

New Mexico Legislature
Radioactive and Hazardous Materials Committee
Hearing

May 18, 2018

Testimony of Jimmy D. Carlile

Good afternoon. My name is Jimmy Carlile. I work for Fasken Oil and Ranch, Ltd. located in Midland, Texas. Fasken is both an oil and gas company, and a landowner. We have what we believe are significant concerns with disposing of high level nuclear waste in Southeast New Mexico.

Fasken is one of the largest private landowners in Texas with ownership of some 200,000 acres of ranch and farm lands. Our largest ranch is the 165,000 acre "C" Ranch located north and west of Midland which was purchased back in 1913. As a major surface owner we know every detail about our ranches, and closely monitor vegetation, soil conditions and surface use of our properties.

But the one thing we watch closest is the quality and quantity of our **groundwater**. Groundwater is the lifeblood of ranching operations in West Texas and Southeast New Mexico. Without groundwater in this arid land, you just own dirt. We have also operated oil and gas leases in Southeast New Mexico for over 60 years, and have 4 leases within 5 miles of the proposed Holtec site. In our oil and gas operations we routinely check the State Engineer's site for groundwater maps to identify if there is groundwater, and at what depth it is found. But with limited water well data in many parts of Southeast New Mexico, there is simply not enough data in the State Engineer's system to adequately identify where groundwater occurs. Allowing the very potential of permanent groundwater contamination is unacceptable. Permanently contaminated groundwater just cannot be allowed.

Fasken is not alone in the ranching industry's opposition to high level nuclear waste being placed in this part of the country. We have secured opposition letters from the Cowden Ranch, the Button Estes Ranch and the Barrow Ranch, all historic ranching operations which have been in business for well over 100 years. We also have a handwritten note from Sammy Hooper, who has leased surface from University Lands in West Texas for many years. These historic ranching families know that groundwater contamination will destroy the value of their ranches and make them virtually unusable for operations, thus destroying the value of their family's lands and destroying their heritage.

As to oil and gas operations, the Permian Basin of West Texas and Southeast New Mexico is without doubt the most important oil and gas producing basin in the world. Recent reports estimate the Permian will become the highest producing region in the world, surpassing the massive Ghawar Field in Saudi Arabia. A release of high level radioactive materials into the air, soil and/or groundwater could have catastrophic repercussions on oil and gas activities in the Permian. A loss of even a portion of the United State's most important producing region would greatly hinder our ability to become energy self-reliant. The potential loss of jobs, tax base, and loss of royalties paid to the federal government, the state of New Mexico and private mineral owners is real. Southeast New Mexico has more drilling activity now than in any other point in time. High paying jobs are being created, tax revenue is rolling in to State and local governments, royalties are being paid to mineral owners. The future is getting dramatically better for the people of Southeast New Mexico and for the State. We simply cannot lose this momentum.

As to workforce, in the Permian Basin we struggle to attract the talented people we need for our workforce to simply meet our current activity levels. The labor shortage is a huge concern for all operators and service companies alike. The issue of "quality of life" continues to be the one obstacle that we have yet to find an answer for. Having a high level nuclear disposal site sitting on the surface in the oil fields of Lea County cannot be a positive to attract people to move their families and make a life in the Permian Basin on either side of the state line.

And lastly, as to geology, researchers at Southern Methodist University published a study on March 20, 2018, identifying heaving and sinking of ground surface elevations in a 4,000 square mile area in West Texas, the heart of the Permian Basin. This heaving and sinking is believed to be the result of drilling, producing and injection in this area since the 1940's. This destabilization is not associated with horizontal development and fracing, but old conventional production, including secondary and tertiary recovery projects. These destabilized areas have resulted in 2 sinkholes around Wink, Texas that are rapidly expanding, and new ones that show to be forming. The study states that the expectation is this heaving and sinking will be found outside of the study area, and additional study is planned by SMU. Should this study show northern movement into Southeast New Mexico, this destabilization, these geohazards alone should kill this application.

We all know that a long-term repository for high level nuclear waste must be found. But this interim move to an unsecured area in the Permian Basin is not the right next move. We must push the federal government to find a final secure repository for this material and move this material to its final resting spot, and not to an interim location.

Fasken, on its own behalf and on behalf of surface owners, ranching families, and the oil and gas industry, asks the State of New Mexico to oppose the disposal of high level nuclear waste in Southeast New Mexico.