

NEW MEXICO OIL CONSERVATION DIVISION

COMMISSION HEARINGSANTA FE, NEW MEXICOHearing Date APRIL 27, 2001 Time 9:00 A.M.

NAME	REPRESENTING	LOCATION
William L. Jay	Holland + Hart	Santa Fe
Martyna Kieling	Environmental Bureau OCD	Santa Fe
Bill Olson	OCD	Santa Fe
Paul R. Carson	MONTGOMERY & ANDREWS	SANTA FE

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

IN THE MATTER OF THE HEARING CALLED BY)
THE OIL CONSERVATION DIVISION TO ENACT)
A NEW RULE 712 PERMITTING DISPOSAL OF) CASE NO. 12,626
CERTAIN NON-DOMESTIC WASTE ARISING FROM)
THE EXPLORATION, DEVELOPMENT, PRODUCTION)
OR STORAGE OF CRUDE OIL OR NATURAL GAS,)
CERTAIN NON-DOMESTIC WASTE ARISING FROM) ORIGINAL
THE OIL FIELD SERVICE INDUSTRY, AND)
CERTAIN NON-DOMESTIC WASTE ARISING FROM)
THE TRANSPORTATION, TREATMENT OR)
REFINEMENT OF CRUDE OIL OR NATURAL GAS,)
AT A SOLID WASTE FACILITY REGULATED BY)
THE NEW MEXICO ENVIRONMENT DEPARTMENT,)
WITH THE CONCURRENCE OF THE NEW MEXICO)
ENVIRONMENT DEPARTMENT)

REPORTER'S TRANSCRIPT OF PROCEEDINGS

COMMISSION HEARING

BEFORE: LORI WROTENBERY, CHAIRMAN
JAMI BAILEY, COMMISSIONER
ROBERT LEE, COMMISSIONER

April 27th, 2001

Santa Fe, New Mexico

This matter came on for hearing before the Oil Conservation Commission, LORI WROTENBERY, Chairman, on Friday, April 27th, 2001, at the New Mexico Energy, Minerals and Natural Resources Department, 1220 South Saint Francis Drive, Room 102, Santa Fe, New Mexico, Steven T. Brenner, Certified Court Reporter No. 7 for the State of New Mexico.

* * *

01 MAY - 3 AM 5:03
OIL CONSERVATION DIV.

I N D E X

April 27th, 2001
Commission Hearing
CASE NO. 12,626

PAGE

REPORTER'S CERTIFICATE

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A P P E A R A N C E S

FOR THE COMMISSION:

STEPHEN ROSS
Deputy General Counsel
Energy, Minerals and Natural Resources Department
2040 South Pacheco
Santa Fe, New Mexico 87505

FOR CONTROLLED RECOVERY, INC.:

HOLLAND & HART, L.L.P., and CAMPBELL & CARR
110 N. Guadalupe, Suite 1
P.O. Box 2208
Santa Fe, New Mexico 87504-2208
By: WILLIAM F. CARR

* * *

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

3 CHAIRMAN WROTENBERY: Okay, we'll get started
4 here this morning. This is the meeting of the Oil
5 Conservation Commission. It's April 27th, 2001, and we're
6 here in the Oil Conservation Division hearing room in Santa
7 Fe, New Mexico.

8 I think we'll skip the introductions today
9 because it looks like we all know each other here. But
10 just for the record, all three Commissioners are in
11 attendance this morning, so we have our quorum.

12 We had a fairly lengthy agenda to begin with, but
13 for various reasons I think we're going to get through
14 quickly here this morning. Most of the matters have taken
15 care of themselves in one form or fashion.

16 We do have the minutes of the last meeting of the
17 Commission, which was held on March 30th, 2001.
18 Commissioners, I believe you've had a chance to take a look
19 at these, is that right? Any changes that you see we need
20 to make?

21 COMMISSIONER BAILEY: No, I've reviewed them and
22 I move that we adopt them.

23 COMMISSIONER LEE: I second.

24 CHAIRMAN WROTENBERY: All in favor say "aye".

25 COMMISSIONER BAILEY: Aye.

1 COMMISSIONER LEE: Aye.

2 CHAIRMAN WROTENBERY: Aye. And I'll sign those
3 on behalf of the Commission. Thanks, Florene.

4 * * *

5 CHAIRMAN WROTENBERY: We also have some follow-up
6 discussion on Rule 711. This particular matter came up
7 initially in our last meeting where we adopted the new Rule
8 712, and there were some questions about the treatment of
9 OCD-permitted solid waste management facilities under 712
10 and whether -- or under 711, excuse me -- and whether we
11 had some more onerous requirement for Rule 711 facilities
12 than we were establishing for some of the ED-permitted
13 facilities under Rule 712.

14 And I believe Roger Anderson is here to talk to
15 us about the discussions that have taken place since then
16 and what he's proposing to do at the administrative level.

17 MR. ANDERSON: Madame Chairman, members of the
18 Commission, the Division has looked through the existing
19 Rule 711 and compared it with the conditions in Rule 712,
20 and they have redrafted and looked at the changes that the
21 changes had proposed previously to Rule 711 that had not
22 gone through the system yet and determined that those
23 changes that are in the proposed Rule 711 would rectify any
24 of the problem -- any of the discrepancies between the two
25 rules and the two different types of facilities.

1 Those proposed rule changes are going through the
2 legal review within the Division right now. I'm
3 anticipating within a week we should have a draft that we
4 can present to industry and public interest groups and for
5 discussion purposes, and we'll set it for hearing at the
6 Commission's pleasure when all the changes are done and all
7 the agreements are made.

8 In the interim, there will be a draft letter that
9 will be presented to the Director today for signature,
10 administratively correcting the wastes that are identified
11 in the D (1) section of Rule 712. Basically, it's a
12 blanket authorization to accept those wastes without having
13 to go through the approval process. The same way in Rule
14 712 for their waste management facilities, the Rule 711
15 facilities will also be able to do the same thing. And
16 that will be an administrative change. It will basically
17 be authorized by directive.

18 And that's where we stand right now.

19 CHAIRMAN WROTENBERY: Any questions from the
20 Commission.

21 COMMISSIONER BAILEY: No.

22 COMMISSIONER LEE: No.

23 CHAIRMAN WROTENBERY: Mr. Carr, did you want to
24 make a statement?

25 MR. CARR: I'm here today to represent Controlled

1 Recovery, Inc. As you'll recall, last month Mr. Marsh was
2 here and raised the concern -- I think you recognize there
3 was an inequity where OCD-regulated facilities had to get a
4 permit and ED did not. And I appreciate Mr. Anderson's
5 comments and would encourage the Director to sign the
6 letter. We'd like to have a copy of it as soon as
7 possible.

8 During the last month, on a couple of occasions
9 while a C-138 was being obtained by CRI, they did that and
10 then they called and said they could take the waste and
11 were advised that it had already been taken to another
12 facility. So the problem is real, and I appreciate your
13 concern and the timely way you've responded. Thank you.

14 CHAIRMAN WROTENBERY: Thank you, Mr. Carr.

15 Is there anybody else that would like to comment
16 on this particular matter?

17 Mr. Ross, do you have anything to add? You can
18 just say no.

19 (Laughter)

20 MR. ROSS: Uh, no.

21 CHAIRMAN WROTENBERY: No, okay.

22 Thank you very much, Mr. Anderson.

23 (Thereupon, these proceedings were concluded at
24 9:10 a.m.)

25 * * *

STEVEN T. BRENNER, CCR
(505) 989-9317

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 April 30th, 2001.



STEVEN T. BRENNER
CCR No. 7

My commission expires: October 14, 2002