

CASE 5883: AM-BETT OIL COMPANY, INC.  
FOR AN OIL TREATING PLANT PERMIT,  
LEA COUNTY, NEW MEXICO

Case Number

5883

Application

Transcripts

Small Exhibits

ETC.



TONEY ANAYA  
GOVERNOR

STATE OF NEW MEXICO  
**ENERGY AND MINERALS DEPARTMENT**  
OIL CONSERVATION DIVISION

March 5, 1985

POST OFFICE BOX 2088  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87501  
(505) 827-5800

Clifford R. Strasner, President  
Ambett Oil Company, Inc.  
P. O. Box 1589  
Hobbs, New Mexico 88240

Dear Mr. Strasner:

Referring to your letter of March 1, 1985, there is no necessity to amend Division Order No. R-5411 to accommodate the setting of the additional tanks.

Once the installation is made, please submit a new plat of the facility locating and identifying all equipment and tanks at the facility.

Sincerely,

R. L. STAMETS  
Director

RLS/fd

cc: Jerry Sexton  
✓ Case file 5883



March 1, 1985

Oil Conservation Division  
P. O. Box 2088  
Santa Fe, New Mexico 87501

Attention Mr. R. L. Stamets, Director

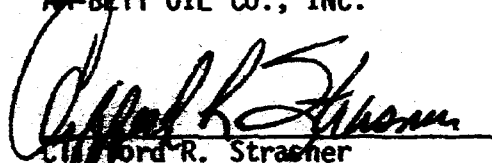
Dear Gentlemen:

The following is a proposed amendment to our existing division order #R-5411 for Am-Bett Oil Co., Inc. located at SE/4, NW/4 of Section 3, T21S, R37E, which operates as a treating facility in compliance with all applicable New Mexico Oil Conservation Commission regulations.

Our planned additional site at SE/4, NW/4 of Section 8, T20S, R37E, would consist of two 210 barrel steel tanks for the purpose of resale of condensate and salt water disposal skim oil. In the event that treating may be required, that work would be executed by contract hot oil trucks. No open pit disposal will be involved. Current estimates of total volume sold monthly are 1500 to 2000 barrels. Scurlock Oil Co. is tentatively the purchaser of all materials from this location.

Your prompt attention to this matter is greatly appreciated. Thank you for your valuable time and consideration.

Sincerely yours,  
AM-BETT OIL CO., INC.

  
Clifford R. Strasher  
President

CRS/bs

BEFORE THE  
NEW MEXICO OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico  
March 23, 1977

EXAMINER HEARING

IN THE MATTER OF:

Application of Am-Bett Oil Company, Inc.)  
for an oil treating plant permit, )  
Lea County, New Mexico. )

CASE  
5883

BEFORE: Richard L. Stamets, Examiner

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the New Mexico Oil  
Conservation Commission:

Lynn Teschendorf, Esq.  
Legal Counsel for the Commission  
State Land Office Building  
Santa Fe, New Mexico

For the Applicant:

William F. Carr, Esq.  
CATRON, CATRON & SAWTELL  
Attorneys at Law  
53 Old Santa Fe Trail  
Santa Fe, New Mexico

sid morrish reporting service  
General Court Reporting Service  
825 Calle Meja, No. 122, Santa Fe, New Mexico 87501  
Phone (305) 982-9212

**sid morrish reporting service**

General Court Reporting Service  
825 Calle Mejia, No. 112, Santa Fe, New Mexico 87501  
Phone: (505) 982-9212

Page 2

I N D E X

1		
2		<u>Page</u>
3	<u>C. C. GOTHARD</u>	
4	Direct Examination by Mr. Carr	3
5	Cross Examination by Mr. Stamets	8

EXHIBIT INDEX

10		<u>Offered</u>	<u>Admitted</u>
11	Applicant's Exhibit One, Pictures	5	10
12			
13			
14			
15			
16			
17			
18			
19			
20			
21			
22			
23			
24			
25			

1 MR. STAMETS: We will call next Case 5883.

2 MS. TESCHENDORF: Case 5883, application of Am-Bett  
3 Oil Company, Inc. for an oil treating plant permit, Lea County,  
4 New Mexico.

5 MR. CARR: William F. Carr of Catron, Catron and  
6 Sawtell, appearing on behalf of the applicant, Am-Bett Oil  
7 Company. I have one witness to be sworn.

8 (THEREUPON, the witness was duly sworn.)

9 C. C. GOTHARD

10 called as a witness, having been first duly sworn, was examined  
11 and testified as follows:

12 DIRECT EXAMINATION

13 BY MR. CARR:

14 Q Will you state your name and place of residence,  
15 please?

16 A C. C. Gothard, Hobbs, New Mexico.

17 Q Mr. Gothard, what position do you hold with Am-Bett  
18 Oil Company?

19 A Vice President and major stockholder.

20 Q Do you have a degree in either geology or engineering?

21 A No, sir.

22 Q How long have you been engaged in the oil and gas  
23 business?

24  
25

1 A. Fifty years.

2 Q. And by whom have you been employed and in what  
3 positions?

4 A. The last thirty-three with Sinclair Oil and Gas as  
5 District Office Manager.

6 Q. Okay, and before that?

7 A. Well, various companies.

8 Q. What is the purpose of the application in this case  
9 here today?

10 A. Well, we are seeking a treating plant.

11 Q. And what is the proposed location of this treating  
12 plant?

13 A. It's in the southeast quarter of the northwest quarter  
14 of Section 3, Township 21 South, 37 East.

15 Q. And is this plant to be located on State, fee or  
16 Federal land?

17 A. Fee land.

18 Q. Now, would you explain to the Commission in some  
19 detail how you plan to treat the sediment oil?

20 A. Well, I'm going to pick it up with a vacuum truck out  
21 of the pit and haul it to our storage in this location and the  
22 size of the tanks haven't been determined yet.

23 Q. What would be the maximum size for the tank battery?

24 A. Roughly twenty-five hundred barrels maximum.

25 Q. Then after you have picked up the sediment and put



**sid morrish reporting service**  
General Court Reporting Service  
825 Calle Mejia, No. 122, Santa Fe, New Mexico 87501  
Phone (505) 982-9212

Page 5

1 it in the tanks what do you plan to do with it?

2 A We are going to treat it with chemicals and hot oil,  
3 Pacemaker Treater at the present time.

4 Q Okay, what chemicals do you plan to treat it with?

5 A Well, it will be treatalized in the furnace, the  
6 samples, and they will determine what type to use.

7 Q And then you plan to run it through a hot oil, is  
8 that correct?

9 A Right.

10 Q And place it where?

11 A In the tanks.

12 Q And then sell it?

13 A And then sell it, yes.

14 Q Okay, now, is it your intention to eventually  
15 acquire a heater treater at the site of the treating plant?

16 A Yes, sir, it is, if we can negotiate a reasonable  
17 gas contract for firing it with horizontal Sivalis tanks,  
18 heater treater.

19 Q Now, I hand you what has been marked as Exhibit One  
20 and would you explain to the Examiner what this is?

21 A That's a Sivalis horizontal heater treater. It's  
22 fired with gas and you connect it just like you would any  
23 other tank.

24 Q Have you decided exactly what model of heater treater  
25 you intend to use?

1 A Well, we hope to get the horizontal and one that  
2 will burn a minimum amount of gas for the maximum heat.

3 Q Have you selected a specific model?

4 A Well, one that will have a five hundred barrel  
5 capacity, I would say.

6 Q Are all of the atmospheric treaters indicated in  
7 Exhibit One basically the same?

8 A The same, right.

9 Q And you would be acquiring one of these if you can  
10 get a suitable gas contract?

11 A Right.

12 Q Now, what will be the capacity of the plant?

13 A Well, at about five hundred barrels.

14 Q Five hundred barrels a day?

15 A Yes.

16 Q Now, where do you intend to acquire the product that  
17 you are going to run through the plant?

18 A Well, we are going to get it from the pits of various  
19 companies that operate in that area.

20 Q Now, Mr. Gothard, are you aware when you acquire  
21 sediment oil that you must keep records on the amount that  
22 you acquire and notify the operators of the amount of reclaimed  
23 oil taken and also notify the Oil Commission?

24 A Yes, sir.

25 Q And you know you have to file monthly reports with

sid morriss reporting service

General Court Reporting Service  
825 Calle Mejia, No. 122, Santa Fe, New Mexico 87501  
Phone (505) 982-9212

1 the Commission?

2 A Right.

3 Q Do you believe that the planned and proposed method of  
4 treating sediment will efficiently process, and reclaim  
5 sediment oil?

6 A Well, it has in the past, I'll say that.

7 Q Have you secured a ten thousand dollar treating  
8 plant bond?

9 A We have applied for one.

10 Q When you obtain this will you immediately file it  
11 with the Commission?

12 A Right.

13 Q Will you have emergency pits at the treating plant site  
14 in case there are spills or breaks or leaks?

15 A Yes, sir.

16 Q And will they be large enough to hold the entire  
17 capacity of the tank battery?

18 A Right.

19 Q What are your plans for dealing with the sludge which  
20 will result from the plant?

21 A It will be hauled to a disposal system.

22 Q Do you have a disposal system in mind?

23 A Yes, over around Half Way, New Mexico.

24 Q And that is a customary place of disposing of this  
25 kind of sludge?

**sid morish reporting service**

General Court Reporting Service  
825 Calle Mejia, No. 122, Santa Fe, New Mexico 87501  
Phone (505) 982-9212

1 A. Right.

2 Q. In your opinion will this application be in the  
3 interest of conservation and waste prevention?

4 A. Yes.

5 Q. Will it impair anyone's correlative rights?

6 A. No.

7 MR. CARR: Mr. Examiner, I have no further questions  
8 of Mr. Gothard.

9  
10 CROSS EXAMINATION

11 BY MR. STAMETS:

12 Q. Mr. Gothard, what kind of a disposal system is  
13 there at Half Way for this type of sludge?

14 A. They have a place there that they dump this sludge  
15 for -- all of the companies use it.

16 Q. Is it a caliche pit or --

17 A. Something in that manner, yes.

18 Q. Who operates this facility?

19 A. I think that is more or less open to the public.

20 Q. Do you know where it is from Half Way?

21 A. Offhand I couldn't tell you, I'm going to have to  
22 drive up there myself someday.

23 MR. RAMEY: For the Examiner's information, this is  
24 a disposal system in conjunction with one of our playa lake  
25 approved disposal areas and they have put some large pits

sid morrish reporting service  
General Court Reporting Service  
825 Calle Mejia, No. 122, Santa Fe, New Mexico 87501  
Phone (505) 982-9212

1 for tank bottoms and such and then they periodically sell the  
2 bottoms to the treating plant.

3 Q (Mr. Stamets continuing.) Who will pick up the tank  
4 bottoms, will these be your own trucks?

5 A No, it will be various companies that serve in the  
6 fields.

7 Q I note here that Section 3 is a long section and  
8 the description, the southeast quarter of the northwest quarter  
9 might be a little confusing. This is a long section, are you  
10 measuring from the north line of the section in determining  
11 what is the southeast or the northwest?

12 A No, sir, I'm measuring from the south line.

13 Q From the south line?

14 A Yes. That's a correction section. That line is a  
15 correction section.

16 Q Right. So what you have described here would be the  
17 southeast of the northwest of a standard section but actually  
18 would be located about midway in this long section?

19 A That's possible, yes.

20 Q Okay. We would need a plat of this particular site  
21 and that would alleviate any confusion.

22 A We can furnish that.

23 Q I believe you indicated that you would have dikes or  
24 some sort of emergency facility that if you got a leak in the  
25 system the oil would not get off the site?

sid morrish reporting service  
General Court Reporting Service  
825 Calle Mejia, No. 122, Santa Fe, New Mexico 87501  
Phone (505) 982-9212

1 A. Right.

2 Q. Do you plan to have a pit there for this sludge before  
3 it's hauled off to the disposal site?

4 A. Oh, yes.

5 Q. And that will be deep enough to contain it all?

6 A. Right.

7 Q. And it will be fenced?

8 A. It will be fenced.

9 MR. STAMETS: Okay, any other questions?

10 MR. CARR: I would like to offer Exhibit One.

11 MR. STAMETS: Exhibit One will be admitted.

12 (THEREUPON, Applicant's Exhibit One was  
13 admitted into evidence.)

14 MR. STAMETS: The witness may be excused.

15 (THEREUPON, the witness was excused.)

16 MR. CARR: I will get that plat to you later in the

17 week.

18 MR. STAMETS: Okay. Is there anything further in

19 this case?

20 MR. CARR: Nothing.

21 MR. STAMETS: The case will be taken under advise-

22 ment.

23

24


25

REPORTER'S CERTIFICATE

1 I, SIDNEY F. MORRISH, a Certified Shorthand Reporter,  
 2 do hereby certify that the foregoing and attached Transcript  
 3 of Hearing before the New Mexico Oil Conservation Commission  
 4 was reported by me, and the same is a true and correct record  
 5 of the said proceedings to the best of my knowledge, skill and  
 6 ability.  
 7

8   
 9 Sidney F. Morrish, C.S.R.

sid morrish reporting service  
 General Court Reporting Service  
 825 Calle Mejia, No. 122, Santa Fe, New Mexico 87501  
 Phone: (505) 982-9212

10 I do hereby certify that the foregoing is  
 11 a complete record of the proceedings in  
 12 the Examiner hearing of Case No. 5883,  
 13 heard by me on 3-23, 1972.  
 14   
 15 Richard L. Stewart, Examiner  
 16 New Mexico Oil Conservation Commission  
 17  
 18  
 19  
 20  
 21  
 22  
 23  
 24  
 25



## OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO  
P. O. BOX 2088 - SANTA FE

87501

DIRECTOR  
JOE D. RAMEY

LAND COMMISSIONER  
PHIL R. LUCERO  
April 13, 1977



STATE GEOLOGIST  
EMERY C. ARNOLD

Mr. William F. Carr  
Catron, Catron & Sawtell  
Attorneys at Law  
Post Office Box 788  
Santa Fe, New Mexico

Re: CASE NO. 5883  
ORDER NO. R-5411

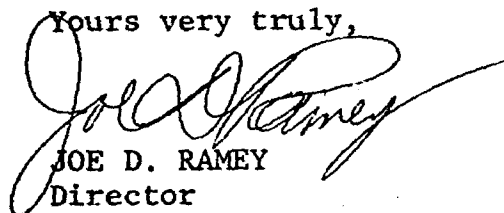
Applicant:

Am-Bett Oil Company, Inc.

Dear Sir:

Enclosed herewith are two copies of the above-referenced  
Commission order recently entered in the subject case.

Yours very truly,

  
JOE D. RAMEY  
Director

JDR/fd

Copy of order also sent to:

Hobbs OCC X  
Artesia OCC X  
Aztec OCC       

Other



BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

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

CASE NO. 5883  
Order No. R-5411

APPLICATION OF AM-BETT OIL COMPANY,  
INC. FOR AN OIL TREATING PLANT PERMIT,  
LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on March 23, 1977,  
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 12th day of April, 1977, the Commission,  
a quorum being present, having considered the testimony, the  
record, and the recommendations of the Examiner, and being  
fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by  
law, the Commission has jurisdiction of this cause and the  
subject matter thereof.

(2) That the applicant, Am-Bett Oil Company, Inc., seeks  
authority to construct and operate a chemical and heat-treatment  
type oil treating plant in Lot 6 of Section 3, Township 21  
South, Range 37 East, NMPM, Lea County, New Mexico, for the  
reclamation of up to approximately 500 barrels of sediment oil  
per day to be obtained from tank bottoms and waste pits.

(3) That dikes, dams and/or emergency pits should be  
constructed around the plant capable of holding the entire  
capacity of all tanks and vessels at the plant location in  
order that sediment oil, reclaimed oil, or waste oil cannot  
escape from the immediate vicinity of such plant.

(4) That the proposed plant and method of processing will  
efficiently process, treat, and reclaim the aforementioned  
waste oil, thereby salvaging oil which would otherwise be wasted.

-2-

Case No. 5883  
Order No. R-5411

(5) That the subject application should be approved as being in the best interests of conservation.

IT IS THEREFORE ORDERED:

(1) That the applicant, Am-Bett Oil Company, Inc., is hereby authorized to install and operate a chemical and heat-treatment type oil treating plant in Lot 6 of Section 3, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico, for the purpose of treating and reclaiming sediment oil to be obtained from tank bottoms and waste pits;

PROVIDED HOWEVER, that the continuation of the authorization granted by this order shall be conditioned upon compliance with the laws of the State of New Mexico and the rules and regulations of the New Mexico Oil Conservation Commission;

PROVIDED FURTHER, that prior to commencing operation of said plant, the applicant shall file with the Commission a performance bond in the amount of \$10,000.00 conditioned upon substantial compliance with applicable statutes of the State of New Mexico and all rules, regulations, and orders of the Oil Conservation Commission.

(2) That the operator of the above-described oil treating plant shall clear and maintain in a condition clear of all debris and vegetation a fireline at least 15 feet in width and encircling the site upon which the plant is located.

(3) That dikes, dams and/or emergency pits shall be constructed around the plant capable of holding the entire capacity of all tanks and vessels at the plant location and capable of preventing the escape of any sediment oil, reclaimed oil, or waste oil from the immediate vicinity of said plant.

(4) That the disposal of waste water accumulated in conjunction with the operation of the above-described plant on the surface of the ground, or in any pit, pond, lake, depression, draw, streambed, or arroyo, or in any watercourse, or in any other place or in any manner which will constitute a hazard to any fresh water supplies is hereby prohibited.

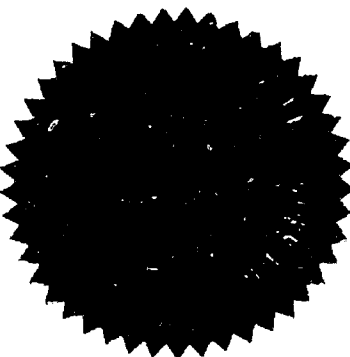
(5) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

-3-

Case No. 5883  
Order No. R-5411

DONE at Santa Fe, New Mexico, on the day and year herein-  
above designated.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

  
*Phil R. Lucero*  
PHIL R. LUCERO, Chairman

EMERY C. ARNOLD, Member

*Joe D. Ramey*  
JOE D. RAMEY, Member & Secretary

S E A L

dr/

1/2 Sec 20 T14N R10E

Section 3

1/2 NW 1/4 Sec 20

Volume

Vol

1/2

1/2

1/2

Location description inadequate?  
Section 3 is oversized

SE/4 NW/4 - could be lot 6  
or lot 14

---

CATRON, CATRON & SAWTELL

THOMAS B. CATRON, 1840-1921  
FLETCHER A. CATRON, 1890-1964

THOMAS B. CATRON, III  
JOHN S. CATRON  
WILLIAM A. SAWTELL, JR.  
FLETCHER R. CATRON

WILLIAM F. CARR  
W. ANTHONY SAWTELL

ATTORNEYS AND COUNSELORS AT LAW

THE PLAZA

SANTA FE, NEW MEXICO 87501

POST OFFICE BOX 788

TELEPHONE 982-1947  
AREA CODE 505

March 28, 1977

New Mexico Oil Conservation Commission  
Post Office Box 2088  
Santa Fe, New Mexico 87501

Re: Case 5883  
Application of Am-Bett Oil Company, Inc.  
for an Oil Treating Plant permit,  
Lea County, New Mexico

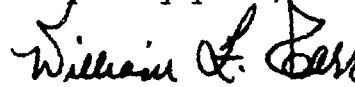
Attention: Mr. R. L. Stamets

Dear Mr. Stamets:

Pursuant to your request, I am enclosing the plat which I received today from Mr. Cecil Gothard which reflects the location of Am-Bett Oil Company's proposed treating plant.

If you have any questions, please advise.

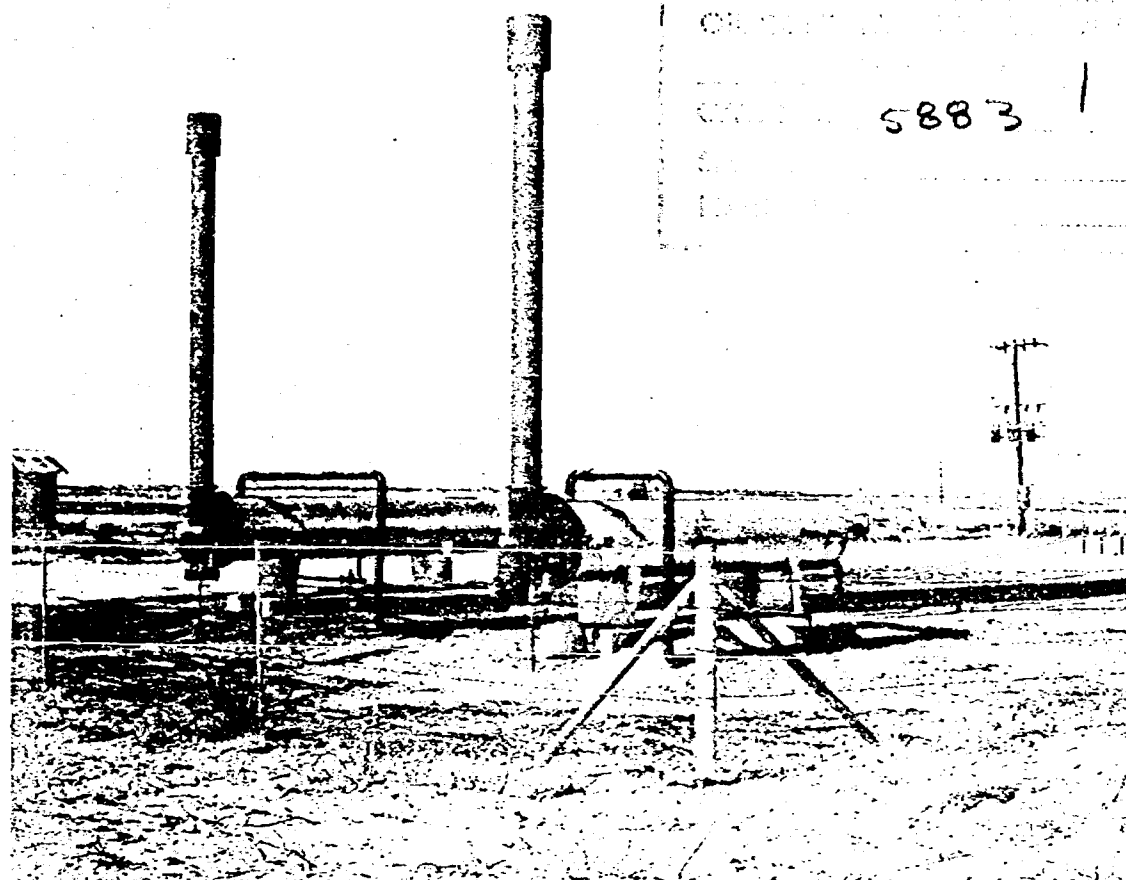
Very truly yours,



William F. Carr

WFC:tg  
Enclosure

# SIVALLS HORIZONTAL DIRECT HEATERS



Sivalls direct fired Horizontal Heaters are designed for heating oil/water emulsions and are used in conjunction with gunbarrel settling tanks. Direct heaters may be sized large enough to heat the entire fluid stream prior to entering the gunbarrel, or a smaller heater may sometimes be used with a pump to heat a side stream from the gunbarrel tank.

All Sivalls Direct Heaters are equipped with removable fireboxes for ease of inspection, repair, or cleaning sediment from the vessel.

A standard size Direct Heater may be sized based on heat required as determined from the chart on Page 513.



## SIVALLS TANKS, INC.

ODESSA, TEXAS

P. O. Box 1152

2200 East Second Street

Phone FEderal 7-3571

Supersedes Page 511 Dated March 1, 1964

Effective October 1, 1967

Page 511

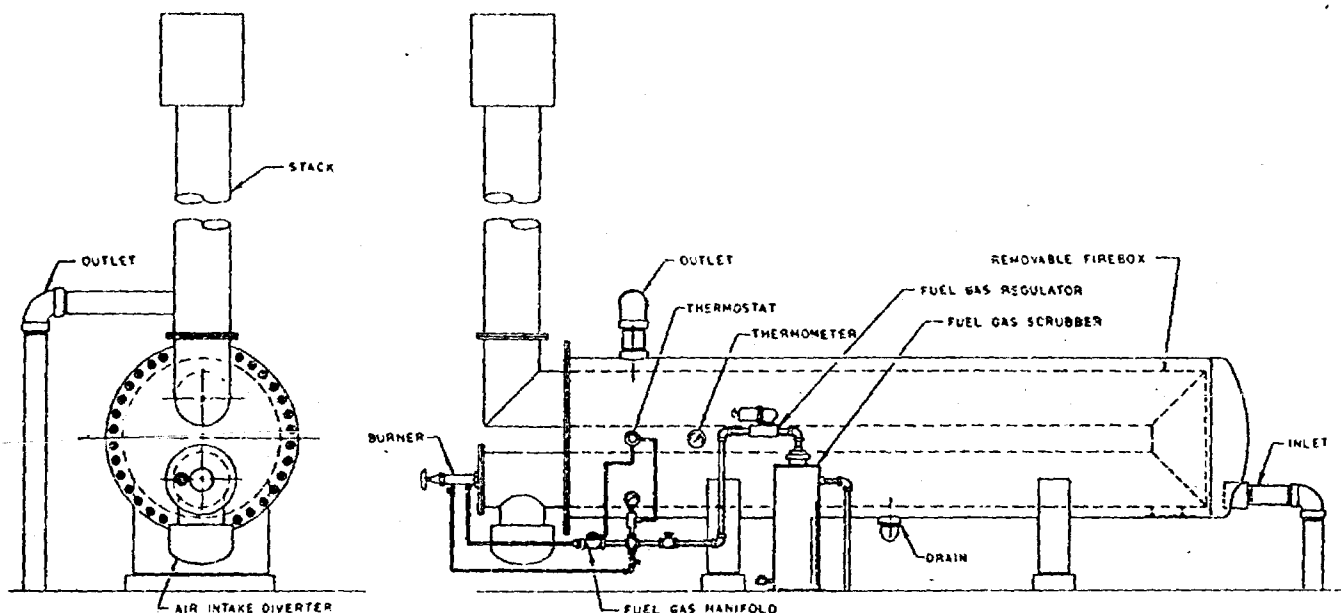


SIVALLS TANKS, INC.

ODESSA, TEXAS

SECTION 500

## HORIZONTAL DIRECT HEATERS



Single U-tube fireboxes used on Models HH-245, HH-306, HH-3010, HH-3612, and HH-3615. Double U-tube fireboxes used on all other models.

### SPECIFICATIONS

Model Number	Size Dia x Len	Firebox Rating Btu/hr	Working Pressure psi	Inlet and Outlet Size	Drain Size	Total Volume bbl	Approx. Shipping Wt. Lb.
HH-245	24"x 5'	160,000	50	2"	2"	2.6	800
HH-306	30"x 6'	250,000	50	3"	2"	4.3	1,600
HH-3010	30"x10'	500,000	50	4"	2"	6.8	2,200
HH-3612	36"x12'	750,000	25	4"	2"	11.1	2,600
HH-3615	36"x15'	1,000,000	25	4"	2"	13.7	3,200
HH-4812	48"x12'	1,500,000	25	4"	3"	20.5	4,500
HH-6012	60"x12½'	2,000,000	25	4"	3"	32.2	6,000
HH-6020	60"x20'	3,000,000	25	6"	4"	52.3	9,500
HH-7222	72"x22'	4,000,000	25	6"	4"	80.3	14,000

Capacities depend upon fluid flow rate, temperature rise required, and percent water. Standard units can be sized based on heat required as determined from the chart on page S13.



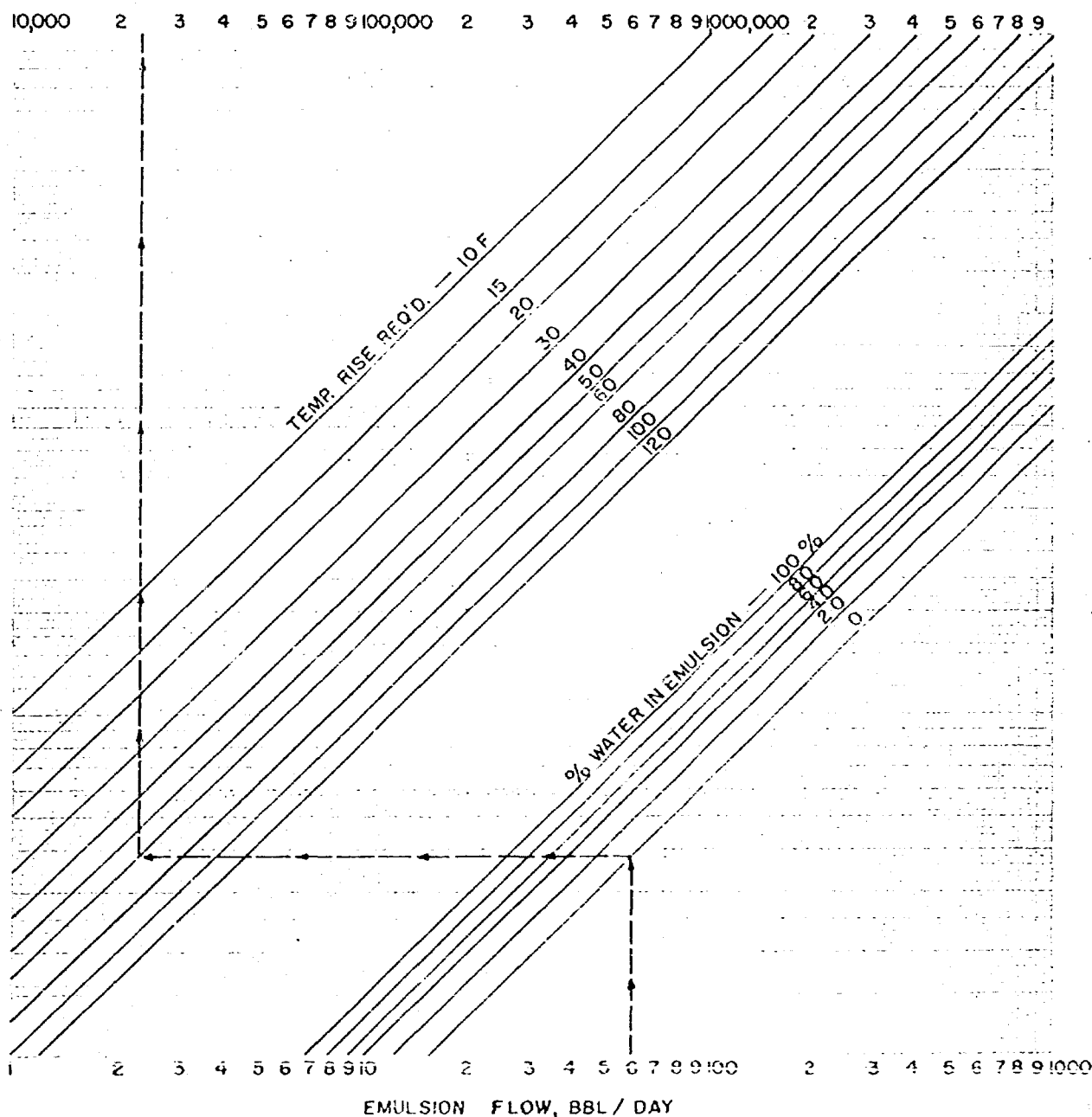
SIVALLS TANKS, INC.

ODESSA, TEXAS.

SECTION 500

## HEAT REQUIRED FOR OIL - WATER EMULSIONS

FOR TREATER, DIRECT HEATER, INDIRECT HEATER, OR VJ HEATER SIZING  
HEAT REQUIRED, BTU / HR.



NOTE: For capacities larger than the chart range, divide the flow rate by 10, use this on the chart, then multiply the heat required as determined on the chart by 10 to find the correct heat required.



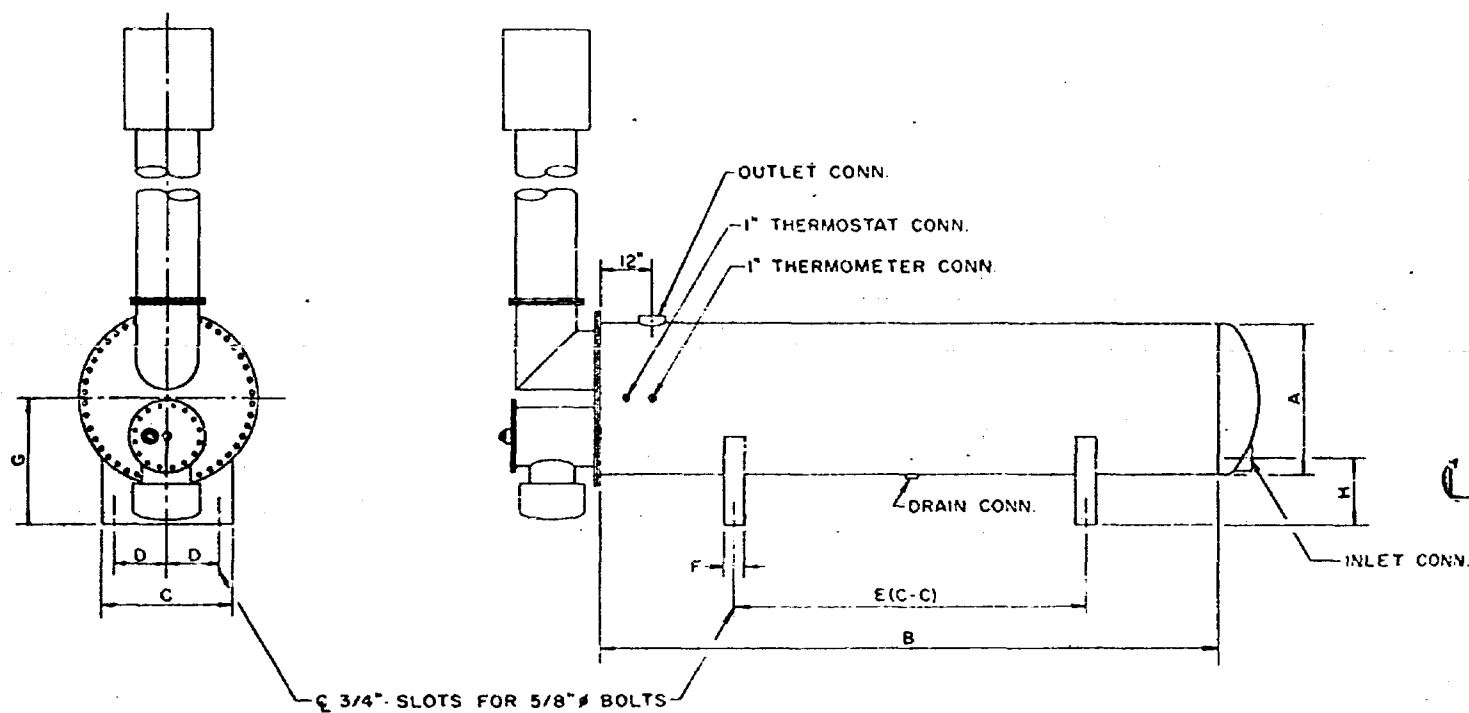


SIVALLS TANKS, INC.

ODESSA, TEXAS

SECTION 500

## SIVALLS HORIZONTAL DIRECT HEATERS



### DIMENSIONS

Diameter A	Length B	C	D	E	F	G	H
24"	5'	1'-9"	6"	2'-9"	4 1/4"	2'-8"	1'-10 1/2"
30"	6'	2'-2"	10"	3'-1 1/2"	4 1/4"	3'-0"	2'-0"
30"	10'	2'-2"	10"	5'-2"	4 1/4"	3'-0"	2'-0"
36"	12'	2'-6 3/4"	1'-0"	6'-6"	4 1/4"	3'-6"	2'-4"
36"	15'	2'-6 3/4"	1'-0"	8'-5"	4 1/4"	3'-6"	2'-4"
48"	12'	3'-6 1/2"	1'-4"	6'-6"	4 1/4"	3'-6"	1'-11"
60"	12'-6"	4'-4 1/2"	1'-10"	6'-6"	6"	3'-10"	1'-10"
60"	20'	4'-4 1/2"	1'-10"	12'-0"	6"	3'-10"	1'-10"
72"	22'	5'-3 1/2"	2'-4"	13'-2"	1'-0"	4'-6"	2'-0"



SIVALLS TANKS, INC. Odessa, Texas SECTION 500

SIVALLS HORIZONTAL DIRECT HEATERS  
STANDARD EQUIPMENT - ALL SIZES

- |   |                                      |
|---|--------------------------------------|
| 1 - Removable firebox with stack        | 1 - Fuel gas water valve, Kimray     |
| 1 - Temperature controller, Kimray      | 3/4" 3/412-SMT-DAB, 125 psi          |
| T-12 thermostat with separable          | diaphragm motor valve*               |
| socket                                  | 1 - Fuel gas burner with integral    |
| 1 - Fuel gas manifold with block valves | pilot and gas-air mixer (2 on        |
| 1 - Adjustable air intake diverter on   | H-4812 and larger)                   |
| firebox                                 | 1 - Drain connection with plug       |
| 1 - 0-30 psi fuel gas pressure gauge    | 1 - Anti-downdraft diverter on stack |
| 1 - 1/4" instrument gas filter          | 1 - Fuel gas block valve             |
| 1 - 1/4" pilot gas manual control       | 1 - Thermometer, 0-250° F with       |
| valve                                   | separable socket                     |

\*Kimray 1" Type 104-SMT-BP valve used on units 1 MM BTU/hr thru 2 MM BTU/hr, 2" Type 212-SMT-2DA5 valve used on units 2.5 MM BTU/hr and up.

Other Optional Items:

Fuel gas regulator  
Fuel gas scrubber  
Concrete piers

Form 204 **AM-BETT Oil Company, Hobbs, New Mexico**  
**Treating Plant Location - Lot 6**

Printed and for sale by Hall-Poorbaugh Press, Roswell, N. M.

Section 3 Township 21 So. Range 37 E. County Lea State New Mexico

Lot 4 37.86 acres	Lot 3 37.75 acres	Lot 2 37.63 acres	Lot 1 37.52 acres
Lot 5 40 acres	Lot 6 40 acres AM-BETT Oil Company Treating plant	Lot 7 40 acres	Lot 8 40 acres
Lot 12 40 acres	Lot 11 40 acres	Lot 10 40 acres	Lot 9 40 acres

Dockets Nos. 11-77 and 12-77 are tentatively set for hearing on April 6 and April 20, 1977. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - MARCH 23, 1977

9 A.M. - OIL CONSERVATION COMMISSION CONFERENCE ROOM  
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

The following cases will be heard before Richard L. Stametz, Examiner, or Daniel S. Nutter, Alternate Examiner:

- CASE 5882: Application of Amoco Production Company for special pool rules, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the promulgation of a special gas-oil ratio limit of 6000 cubic feet of gas per barrel of oil for the South Empire Wolfcamp Pool, Eddy County, New Mexico.
- CASE 5883: Application of Am-Bett Oil Company, Inc. for an oil treating plant permit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority for the construction and operation of an oil treating plant for the purposes of treating and reclaiming sediment oil at a site in the SE/4 NW/4 of Section 3, Township 21 South, Range 37 East, Lea County, New Mexico.
- CASE 5884: Application of BCO, Inc., for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle Greenhorn, Graneros, and Dakota production in the wellbore of its Dunn Well No. 1 located in Unit M of Section 10, Township 23 North, Range 7 West, Rio Arriba County, New Mexico.
- CASE 5885: Application of Continental Oil Company for amendment of Order No. R-5315, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-5315 to permit the dedication of a previously approved 320-acre proration unit comprising the W/2 of Section 31, Township 22 South, Range 31 East, Los Medanos Field, Eddy County, New Mexico, to a well to be drilled at a standard location in Unit E of said Section 31, rather than in Unit L as previously approved.
- CASE 5886: Application of Continental Oil Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a well to be drilled at a point 1980 feet from the North line and 660 feet from the West line of Section 31, Township 22 South, Range 31 East, Los Medanos Field, Eddy County, New Mexico, the N/2 of said Section 31 to be dedicated to the well.
- CASE 5887: Application of Gas Company of New Mexico for suspension of Rules 14(a) and 15(a) of the gas proration rules, Catclaw Draw-Morrow Gas Pool, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks suspension for a period of one year from April 1, 1977, of those provisions of Rules 14(a) and 15(a) of the General Rules and Regulations for the prorated gas pools of Southeastern New Mexico promulgated by Order No. R-1670, as amended, that provide for the cancellation of underproduction and the shutting-in of overproduced wells, as applied to the Catclaw Draw-Morrow Gas Pool, Eddy County, New Mexico.
- CASE 5888: Application of Dalport Oil Corporation for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its A. L. Christmas Well No. 3 to be drilled 330 feet from the South line and 2310 feet from the East line of Section 25, Township 22 South, Range 36 East, Jalmat Gas Pool, Lea County, New Mexico.
- CASE 5889: Application of Saturn Oil Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests down to and including the Blinberry formation underlying the NE/4 SE/4 of Section 11, Township 23 South, Range 37 East, Lea County, New Mexico, to be dedicated to its Lineberry Well No. 1 located in Unit I of said Section; and underlying the NW/4 SE/4 of said Section 11 to be dedicated to its Lineberry Well No. 2 located in Unit J of said Section. In the event re-entry into either well is unsuccessful, applicant proposes to drill a replacement well at a standard location on its tracts. Also to be considered will be the costs of recompletion or drilling and completing said wells and the allocation of the costs thereof, as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the wells and a charge for risk involved in recompletion or drilling of said wells.
- CASE 5890: Application of James C. Whitten for an unorthodox well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the re-entry of a well at an unorthodox location 1980 feet from the South line and 660 feet from the East line of Section 14, Township 20 South, Range 34 East, Lea Devonian Pool, Lea County, New Mexico. If said re-entry is unsuccessful, applicant proposes to drill a new well at an unorthodox location 2030 feet from the South line and 660 feet from the East line of said Section 14.

CASE 5891: Application of Sam H. Snoddy for directional drilling and a non-standard gas proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the directional drilling of two 13,500 foot Morrow test wells from a single drilling site in the extreme Northwest five acres of the NW/4 SE/4 of Section 25, Township 20 South, Range 32 East, Potash-Oil Area, Lea County, New Mexico. Applicant proposes to vertically drill each of said wells to a depth of approximately 3000 feet and to then directionally drill one well in a Northeasterly direction bottoming said well in the approximate center of the NE/4 of said Section 25, and to then directionally drill the other well in a Southwesterly direction, bottoming said well in the approximate center of the SW/4 of said Section 25. Applicant would dedicate the N/2 to the first of the aforesaid wells, and would dedicate a non-standard 160-acre unit comprising the SW/4 of said Section 25 to the second.

CASE 5820: (Continued from March 9, 1977, Examiner Hearing)

Application of Texas Oil & Gas Corporation for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp and Pennsylvanian formations underlying the W/2 of Section 4, Township 22 South, Range 26 East, Eddy County, New Mexico, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 5892: Southeastern New Mexico nomenclature case calling for the creation and extension of certain pools in Eddy and Lea Counties, New Mexico.

(a) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Atoka production and designated as the East Burton Flat-Atoka Gas Pool. The discovery well is the J. C. Williamson & D. W. Underwood et al Williamson Federal Well No. 1 located in Unit J of Section 9, Township 29 South, Range 29 East, NMPM. Said pool would comprise:

TOWNSHIP 20 SOUTH, RANGE 29 EAST, NMPM  
Section 9: E/2

(b) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Morrow production and designated as the North Eidson-Morrow Gas Pool. The discovery well is the Sabine Production Company North Eidson Fee Well No. 1 located in Unit M of Section 34, Township 15 South, Range 34 East, NMPM. Said pool would comprise:

TOWNSHIP 15 SOUTH, RANGE 34 EAST, NMPM  
Section 34: W/2

(c) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Delaware production and designated as the Forehand Ranch Delaware Pool. The discovery well is the Husky Oil Company of Delaware Forehand Well No. 2 located in Unit K of Section 15, Township 23 South, Range 27 East, NMPM. Said pool would comprise:

TOWNSHIP 23 SOUTH, RANGE 27 EAST, NMPM  
Section 15: SW/4

(d) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Strawn production and designated as the Grayburg-Strawn Gas Pool. The discovery well is the Amoco Production Company Empire South Deep Unit Gas Com Well No. 8 located in Unit L of Section 33, Township 17 South, Range 29 East, NMPM. Said pool would comprise:

TOWNSHIP 17 SOUTH, RANGE 29 EAST, NMPM  
Section 33: S/2

(e) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Morrow production and designated as the Indian Flats-Morrow Gas Pool. The discovery well is the Perry R. Bass Big Eddy Unit Well No. 41 located in Unit J of Section 35, Township 21 South, Range 28 East, NMPM. Said pool would comprise:

TOWNSHIP 21 SOUTH, RANGE 28 EAST, NMPM  
Section 35: E/2

(f) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Morrow production and designated as the South Maroon Cliffs-Morrow Gas Pool. The discovery well is the Perry R. Bass Big Eddy Unit Well No. 44 located in Unit H of Section 16, Township 21 South, Range 30 East, NMPM. Said pool would comprise:

TOWNSHIP 21 SOUTH, RANGE 30 EAST, NMPM  
Section 16: E/2

(g) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Atoka production and designated as the Quahada Ridge-Atoka Gas Pool. The discovery well is the Perry R. Bass Big Eddy Unit Well No. 40 located in Unit G of Section 22, Township 21 South, Range 29 East, NMPM. Said pool would comprise:

TOWNSHIP 21 SOUTH, RANGE 29 EAST, NMPM  
Section 22: N/2

(h) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Morrow production and designated as the East Red Tank-Morrow Gas Pool. The discovery well is the Gulf Oil Corporation Covington "A" Federal Well No. 1 located in Unit C of Section 25, Township 22 South, Range 32 East, NMPM. Said pool would comprise:

TOWNSHIP 22 SOUTH, RANGE 32 EAST, NMPM  
Section 25: N/2

(i) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Morrow production and designated as the South Rock Tank-Morrow Gas Pool. The discovery well is the Amoco Production Company South Rock Tank Well No. 1 located in Unit H of Section 2, Township 24 South, Range 24 East, NMPM. Said pool would comprise:

TOWNSHIP 24 SOUTH, RANGE 24 EAST, NMPM  
Section 2: N/2

(j) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Wolfcamp production and designated as the Trinity-Wolfcamp Pool. The discovery well is the Wainoco, Inc. Hodge et al Well No. 1 located in Unit P of Section 28, Township 12 South, Range 38 East, NMPM. Said pool would comprise:

TOWNSHIP 12 SOUTH, RANGE 38 EAST, NMPM  
Section 28: SE/4

(k) EXTEND the Baum-Upper Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 13 SOUTH, RANGE 33 EAST, NMPM  
Section 30: NE/4

(l) EXTEND the South Bell Lake-Atoka Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 34 EAST, NMPM  
Section 31: S/2  
Section 32: W/2

(m) EXTEND the South Bell Lake-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 33 EAST, NMPM  
Section 36: NE/4

(n) EXTEND the Blinebry Oil and Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM  
Section 21: SW/4  
Section 28: NW/4

(o) EXTEND the Cemetery-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 24 EAST, NMPM  
Section 36: S/2

TOWNSHIP 19 SOUTH, RANGE 25 EAST, NMPM  
Section 28: S/2  
Section 31: S/2  
Section 32: S/2  
Section 33: All  
Section 34: N/2  
Section 35: N/2

TOWNSHIP 20 SOUTH, RANGE 24 EAST, NMPM  
Section 1: All

TOWNSHIP 21 SOUTH, RANGE 24 EAST, NMPM  
Section 6: Lots 1, 2, 7, 8, 9, 10, 15 & 16

- (p) EXTEND the North Dagger Draw-Upper Pennsylvanian Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 24 EAST, NMPM  
Section 13: SE/4

- (q) EXTEND the South Empire-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 29 EAST, NMPM  
Section 5: S/2

- (r) EXTEND the Indian Draw-Delaware Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 28 EAST, NMPM  
Section 7: S/2 SW/4  
Section 18: N/2 NE/4

- (s) EXTEND the South Loco Hills-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 30 EAST, NMPM  
Section 29: All

- (t) EXTEND the Red Lake Queen-Grayburg-San Andres Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 27 EAST, NMPM  
Section 22: S/2 NE/4  
Section 23: S/2 SE/4 and SW/4 NW/4

- (u) EXTEND the North Teague-Devonian Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 37 EAST, NMPM  
Section 22: SE/4

- (v) EXTEND the North Vacuum-Abo Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 34 EAST, NMPM  
Section 2: NW/4

- (w) EXTEND the Warren-Tubb Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM  
Section 21: S/2

- (x) EXTEND the White City-Pennsylvanian Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 24 SOUTH, RANGE 26 EAST, NMPM  
Section 15: All  
Section 28: All

TOWNSHIP 25 SOUTH, RANGE 26 EAST, NMPM  
Section 2: All

Docket No. 10-77

Dockets Nos. 11-77 and 12-77 are tentatively set for hearing on April 6 and April 20, 1977. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: COMMISSION HEARING WEDNESDAY MARCH 23, 1977

1 P.M. - OIL CONSERVATION COMMISSION CONFERENCE ROOM  
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

CASE 5893: Application of the Oil Conservation Commission on its own motion for a redefinition of the vertical limits of the Blanco-Mesaverde Pool, Rio Arriba and San Juan Counties, New Mexico, to include the interval from the Huerfano bentonite marker to a point 500 feet below the top of the Point Lookout sandstone, except that South and West of a Northwest-Southeast line generally running from the Northwest corner of Township 31 North, Range 13 West, to the Southwest corner of Township 24 North, Range 1 East, the vertical limits would include only the interval from a point 750 feet below the Huerfano bentonite marker to 500 feet below the top of the Point Lookout sandstone.

CASE 5821: (DE NOVO)

Application of Blackwood & Nichols Co., Ltd., for a hearing de novo, San Juan County, New Mexico. Upon petition of applicant in the above-styled cause and pursuant to the provisions of Rule 1220, Paragraphs (i) and (j) of Case No. 5821 will be heard de novo for the purpose of considering the nullification of Paragraphs (i) and (j) of Order No. R-5339 which created and defined the Navajo City-Chacra Pool in Township 30 North, Range 8 West, and the Animas-Chacra Pool in Township 31 North, Range 10 West, both in San Juan County, New Mexico.

Case 5983

CATRON, CATRON & SAWTELL

ATTORNEYS AND COUNSELORS AT LAW

THE PLAZA

SANTA FE, NEW MEXICO 87501

POST OFFICE BOX 788

TELEPHONE 982-1947

AREA CODE 505

THOMAS B. CATRON, 1840-1921  
FLETCHER A. CATRON, 1890-1961

THOMAS B. CATRON, III  
JOHN S. CATRON  
WILLIAM A. SAWTELL, JR.  
FLETCHER R. CATRON

WILLIAM F. CARR  
W. ANTHONY SAWTELL

February 24, 1977

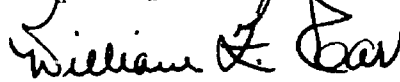
Oil Conservation Commission  
P. O. Box 2088  
Santa Fe, New Mexico 87501

Attention: Mr. Joe D. Ramey, State Petroleum Engineer

Dear Mr. Ramey:

Enclosed herewith, in triplicate, is the application of Am-Bett Oil Company, Inc. for an oil treating plant permit in Lea County, New Mexico. Am-Bett requests that this matter be set for the examiner's hearing to be held on March 23, 1977.

Very truly yours,

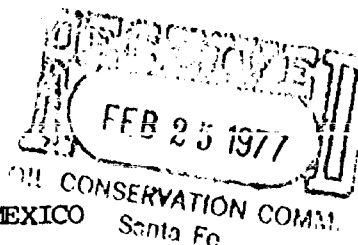


William F. Carr

WFC:tg  
Enclosure



BEFORE THE  
OIL CONSERVATION COMMISSION OF NEW MEXICO



IN THE MATTER OF THE APPLICATION  
OF AM-BETT OIL COMPANY, INC. FOR  
A TREATING PLANT PERMIT

CASE 5883

APPLICATION

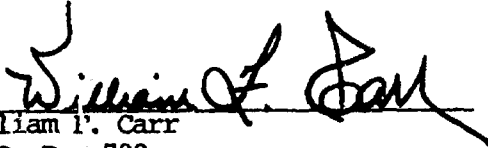
Comes now Am-Bett Oil Company, Inc., by their undersigned attorneys,  
and hereby makes application for a treating plant permit and in support  
of this application would show the Commission:

1. That its principal place of business is located in Hobbs, New Mexico.
2. That this application is made pursuant to the provisions of Rule 312 of the rules and regulations of the New Mexico Oil Conservation Commission.
3. That the proposed location of the treating plant is in the Southeast Quarter (SE/4) of the Northwest Quarter (NW/4) of Section 3, Township 21 South, Range 37 East, N.M.P.M., Lea County, New Mexico.
4. That the type and capacity of the plant are as follows:
  - a) 2500 barrels of storage.
  - b) Sivalls Tank heater treater, size 3' x 10' with a 24-hour day capacity of up to 500 barrels.
  - c) incoming product to be treated with chemicals and then transferred through a Sivalls Tank heater treater and then into storage for transmission to purchaser.
  - d) The capacity of the plant is dependent upon the amount of incoming product.

Am-Bett Oil Company, Inc. requests that this application be set for

hearing before a duly appointed Examiner of the Oil Conservation  
Commission on March 23, 1977, that notice be given as required by law  
and the rules of the Commission, and that this application for a treating  
plant permit be approved.

Respectfully submitted  
CATRON, CATRON & SAWTELL

BY   
William F. Carr  
P. O. Box 788  
Santa Fe, New Mexico 87501  
Attorneys for Applicant

DRAFT

dr/

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

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

CASE NO. 5883

Order No. R- 5411

APPLICATION OF AM-BETT OIL  
COMPANY, INC. FOR AN OIL TREATING  
PLANT PERMIT, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on March 23,  
19 77, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this            day of           , 19 77, the Commission,  
a quorum being present, having considered the testimony, the record,  
and the recommendations of the Examiner, and being fully advised  
in the premises,

FINDS:

(1) That due public notice having been given as required by  
law, the Commission has jurisdiction of this cause and the subject  
matter thereof.

(2) That the applicant, Am-Bett Oil Company, Inc., seeks  
authority to construct and operate a <sup>chemical</sup> ~~water~~ bath and heat-treatment  
type oil treating plant in <sup>10 + 6</sup> ~~the SE 1/4 NW 1/4~~ of Section 3, Township 21  
South, Range 37 East, NMPM, Lea County, New Mexico, for the  
reclamation of <sup>up to approximately</sup> ~~to~~ 500 barrels of ~~sediment~~ sediment  
oil per day to be obtained from tank bottoms and waste pits.

(3) That <sup>and for emergency pits constructed</sup> dikes, ~~dams~~ should be ~~erected~~ around the plant  
capable of holding the entire capacity of all tanks and vessels  
at the plant location <sup>in order that sediment oil,</sup>  
<sup>reclaimed oil, or waste oil cannot escape</sup>  
<sup>from the immediate vicinity of such plant.</sup>

(4) That the proposed plant and method of processing will efficiently process, treat, and reclaim the aforementioned waste oil, thereby salvaging oil which would otherwise be wasted.

(5) That the subject application should be approved as being in the best interests of conservation.

IT IS THEREFORE ORDERED:

(1) That the applicant, Am-Bett Oil Company, Inc., is hereby authorized to install and operate a <sup>chemical</sup> ~~water bath~~ and heat-treatment type oil treating plant in the <sup>10 + 6</sup> ~~SE/4 NW/4~~ of Section 3, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico, for the purpose of treating and reclaiming sediment oil to be obtained from tank bottoms and waste pits;

PROVIDED HOWEVER, that the continuation of the authorization granted by this order shall be conditioned upon compliance with the laws of the State of New Mexico and the rules and regulations of the New Mexico Oil Conservation Commission;

PROVIDED FURTHER, that prior to commencing operation of said plant, the applicant shall file with the Commission a performance bond in the amount of \$10,000.00 conditioned upon substantial compliance with applicable statutes of the State of New Mexico and all rules, regulations, and orders of the Oil Conservation Commission.

(2) That the operator of the above-described oil treating plant shall clear and maintain in a condition clear of all debris and vegetation a fireline at least 15 feet in width and encircling the <sup>site</sup> ~~tract~~ upon which the plant is located.

(3) That dikes, <sup>and/or emergency pits shall be constructed</sup> ~~and dams, constructed~~ around the plant capable of holding the entire capacity of all tanks and vessels at the plant location. <sup>and capable of preventing the escape of any sediment oil, reclaimed oil, or waste oil from ~~escaping~~ from the immediate vicinity of said plant.</sup>

~~\_\_\_\_\_~~

(4) That the disposal of waste water accumulated in conjunction with the operation of the above-described plant on the surface of the ground, or in any pit, pond, lake, depression, draw, streambed, or arroyo, or in any watercourse, or in any other place or in any manner which will constitute a hazard to any fresh water supplies is hereby prohibited.

(5) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

-3-

Case No. 5883

Order No. R-

~~That the disposal of waste water accumulated in conjunction with the operation of the above-described plant on the surface of the ground, or in any pit, pond, lake, depression, draw, streambed, or arroyo, or in any watercourse, or in any other place or in any manner which will constitute a hazard to any fresh water supplies is hereby prohibited.~~

(5) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.