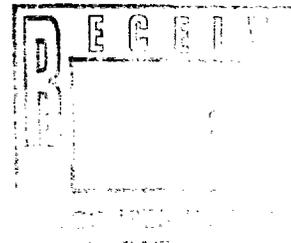


STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION COMMISSION



IN THE MATTER OF THE HEARING )  
CALLED BY THE OIL CONSERVATION )  
COMMISSION FOR THE PURPOSE OF )  
CONSIDERING: )  
)  
HEARING CALLED BY THE OIL )  
CONSERVATION COMMISSION )  
)

CASE NO. 11,391

REPORTER'S TRANSCRIPT OF PROCEEDINGS

COMMISSION HEARING

**ORIGINAL**

BEFORE: WILLIAM J. LEMAY, CHAIRMAN  
WILLIAM WEISS, COMMISSIONER  
JAMI BAILEY, COMMISSIONER

September 28th, 1995

Santa Fe, New Mexico

This matter came on for hearing before the Oil Conservation Commission on Thursday, September 28th, 1995, at the New Mexico Energy, Minerals and Natural Resources Department, Porter Hall, 2040 South Pacheco, Santa Fe, New Mexico, Steven T. Brenner, Certified Court Reporter No. 7 for the State of New Mexico.

\* \* \*

I N D E X

September 28th, 1995  
Commission Hearing  
CASE NO. 11,391

PAGE

REPORTER'S CERTIFICATE

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\* \* \*

A P P E A R A N C E S

FOR THE COMMISSION:

CAROL LEACH  
General Counsel  
Energy, Minerals and Natural Resources Department  
2040 South Pacheco  
Santa Fe, New Mexico 87505

ALSO PRESENT:

KEN MARSH, Controlled Recovery, Inc., Hobbs, New Mexico

ROGER C. ANDERSON, Bureau Chief, Environmental Bureau,  
NMOCD

\* \* \*

1           WHEREUPON, the following proceedings were had at  
2 9:05 a.m.:

3           CHAIRMAN LEMAY: Good morning. This is the Oil  
4 Conservation Commission hearing. My name is Bill LeMay,  
5 Chairman of the Commission. To my left is Commissioner  
6 Bill Weiss, to my right Commissioner Jami Carlson,  
7 representing the Commissioner of Public Lands, State of New  
8 Mexico -- What did I say?

9           COMMISSIONER BAILEY: "Jami Carlson".

10          CHAIRMAN LEMAY: We used to have a Commissioner  
11 Carlson. I was just combining Commissioners with that  
12 statement, I guess. The former Commissioner Carlson is no  
13 longer with the Department; he's with -- LFC? Yeah, that's  
14 right, he's with LFC. So...

15          Commissioner Jami Bailey, excuse me, representing  
16 the Commissioner of Public Lands.

17          Carol Leach is our general counsel for the  
18 Department, and also counsel for the Commission.

19          And we shall begin by calling -- We're taking  
20 this a little bit out of order -- I'll say why -- because  
21 one of them, we're just going to appoint a committee, and  
22 that is Case Number 11,391.

23          So at this time we will call Case Number 11,391,  
24 which is the matter called by the Oil Conservation  
25 Commission to enact new rules and regulations relating to

1 the NORMs, naturally occurring radioactivity, the NORM  
2 standards, enacted by the Environmental Department, and  
3 these rules and regulations, OCD rules and regulations,  
4 will address the disposal of NORMs.

5 So rather than calling for appearances in this  
6 case, what I'd like to do is ask for volunteers for that  
7 committee, leave the record open, certainly, 30 days for  
8 those volunteers, to send word to me that they'd like to be  
9 on the Committee.

10 Any of you here that would like to be on the  
11 Committee, there's a tablet in the back, please sign up.

12 And I will appoint a committee and they'll look  
13 into disposal options and rules and regulations involving  
14 disposal down wellbores, we're talking about, of NORMs  
15 occurring in the oil patch.

16 Are there any questions or comments concerning  
17 these proposed rules and regs?

18 The background on them, as I remember, is, the  
19 Environmental Department has held hearings and has  
20 wrestled, I guess you could say, with these standards for  
21 well over a year, maybe two years. Is that pretty --

22 ROGER ANDERSON: Over two.

23 CHAIRMAN LEMAY: Four years?

24 ROGER ANDERSON: Over two.

25 CHAIRMAN LEMAY: Over two years, yeah.

1           They have come up with rules and regulations, as  
2 far as jurisdiction over radioactivity, the Environmental  
3 Department has that jurisdiction.

4           However, when you look at the practical aspects  
5 of dealing with this NORM in the oil patch and economical  
6 disposal of that NORM, it involves generally the disposal  
7 down wellbores, otherwise it becomes prohibitively  
8 expensive if you're trying to look at other forms of  
9 disposal, shipping it off in drums to Utah or whatever,  
10 sending it up in spacecrafts or -- I mean, it can really  
11 get outlandish.

12           So what we're doing is trying to get some  
13 economical options for operators to dispose of this  
14 material, and that's what this committee is all about.

15           So -- Yeah?

16           KEN MARSH: What's the time frame to have this  
17 completed?

18           CHAIRMAN LEMAY: Well, I was going to do it in  
19 six months. What do you think about that? I see one  
20 person shaking their head.

21           I think it's going to take some time to look at  
22 it all. I'm talking about bringing a report back within  
23 five months, sending that report out as draft rules and  
24 regulations to industry, like we tend to do, and then  
25 holding the hearing on it, using that document as a markup

1 document.

2           And that committee will be balanced. We need  
3 some representation from the environmental community as  
4 well as representation from industry, meaning operators and  
5 those that would be in charge of the disposal operations.  
6 So we -- Like we try and do on all committees, we want to  
7 get a balance on that committee, so it produces a balanced  
8 document and we don't get one element that hasn't been  
9 heard from, because we'd much rather incorporate all those  
10 elements, so to speak, that have any interest or  
11 stakeholders in the issue, into the committee. Then we  
12 don't get, at the Commission hearing, people that haven't  
13 been heard from or haven't been represented.

14           KEN MARSH: I might say that in the process of  
15 putting these NORM regulations together, there were  
16 environmentalists and public members on this committee that  
17 have already had a lot of input into this.

18           CHAIRMAN LEMAY: Yeah.

19           KEN MARSH: So it's not like you're starting from  
20 scratch --

21           CHAIRMAN LEMAY: No.

22           KEN MARSH: -- about addressing the public, but  
23 -- So it's an issue that shouldn't be real -- take a lot of  
24 time to do, because they're all aware of it.

25           CHAIRMAN LEMAY: Yeah. Any other questions or

1 comments concerning Case Number 11,391?

2 (Off the record)

3 CHAIRMAN LEMAY: We don't have an agenda yet, but  
4 we do meet once a month. So at this point in time we will  
5 schedule the Case Number 11,391 for the April, 1996,  
6 docket. That will give some lead time in appointing the  
7 Committee, give them -- It takes a month to get to the  
8 Committee appointed, because I don't see the people here  
9 necessarily that would comprise the whole committee. So  
10 we're going to have to go out and spread the word in  
11 industry and make sure that they make their intentions to  
12 be on the Committee known to me by submitting a letter.

13 And then that will give a month to appoint the  
14 committee and then five months from that date to get the  
15 report in and then that month to circulate it to industry  
16 for comment, and then that brings us to the April docket.

17 So this case will be continued, Case Number  
18 11,391 will be continued to the April hearing date, April,  
19 1996, hearing date.

20 (Thereupon, these proceedings were concluded at  
21 9:12 a.m.)

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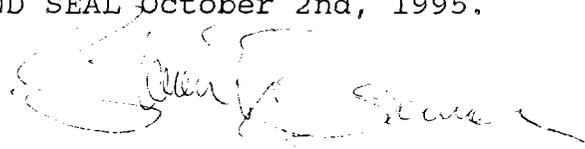
CERTIFICATE OF REPORTER

STATE OF NEW MEXICO )  
 ) ss.  
COUNTY OF SANTA FE )

I, Steven T. Brenner, Certified Court Reporter and Notary Public, HEREBY CERTIFY that the foregoing transcript of proceedings before the Oil Conservation Commission was reported by me; that I transcribed my notes; and that the foregoing is a true and accurate record of the proceedings.

I FURTHER CERTIFY that I am not a relative or employee of any of the parties or attorneys involved in this matter and that I have no personal interest in the final disposition of this matter.

WITNESS MY HAND AND SEAL October 2nd, 1995.



STEVEN T. BRENNER  
CCR No. 7

My commission expires: October 14, 1998