal, Ocho, Antelope Hills area and the Tatum, Crossroads, Caprock country.

I have dealt with the OCD since the Pete Porter days (1962). (Is there anyone else here who has been in the field with the OCD since 1962?) Never have I, as a deeded landowner, State lessee, or BLM permittee ever received fair and impartial treatment from the OCD. In fact, it has been quite the contrary. All my dealings with the OCD have been severely in favor of the oil companies and with little, to no concern, about the well being of our water, air and soil natural resources; nor were my private property rights given any consideration.

We have shown the OCD non-producing, abandoned wells, along with tank battery sites, that have been deserted for 10 to 30 years. Nothing has been done or resolved with these sites.

We have shown the OCD abandoned wells that they did not even know existed!!! In addition we have shown the OCD various sheds, water flood pumps and apparatus that have been abandoned for many, many years. The trash and debris in these oil fields are beyond comprehension.

We have shown the OCD lakes of salt water that were never cleaned up. No fines were imposed, nor penalties, nor any system improvements made. In fact, absolutely nothing was ever done to make the oil companies conform to proper environmental procedures so that the water and soil contamination would be stopped.

We have shown the OCD roads that were not maintained and that were allowed to grow to unbelievable widths of up to 45 feet wide; and again nothing was done to improve the situation.

The OCD has been shown old reserve pits that are growing by 2 feet -10 feet per year, spreading their sterilized and destructive soils due to the

movement of those pollutants that are left behind by wind and water. We are losing our ranches several yards a year, year after year. Again, nothing was or has been done.

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This is standard operating procedure for the OCD on all lands---BLM, State, and deeded, not the exception.

Those of us out on the land, the ranchers who face these situations on a daily basis, have no faith or confidence in the OCD as far as any protection for our personal business, our environment, our well being, or more importantly our private property rights.

In fact, the OCD is so one sided in favor of the oil industry, it has been suggested that they, the OCD, are bought and paid for by the oil companies.

Something needs to be done before all of our water is polluted in SE New Mexico. As most of those in this room know, there is a very substantial amount of our underground, non-rechargeable aquifer, from one end of Lea County to the other, that is polluted, ruined, and no longer useable. My family has lost 2 water wells and has many more that are in potential danger of being contaminated.

The ranchers in Lea County think the OCD is useless, worthless, and not a viable agency. We recommend that the present organization be sunsetted, demolished, and done away with. A new agency needs to be introduced that can be in tune with today's times and concerns, rather than the old "Oil is King" way of doing business. "Water is at the top of the pile now" and should be of primary importance.

Things have changed and the oil industry, along with the agencies involved with it---the OCD, SLO, BLM, and EPA, etc. need to work towards saving the land, water, and air resources rather than causing a detriment to other resource users and destroying these natural resources for the sake of dollars.

We are of the opinion that no matter what the pit ruling will be, it will only remain "business as usual" with the present OCD.

In closing, I wish to present 2 photos of a 5-6 year old reserve pit along with the liner left behind which recently killed one of my cows. She choked and died from chewing a piece of the pit liner. You will also see other trash and debris in the pit area. This is an example of OCD oversight!! This pit and others throughout the numerous oil fields are a disgrace and something has to be done now!! The other pictures are of old sterilized, growing reserve pits.

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Perhaps the State should consider that all pits, leaks, spills be hauled to approved, regulated sites and disposed of in an approved safe manner. Our mandated landfills for the municipalities are a very good example as to what might be done with oil field wastes.

If you have any questions I shall try to answer them. Thank you for your time.

Carl Holmon

From: Carl L.Johnson Date: October 29, 2003

Re: Mandatory closed system or "pitless" drilling

The enclosed pictures are a prime example of a practice that must be stopped. The best method to stop this kind of devastation would be to employ both legislative and administrative procedures.

These pictures show vividly the standard operating procedure used in drilling oil and gas wells in the Permian Basin and elsewhere. The dimensions are 220 feet by 180 feet, or 73 yards by 60 yards of destroyed, damaged, polluted and ruined surface; not even taking into consideration the loss of wildlife and livestock and, more important than all of the above, potential pollution of groundwater.

These pictures depict the normal practice used for drilling in the Lea County area. As can be seen, there is trash and debris, oil, brine and oil and gas-field wastes that one must reasonably assume include hazardous materials such as benzene, hydrocarbons, volatile organic compounds, heavy metals and hydraulic fracturing fluids. The pit will typically be allowed to dry for one to three years surrounded by a one to three wire fence draped loosely on steel posts, with no netting; and thus allows deadly access to both wildlife and livestock. Then, a track hoe or Caterpillar tractor will enter the pit area to scatter the contents, stirring and tearing the lining to pieces thereby allowing all the pollutants to simmer, blow, and seep into the surrounding surface area, evaporate into the air or contaminate the Ogallala water formation. This will go on indefinitely and the area will be destroyed forever. The result is the cluster-bombed appearance of the rangeland seen from the air.

The Ogallala ground water is pumped from 27 feet to 80 feet beneath the surface in this particular area, with a hand dug well within a mile to the northeast and old spring sites approximately one and a half to two miles to the southwest.

Lovington's proposed ordinance 449 seeks to resolve this issue by mandating a closed system for all wells drilled in its water field in article 8.30.390. The Oil Conservation Division's own records suggests that there is a definite need for some additional precautions in protecting groundwater due to known (6,748 documented) and unknown instances of contamination resulting from open, lined and unlined pits. The Vermejo Park Ranch in the Raton Basin has also addressed this issue in its Joint Groundwater Monitoring Program. I therefore suggest a closed system to be mandatory for all drilling in New Mexico, on all lands—BLM, State, Indian, and deeded---; and any company in violation be prosecuted to the fullest extent.