Case No.

6577

Application

Transcripts

Small Exhibits

ETC.

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

JERRY APODACA
GOVERNOR

NICK FRANKLIN
SECRETARY

July 12, 1979

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-2434

Re: CASE NO. 6577
ORDER NO. R-6053

Mr. William F. Carr
Campbell & Black
Attorneys at Law
Post Office Box 2208
Santa Fe, New Mexico 87501

Applicant:

Oil Processing

Dear Sir:

Enclosed herewith are two copies of the above-referenced Division 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

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

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

CASE NO. 6577
Order No. R-6053

APPLICATION OF OIL PROCESSING FOR AN OIL TREATING PLANT PERMIT, LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on June 27, 1979, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 10th day of July, 1979, the Division Director, 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 Division has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Oil Processing, seeks authority to construct and operate a chemical and heat-treatment type oil treating plant in the NE/4 SE/4 of Section 8, Township 20 South, Range 37 East, NMPM, Lea County, New Mexico, for the reclamation of up to approximately 200 barrels of sediment oil per day to be obtained from tank bottoms, disposal water, 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 two water holding and settling pits proposed by applicant should be constructed in accordance with the Division's "Specifications For The Design and Construction of Lined Evaporation Pits" with the exception of Section 2(A) concerning minimum surface area.

(5) 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.

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

IT IS THEREFORE ORDERED:

(1) That the applicant, Oil Processing, is hereby authorized to install and operate a chemical and heat-treatment type oil treating plant in the NE/4 SE/4 of Section 8, Township 20 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 Division;

PROVIDED FURTHER, that prior to commencing operation of said plant, the applicant shall file with the Division 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 Division.

(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 two water holding and settling pits proposed by the applicant for the subject installation shall be constructed in accordance with the Division's "Specifications For The Design and Construction of Lined Evaporation Pits," except that Section 2(A) of said specifications shall not be applicable.

(5) 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.

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

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

JOE D. RAMEY
Director

SEAL

fd/

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
Oil Conservation Division
State Land Office Building
Santa Fe, New Mexico
27 June 1979

EXAMINER HEARING

IN THE MATTER OF:

Application of Oil Processing for an oil treating plant permit, Lea County, New Mexico.

CASE 6577

BEFORE: Daniel S. Nutter

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation Division: Ernest L. Padilla, Esq.
Legal Counsel for the Division
State Land Office Bldg.
Santa Fe, New Mexico 87503

For the Applicant: William F. Carr, Esq.
CAMPBELL AND BLACK
Post Office Box 2208
Santa Fe, New Mexico 87501

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I N D E X

E X H I B I T S

MR. NUTTER: Call Case Number 6577.

MR. PADILLA: Application of Oil Processing for an oil treating plant permit, Lea County, New Mexico.

MR. CARR: May it please the Examiner, I am William F. Carr, Campbell and Black P. A., Santa Fe, appearing on behalf of the applicant. I have one witness who needs to be sworn.

(Witness sworn.)

E. STUART HILLIKER

being called as a witness and having been duly sworn upon his oath, testified as follows, to-wit:

DIRECT EXAMINATION

BY MR. CARR:

Q. Will you state your name and place of residence?

A. E. Stuart S-T-U-A-R-T Hilliker H-I-L-L-I-K-E-R. I reside at Iuka, Kansas, which is in the Wichita area.

Q. Mr. Hilliker, by whom are you employed and in what capacity?

A. Oil Processing of Monument, New Mexico, as an advisor and consultant.

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Q. Have you previously testified before this Commission and had your credentials accepted and made a matter of record?

A. No, sir.

Q. Would you briefly summarize your experience for the Examiner, please?

A. My experience in the field of oil reclamation has been since 1974. I operated a plant in Lovell, Wyoming, and more recently in Iuka, Kansas area.

Q. Are you familiar with the application of Oil Processing in this case?

A. Yes, sir.

Q. What -- would you briefly state what Oil Processing is seeking?

A. We're seeking authority to construct a plant in the Monument area of New Mexico, to treat out-tank bottoms and oil that's recovered from waste disposal plants.

MR. CARR: Are the witness' credentials acceptable?

MR. NUTTER: Yes, they are.

Q. (Mr. Carr continuing.) Will you give the Examiner the location of the proposed plant?

A. This will be in the northeast quarter of the southeast quarter of Section 8, Township 20 South, Range 37 East, Lea County, New Mexico.

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Q. And approximately how close is this to Monument and Hobbs?

A. Monument is, oh, about thirteen miles south of Hobbs and this location is going to be about three miles south of Monument.

Q. How close is the location to the nearest producing well?

A. Approximately five or six hundred feet.

Q. Mr. Hilliker, is the plant to be located on Federal, State, or fee land?

A. This will be on fee land.

Q. And would you state again what your source of supply is going to be?

A. We shall be receiving material from waste disposal sites that are now in existence.

Q. And how do you propose to get this supply material to your plant?

A. This will be brought to us by authorized carriers who can transport waste products.

Q. And have you been talking to local truckers about moving this material --

A. Yes.

Q. -- to your plant?

A. Yes.

Q. Will you please refer to what has been

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marked for identification as Exhibit Number One, and explain to the Examiner what it is and what it shows?

A. This is a drawing of our proposed plant. It will consist of a small two or three hundred barrel tank to receive the material so we can get an accurate gauge and test of the material.

It will then be moved into 1000 cone bottom steel welded tank for treatment. We'll have two of those.

And finally, there will be a 500 barrel steel welded tank for the clean oil, which will be used for sale.

This plant will be surrounded by a dike that will be at least 100, probably 125 percent capacity of the -- of the plant.

It also shows the location of our heater, which will be a minimum 75 feet from the storage facilities for fire protection and insurance purposes.

It also shows two waste disposal pits where we will put our waste initally into 100 x 20 x 8 foot deep pit, which will then be siphoned from the bottom of that pit to another pit the same size, approximately, and maybe a little bit larger. This should be clean water when it reaches the second pit, and both of these will be lined by six mil plastic lining.

Q. Mr. Hilliker, do you plan to fence the

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A. Yes, sir.

Q. And what do you plan to do with the waste water that you accumulate in the clear water pit?

A. The material does not naturally evaporate will be transported to a pollution control company in one direction, at which point we'll be picking up their waste oil on the return, so it will be a loaded trip each way.

Q. What is the capacity of the plant?

A. We contemplate approximately 200 barrels per day.

Q. Mr. Hilliker, will you refer to what has been marked as Exhibit Number Two and explain to the Examiner what this is?

A. This is the type of neater that we will be using and it is on page three on the left lower corner, will be the type and size that we will utilize.

Q. And Oil Processing is prepared to post the required $10,000 performance bond before commencing operations?

A. Yes, sir.

Q. And is Oil Processing also prepared to keep all records and make all reports both to the Commission and to operators, as required by Commission rules?

A. Absolutely.

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Q. Mr. Hilliker, how soon do you plan to commence your operation?

A. Immediately upon approval of this Commission.

Q. Were Exhibits -- well, have you reviewed Exhibit Number One and can you testify as to its accuracy?

A. Yes, sir, it is correct.

Q. And Exhibit Number Two is a sales brochure.

A. Right.

MR. CARR: At this time, Mr. Examiner, we would offer into evidence Applicant's Exhibits One and Two.

MR. NUTTER: Applicant's Exhibits One and Two will be admitted in evidence.

MR. CARR: And I have nothing further on direct.

CROSS EXAMINATION

BY MR. NUTTER:

Q. Mr. Hilliker, when this material is first received where will it be placed, in the 300 barrel receiving tank?

A. Yes, sir.

Q. And then there's a pump that will transfer it from there over to the heater.

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A. Over to the treating tanks, yes, sir, the 1000 barrel treating tank.

Q. Oh, to the treating tank.

A. Yes, sir.

Q. Well, now, when does it go through the heater?

A. From -- it will be pumped from the bottom cone of this 1000 barrel tank through our heater, back into the top of the heater, which will bring the material up to temperature so that it will breakdown and also wash the oil at the same time.

By pumping off the bottom we'll be primarily pumping water which will be heated and dropped down through it and drop the material out.

Q. And then where will it come back to?

A. The --

Q. You said, okay, the heater separates the oil and the water.

A. It will all be just gradually heated by the heater and then when it comes up to temperature of approximately 140 degrees, it will probably set for one, maybe two days to properly settle down, at which point we'll have several test spigots and we can determine where the oil level is that's salable, and that will be pumped then over into our 500 barrel tank for sale.

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Q. So this oil that's in the two 1000 barrel tanks is oil that's been through the heater-treater.

A. Right.

Q. And is settled.

A. Right.

Q. Now, when it's first received, though, off the trucks, it goes into the 300 barrel tank?

A. That's correct.

Q. And then into the heater --

A. That's --

Q. -- then back to the two 1000 barrel tanks for settling.

A. Yes.

Q. And then the clean oil is siphoned off into the 500 barrel tank and the water comes down here to disperse this.

A. That's right, sir.

Q. Okay. Now, from the first pit the siphon takes clear water only over into the second pit. Now you mentioned the word "clean" water. That doesn't necessarily mean this is potable water, does it?

A. No, sir, it doesn't.

Q. So we've probably got brines sitting in this pit.

A. That's correct.

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Q. And the amount of water that doesn't evaporate will be trucked off for disposal into a disposal well somewhere.

A. It's our plan to truck it to a pollution control company, which is about thirty miles from our location.

Q. And do they have a disposal well?

A. Yes. Well, they have disposal ponds and it's quite a large facility, which is now accepting a tremendous amount of material from the area.

Q. Oh, is that the one that's over there in the --

A. Over west of Hobbs.

Q. What sort of pond do they use?

A. Gee, it's -- it's a big installation and all the truckers there, they take their waste material out there.

Q. That's one of the disposal lakes --

A. Right.

Q. -- that the Commission has authorized.

A. That's right, sir.

Q. I see.

A. And they separate this material that's coming in now as much as they can, and this is -- they've got a problem with their good oil. In other words, they're

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anxious for us to get going to handle this profit that they have.

Q. Well, will most of this material that you're processing be oil that's floating on the surface out there at the disposal company's pond?

A. No, they put this oil, if the truck comes in and it's got some oil in it, they put it into some tanks out there and settle the water out of the tanks. It goes out to the ponds, and then they -- this is the oil that they want to sell to us, and so it's our thought that by trucking our waste material out there to them, that we can have a return trip with oil that we can work with.

Q. But the location of this over near Monument would indicate that probably you're going to be processing residues from in that vicinity mostly.

A. Oh, yes, yes, sir. Yes, sir. There are several water disposal facilities around there that are very anxious for us to get into operation.

Q. Are you acquainted with the Commission's specification for the construction of water pits, lined water pits?

A. Not with this Commission, sir. What I've outlined here is what we used in Wyoming, which met their requirements, and I've never been advised of what was your requirements as to pits, but we will comply with whatever

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is required.

Q. There are certain aspects in the construction of those pits that you'll have to comply with.

Now, one thing that you won't have to comply with will be the amount of area that's required for evaporation.

A. Okay.

Q. Because you plan not to evaporate the water here but merely to hold it and clean it up and then truck it off.

A. That's right, sir.

Q. But the construction of the liner and the leak detection system I think you will have to --

A. All right, sir.

Q. -- comply with. So we'd better -- you'ld better pick up a copy of those specifications, Mr. Carr.

MR. CARR: Will do.

MR. NUTTER: Are there any further questions of Mr. Hilliker?

MR. PADILLA: Yes, I have one.

CROSS EXAMINATION

BY MR. PADILLA:

Q. Mr. Hilliker, tell us if you have obtained any -- or whether you've been required to obtain any other

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permits from any other State agencies in regards to your project?

A. No.

MR. PADILLA: That's all, Mr. Nutter.

MR. NUTTER: If there's no further questions, the witness may be excused.

Do you have anything further, Mr. Carr?

MR. CARR: Only, Mr. Examiner, we would request that the order be expedited to whatever extent possible.

MR. NUTTER: We will expedite it to the extent possible.

If there is nothing further, we'll take Case Number 6577 under advisement.

(Hearing concluded.)

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REPORTER'S CERTIFICATE

I, SALLY W. BOYD, a court reporter, DO HEREBY CERTIFY that the foregoing and attached Transcript of Hearing before the Oil Conservation Division was reported by me; that the said transcript is a full, true, and correct record of the hearing, prepared by me to the best of my ability, knowledge, and skill, from my notes taken at the time of the hearing.

Sally W. Boyd C.S.R.
Sally W. Boyd, C.S.R.

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 6577, heard by me on 6/27 1979.

Examiner
Oil Conservation Division

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2020 Plaza Blanca (505) 471-2462
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STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
Oil Conservation Division
State Land Office Building
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27 June 1979

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Q. You said, okay, the heater separates the oil and the water.

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A. No, sir, it doesn't.

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Q. And the amount of water that doesn't evaporate will be trucked off for disposal into a disposal well somewhere.

A. It's our plan to truck it to a pollution control company, which is about thirty miles from our location.

Q. And do they have a disposal well?

A. Yes. Well, they have disposal ponds and it's quite a large facility, which is now accepting a tremendous amount of material from the area.

Q. Oh, is that the one that's over there in the --

A. Over west of Hobbs.

Q. What sort of pond do they use?

A. Gee, it's -- it's a big installation and all the truckers there, they take their waste material out there.

Q. That's one of the disposal lakes --

A. Right.

Q. -- that the Commission has authorized.

A. That's right, sir.

Q. I see.

A. And they separate this material that's coming in now as much as they can, and this is -- they've got a problem with their good oil. In other words, they're

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anxious for us to get going to handle this profit that they have.

Q. Well, will most of this material that you're processing be oil that's floating on the surface out there at the disposal company's pond?

A. No, they put this oil, if the truck comes in and it's got some oil in it, they put it into some tanks out there and settle the water out of the tanks. It goes out to the ponds, and then they -- this is the oil that they want to sell to us, and so it's our thought that by trucking our waste material out there to them, that we can have a return trip with oil that we can work with.

Q. But the location of this over near Monument would indicate that probably you're going to be processing residues from in that vicinity mostly.

A. Oh, yes, yes, sir. Yes, sir. There are several water disposal facilities around there that are very anxious for us to get into operation.

Q. Are you acquainted with the Commission's specification for the construction of water pits, lined water pits?

A. Not with this Commission, sir. What I've outlined here is what we used in Wyoming, which met their requirements, and I've never been advised of what was your requirements as to pits, but we will comply with whatever

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is required.

Q. There are certain aspects in the construction of those pits that you'll have to comply with.

Now, one thing that you won't have to comply with will be the amount of area that's required for evaporation.

A. Okay.

Q. Because you plan not to evaporate the water here but merely to hold it and clean it up and then truck it off.

A. That's right, sir.

Q. But the construction of the liner and the leak detection system I think you will have to --

A. All right, sir.

Q. -- comply with. So we'd better -- you'd better pick up a copy of those specifications, Mr. Carr.

MR. CARR: Will do.

MR. NUTTER: Are there any further questions of Mr. Hilliker?

MR. PADILLA: Yes, I have one.

CROSS EXAMINATION

BY MR. PADILLA:

Q. Mr. Hilliker, tell us if you have obtained any -- or whether you've been required to obtain any other

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permits from any other State agencies in regards to your project?

A. No.

MR. PADILLA: That's all, Mr. Nutter.

MR. NUTTER: If there's no further questions, the witness may be excused.

Do you have anything further, Mr. Carr?

MR. CARR: Only, Mr. Examiner, we would request that the order be expedited to whatever extent possible.

MR. NUTTER: We will expedite it to the extent possible.

If there is nothing further, we'll take Case Number 6577 under advisement.

(Hearing concluded.)

SALLY WALTON BOYD
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Santa Fe, New Mexico 87501

REPORTER'S CERTIFICATE

I, SALLY W. BOYD, a court reporter, DO HEREBY CERTIFY that the foregoing and attached Transcript of Hearing before the Oil Conservation Division was reported by me; that the said transcript is a full, true, and correct record of the hearing, prepared by me to the best of my ability, knowledge, and skill, from my notes taken at the time of the hearing.

Sally W. Boyd, C.S.R.

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 6577, heard by me on 6/27 1979.

Examiner
Oil Conservation Division

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
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OIL CONSERVATION DIVISION
SANTA FE

BEFORE THE

OIL CONSERVATION DIVISION

DEPARTMENT OF ENERGY AND MINERALS

STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF OIL PROCESSING, A General Partnership, FOR A TREATING PLANT PERMIT, LEA COUNTY, NEW MEXICO

CASE 6577

APPLICATION

Comes now, OIL PROCESSING, a General Partnership, 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 Lea County, 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 Division.

3. That the proposed location of the treating plant is in the Northeast Quarter (NE/4) of the Southeast Quarter (SE/4) of Section 8, Township 20 South, Range 37 East, N.M.P.M., Lea County, New Mexico.

4. That the type and capacity of the plant is as follows:

   a. One 1000 barrel storage tank.

   b. Two new C.E. Natco welded tank heater treaters (cone bottom tanks) with a capacity of 1000 barrels each and a 24-hour day capacity of up to 200 barrels.

c. Two 500 barrel clean oil tanks.

d. Incoming product to be treated with chemicals if necessary and then transferred through a the heater treater and then into storage for transmission to purchaser.

e. The capacity of the plant is dependent upon the amount of incoming product.

OIL PROCESSING requests that this application be set for hearing before a duly appointed Examiner of the Oil Conservation Division on June 27, 1979, that notice be given as required by law and the rules of the Division, and that this application for a treating plant permit be approved.

Respectfully submitted,

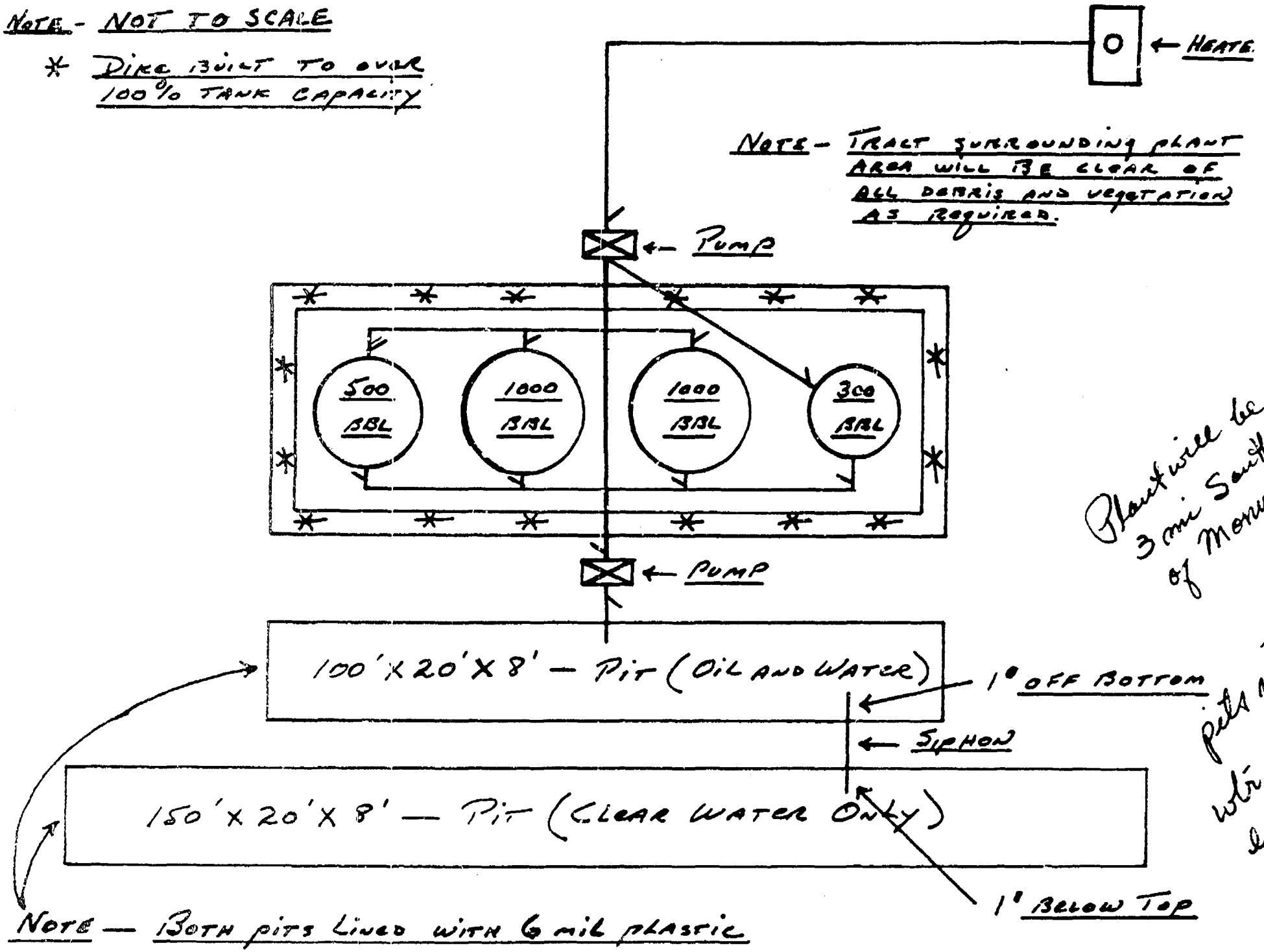
CAMPBELL AND BLACK, P.A.

By William F. Carr

William F. Carr
P. O. Box 2208
Santa Fe, New Mexico 87501
Attorneys for Applicant

NOTE - NOT TO SCALE

* DIKE BUILT TO OVER 100% TANK CAPACITY



NOTE — BOTH PITS LINED WITH 6 mil PLASTIC

Applicants Exhibit No. 6577

Plant will be 3 mi S of Monument

pits will be fenced with which does not evaporate will be trucked out for disposal

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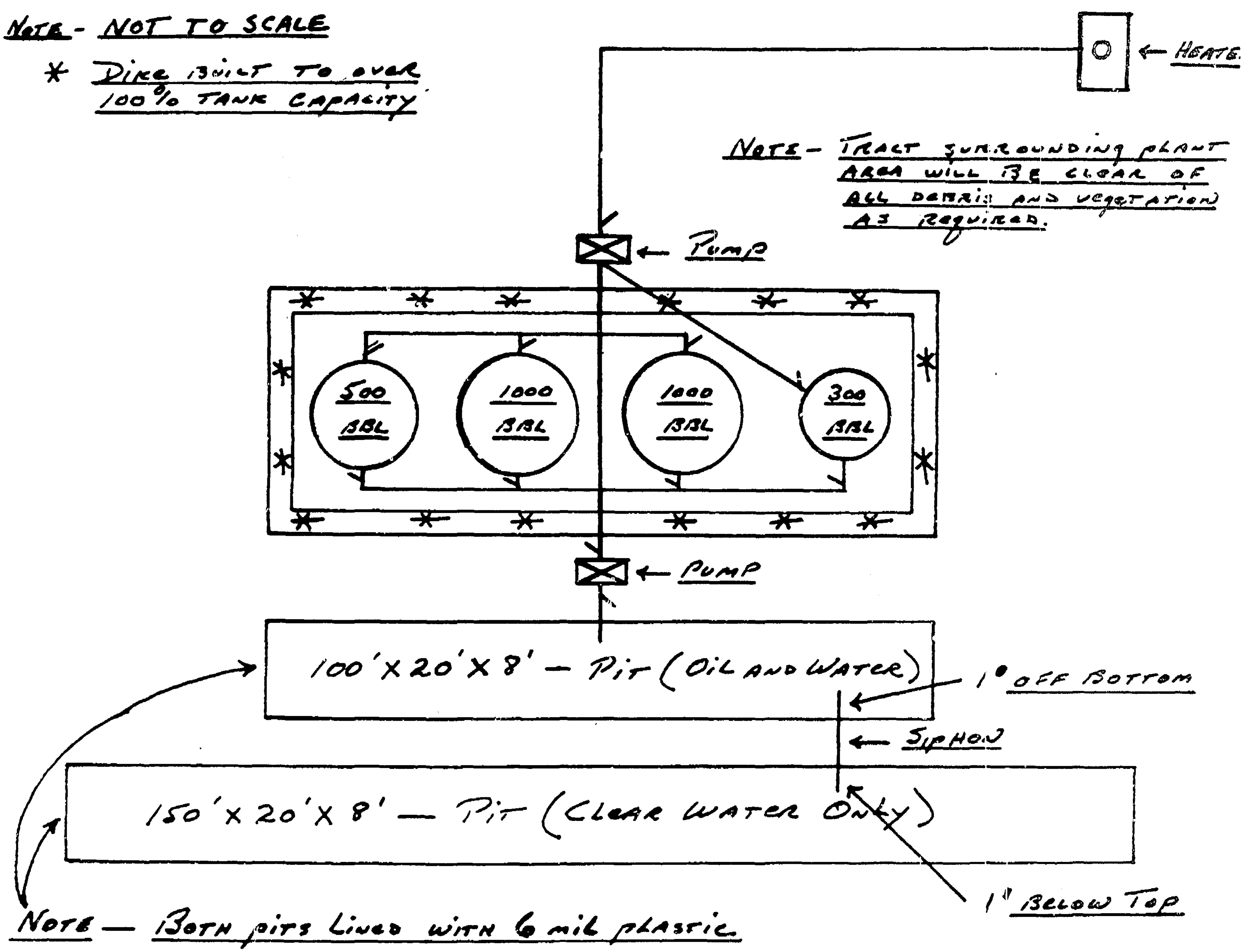
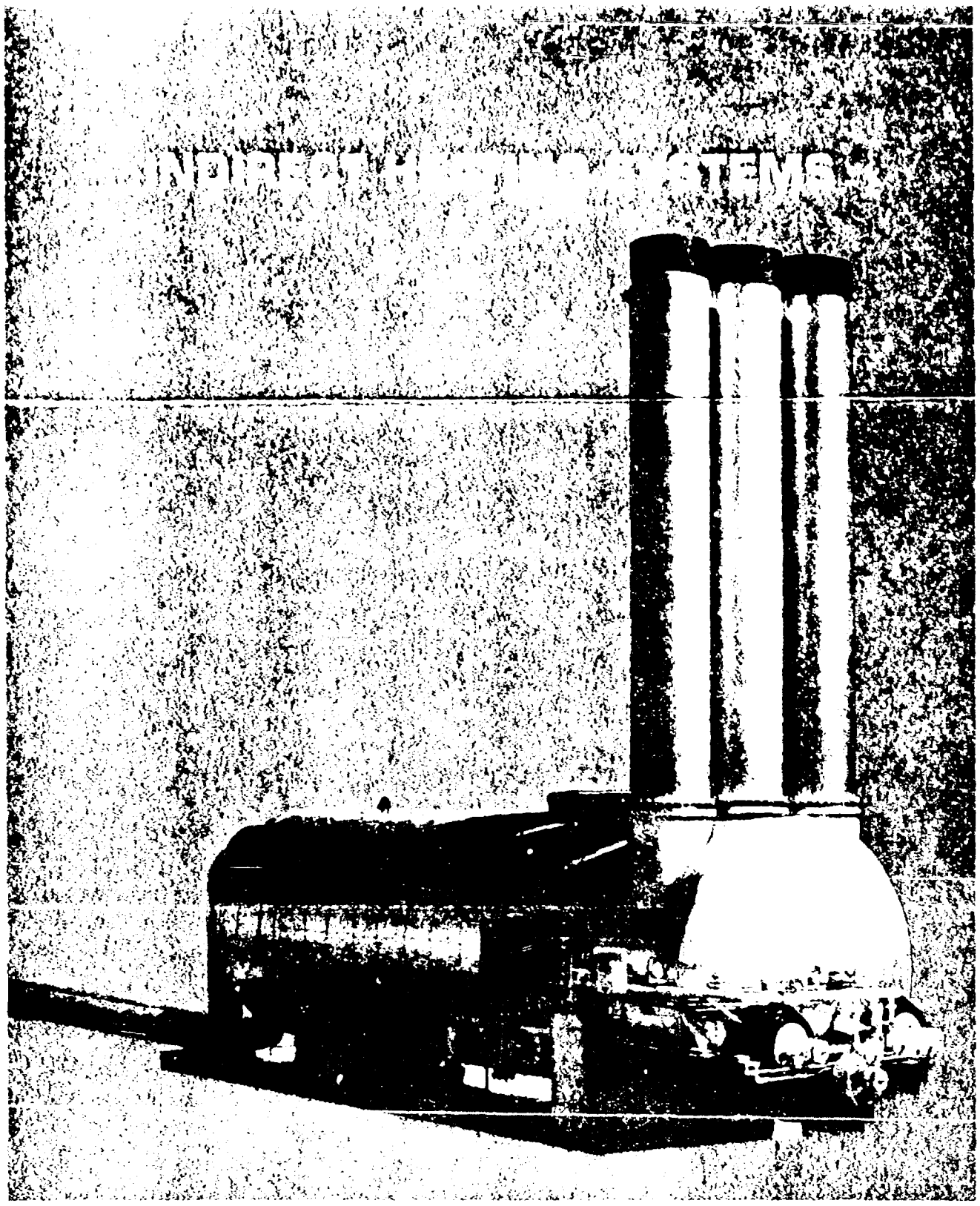


Applicants

6577



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GE NATCO PROCESS EQUIPMENT

G-701-A1

Applicants 2

4571

C-E Natco Offers Better Methods Of Heating Fluids Without Direct Flame Contact

C-E Natco Indirect Heating Systems are designed to efficiently heat a wide variety of fluids without direct flame contact. Heat from a firetube is transferred through an intermediate fluid medium to the process material flowing through a coil bundle. Practically any substance capable of transferring heat is useable as the heat transfer medium – including water, steam, eutectic salt and flue gases.

Coil wall temperatures are lowered so scaling, coking and possible coil plugging are reduced. Since heat is distributed evenly by the medium, hot spots are eliminated.

Typical applications for C-E Natco Indirect Heating Systems include heating of air; high pressure gas and oil; gas in gathering lines and at city gas takeoffs from main pipelines; high viscosity oils; low pour-point crudes; and hydrocarbon and LNG vaporization.

Four Basic Designs To Meet Your Needs

C-E Natco offers a wide range of computer-designed Indirect Heating Systems with furnace output ratings from 50,000 to 50,000,000 BTU/hour. These systems are divided into four general classifications.

Water Bath.

In these models, both the "U" type firetubes and coils carrying fluids or gasses to be heated are immersed in water. Coils receive heat from the firetube through the water bath. The units are easily adaptable to a wide variety of applications. Coils have been designed to operate up to 13,000 psig. Coil outlet temperatures typically range up to 180 degrees F.

Steam Bath.

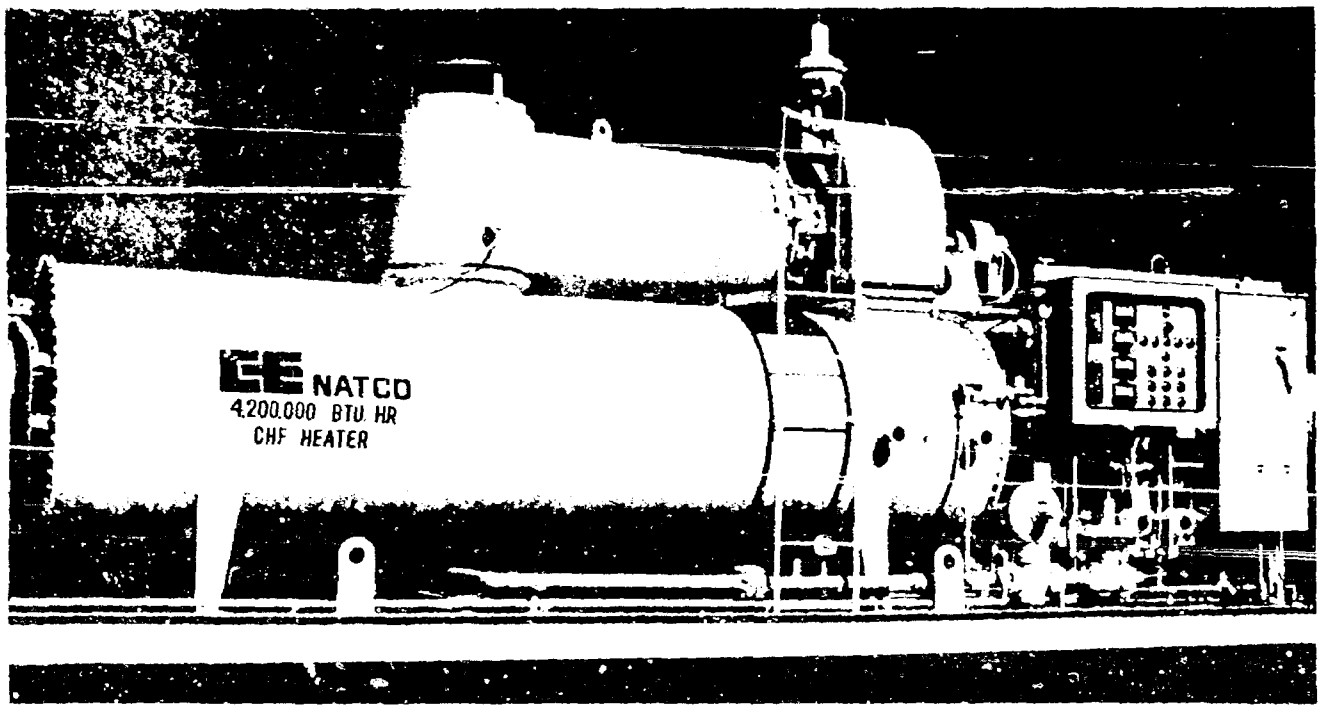
With these configurations, firetubes are immersed in water, but the coils are located above the water level in a steam section. These systems can operate safely up to 15 psig steam pressure. Applications are basically the same as water bath models, except coil outlet temperatures can be 215 degrees F. or slightly higher.

Salt Bath.

These C-E Natco systems employ molten eutectic salt as the heat transfer medium. They are designed to operate with outlet temperatures from 300 to 700 degrees F. Coils can be multitubular. These systems are ideally suited to applications where high process temperatures are required.

Controlled Heat Flux.

C-E Natco's CHF heaters have a unique place in process fluid heating. The heat generation and heat transfer sections are separate. There is no radiant section. Heat is transferred by convection. The units are designed to heat both liquids and gases to any temperature up to 1,000 degrees F. Shop-assembled sizes up to 50,000,000 BTU/hour are available.



NATCO
PROCESS EQUIPMENT

G-701-A2

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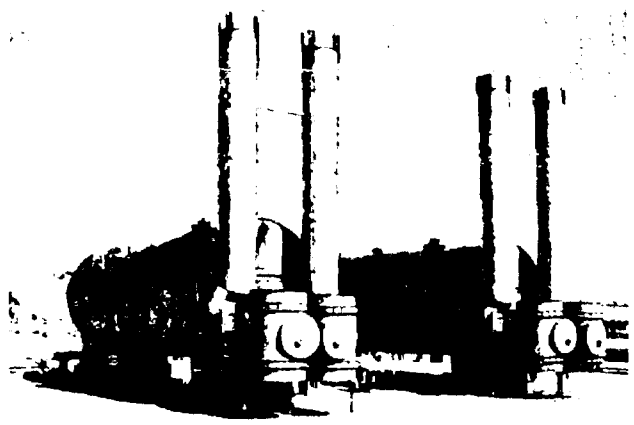

Options Provide Maximum Utility

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- Forced draft or natural draft burners.
- Dual temperature controls.
- CMA pilot guard safety shut-down.
- Pilot or flame detectors.
- Automatic pilot relight system.
- FM or FIA approved control systems.
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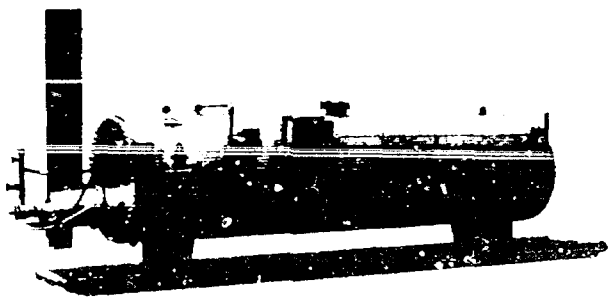
- Aluminum jacketed insulation.
- Special paints or coatings.
- Skid mounted and piped.



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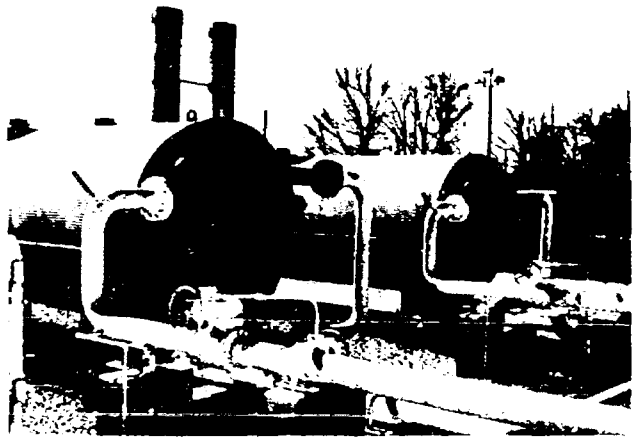
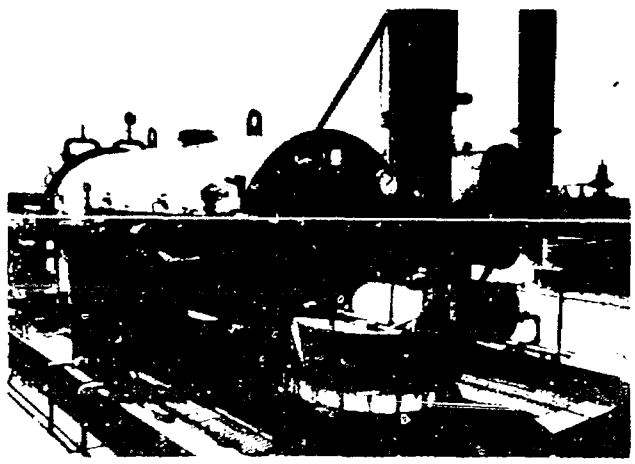
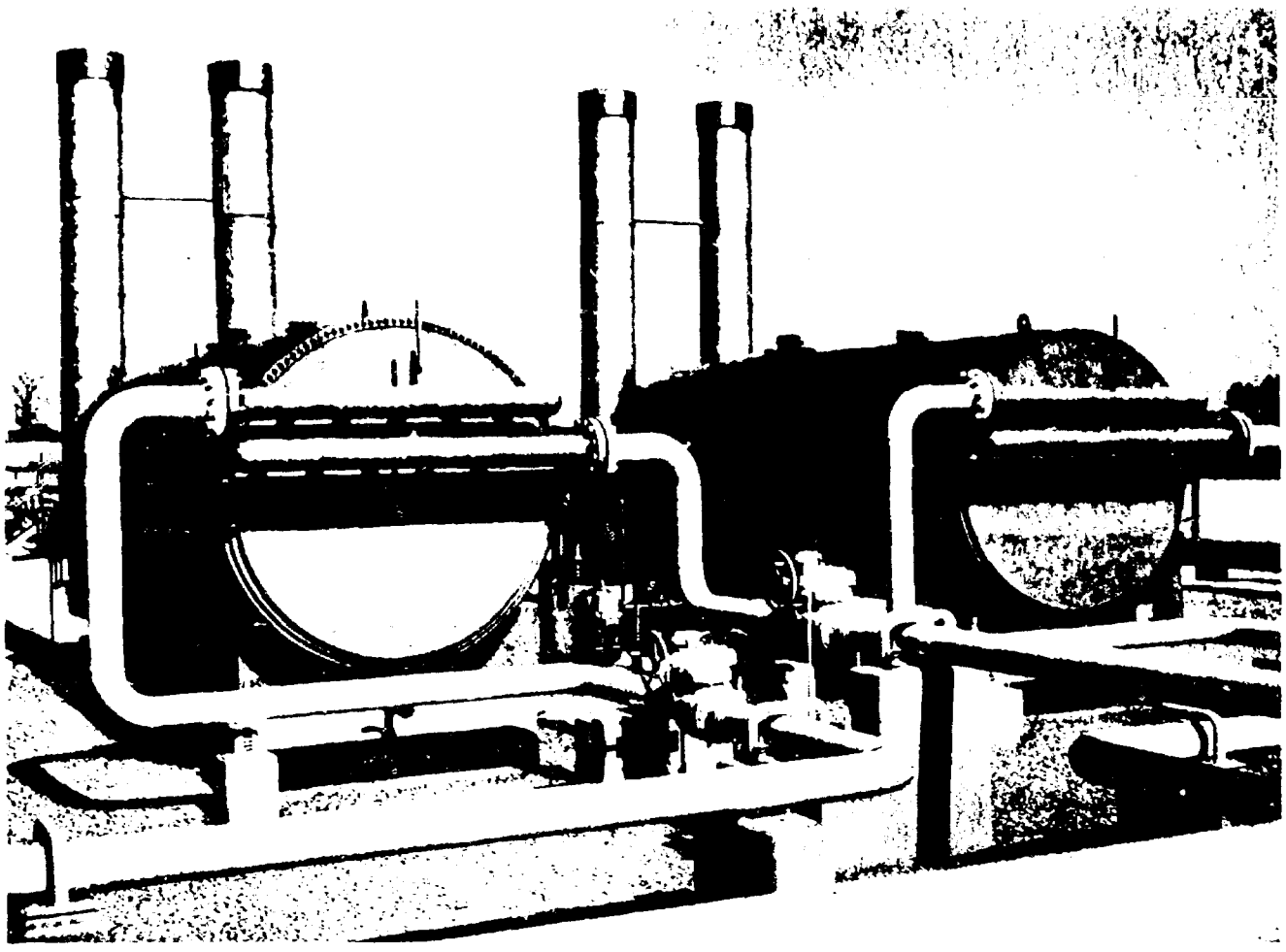




NATCO
PROCESS EQUIPMENT

G-701-A3



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G-701-A4

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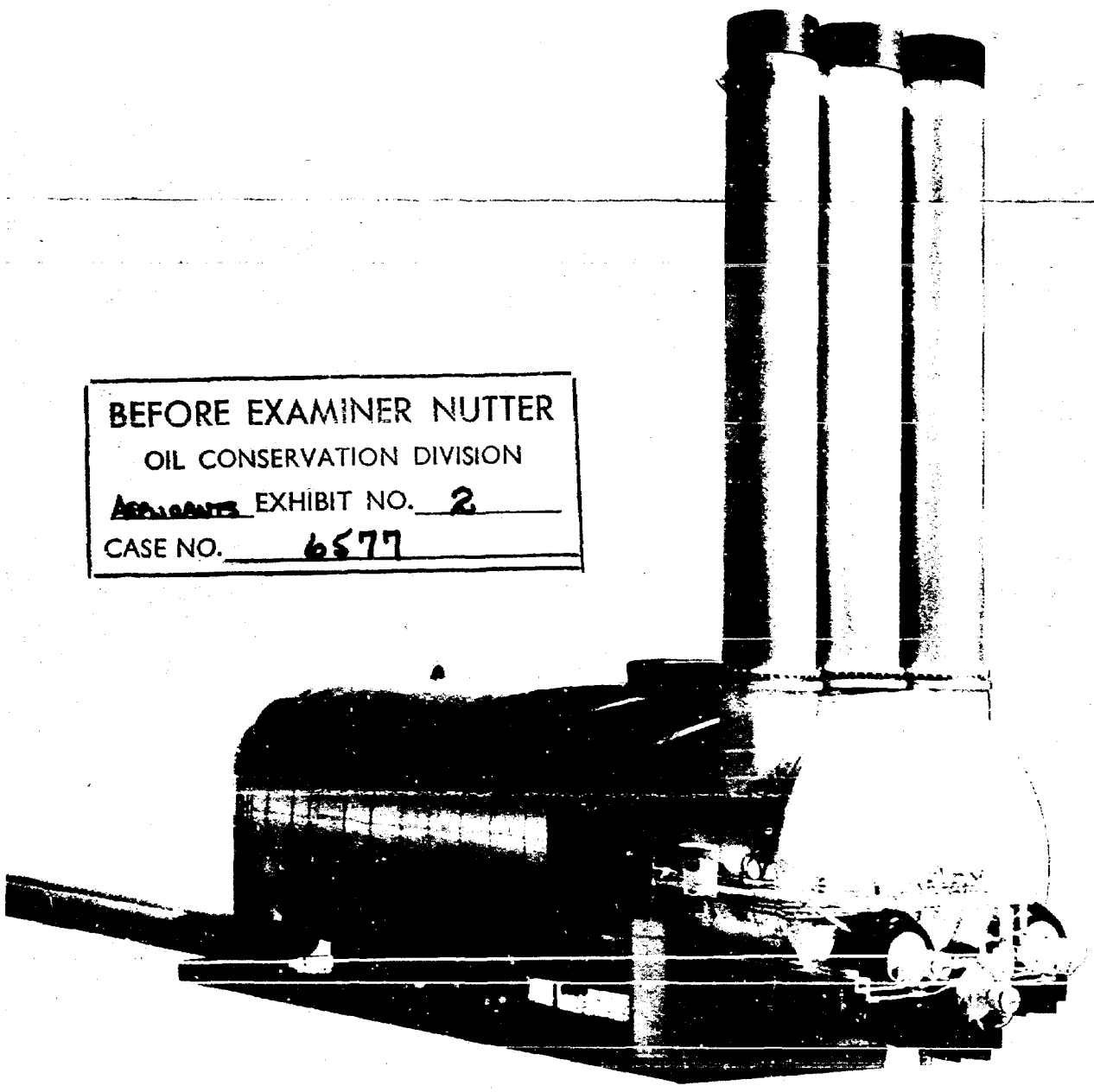
N2R5M1074

BEFORE EXAMINER NUTTER
OIL CONSERVATION DIVISION
APPLICANTS EXHIBIT NO. 2
CASE NO. 6577



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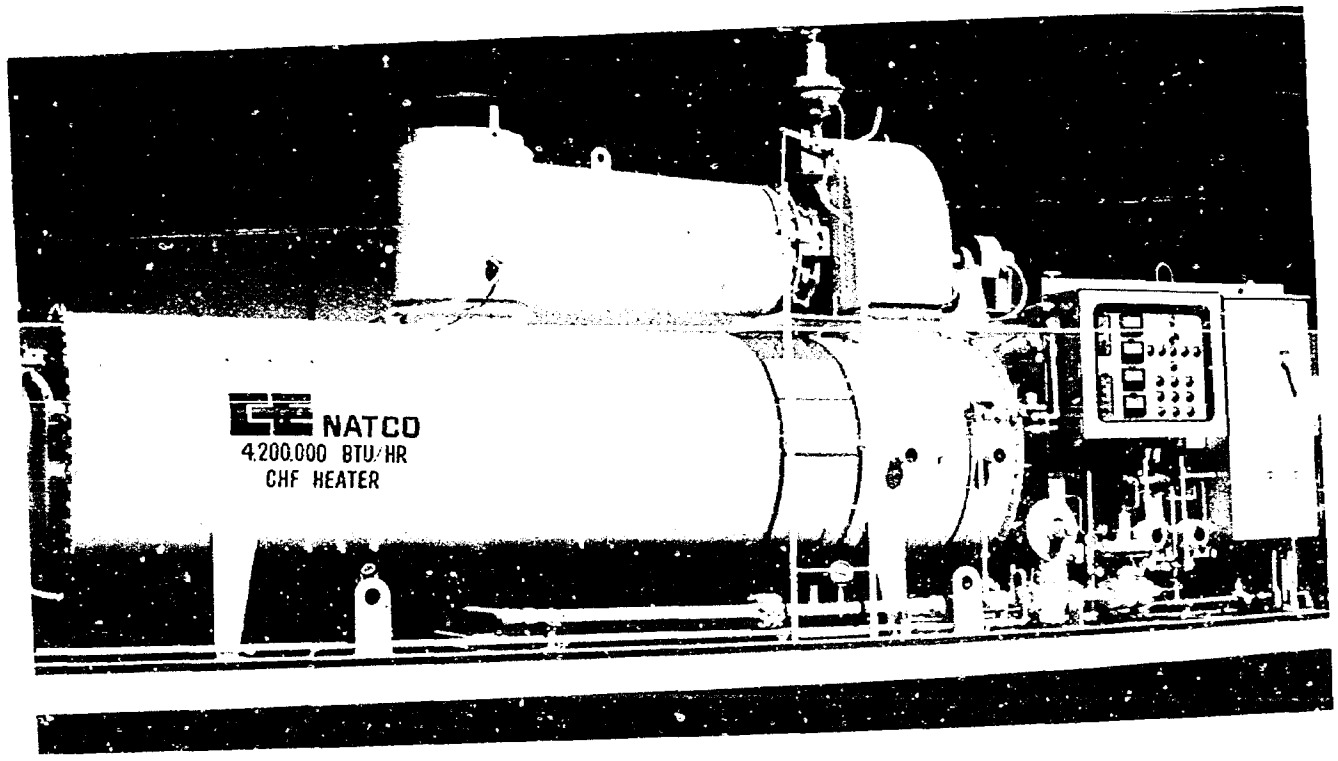

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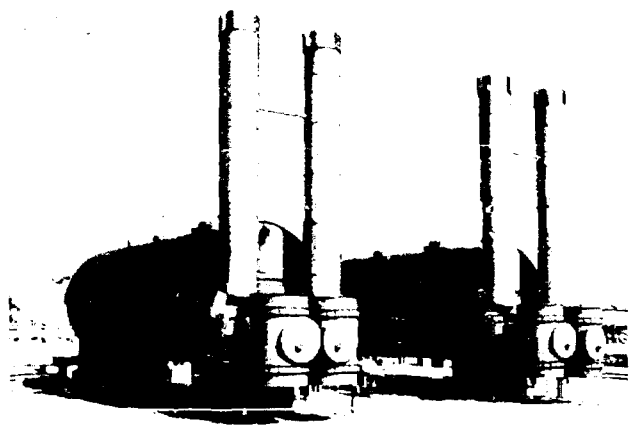

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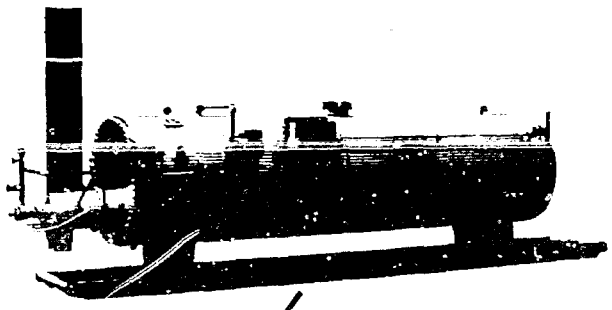

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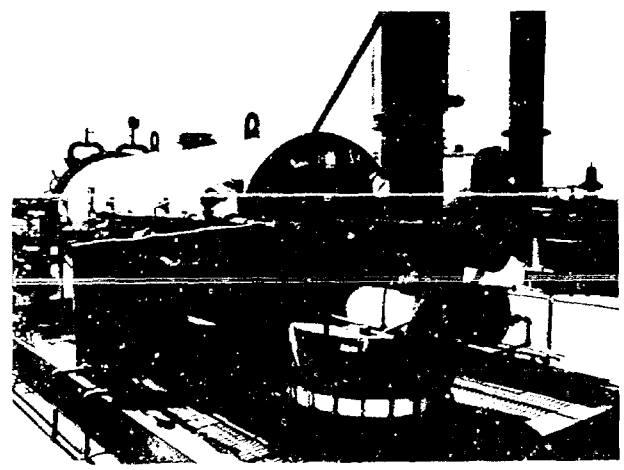
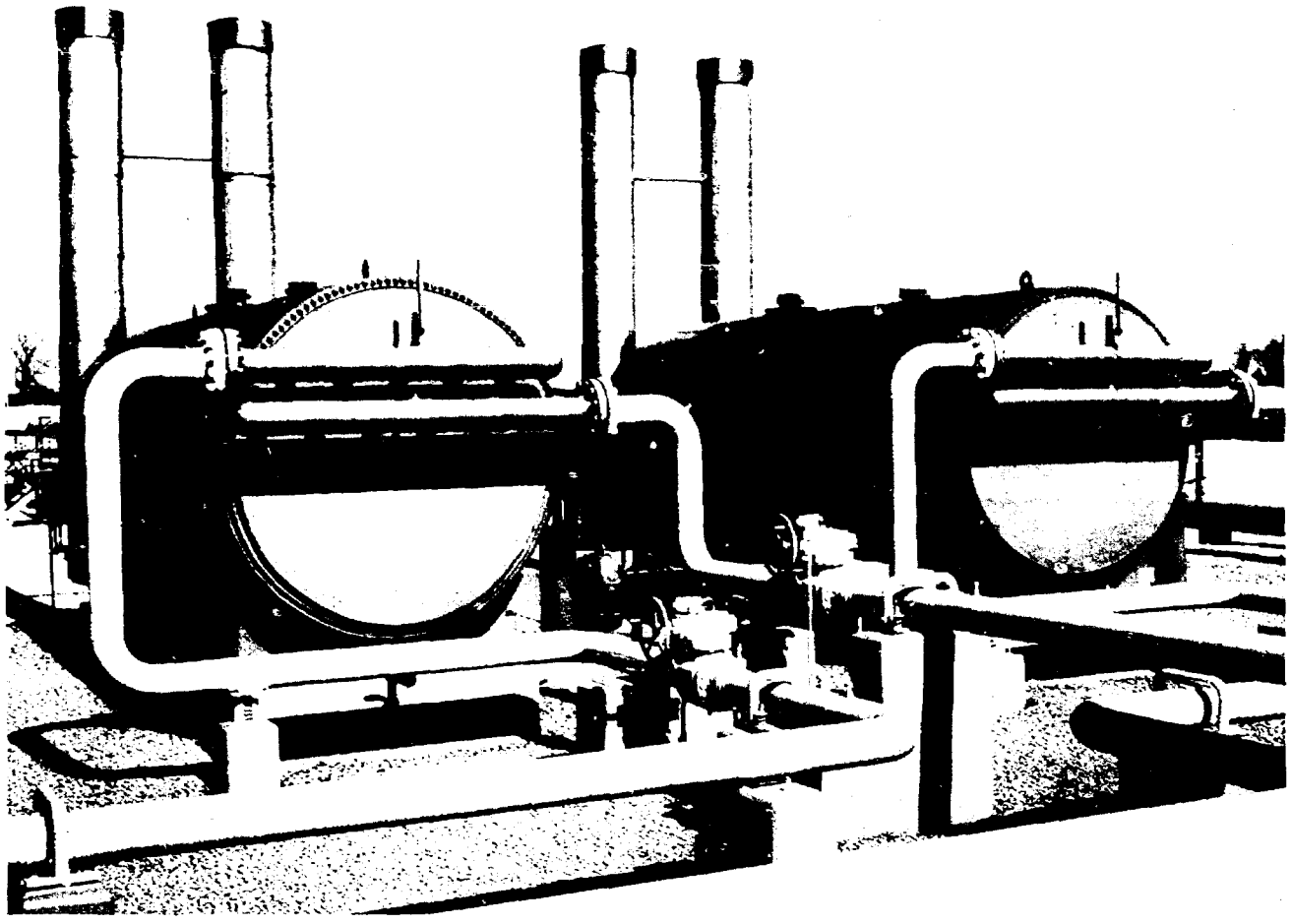


NATCO PROCESS EQUIPMENT

G-701-A3

This is what to be used in this plant



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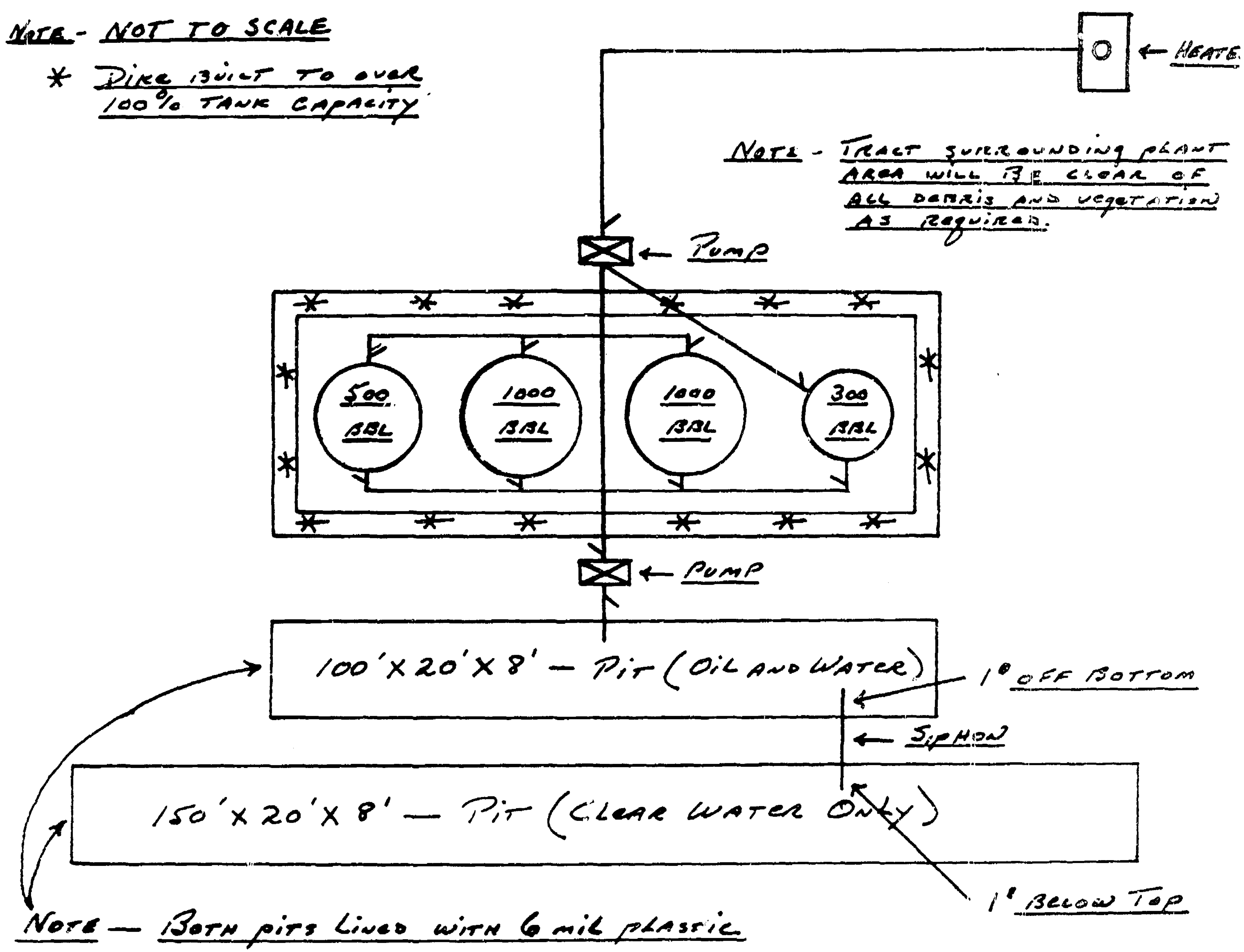

Applicants 6597

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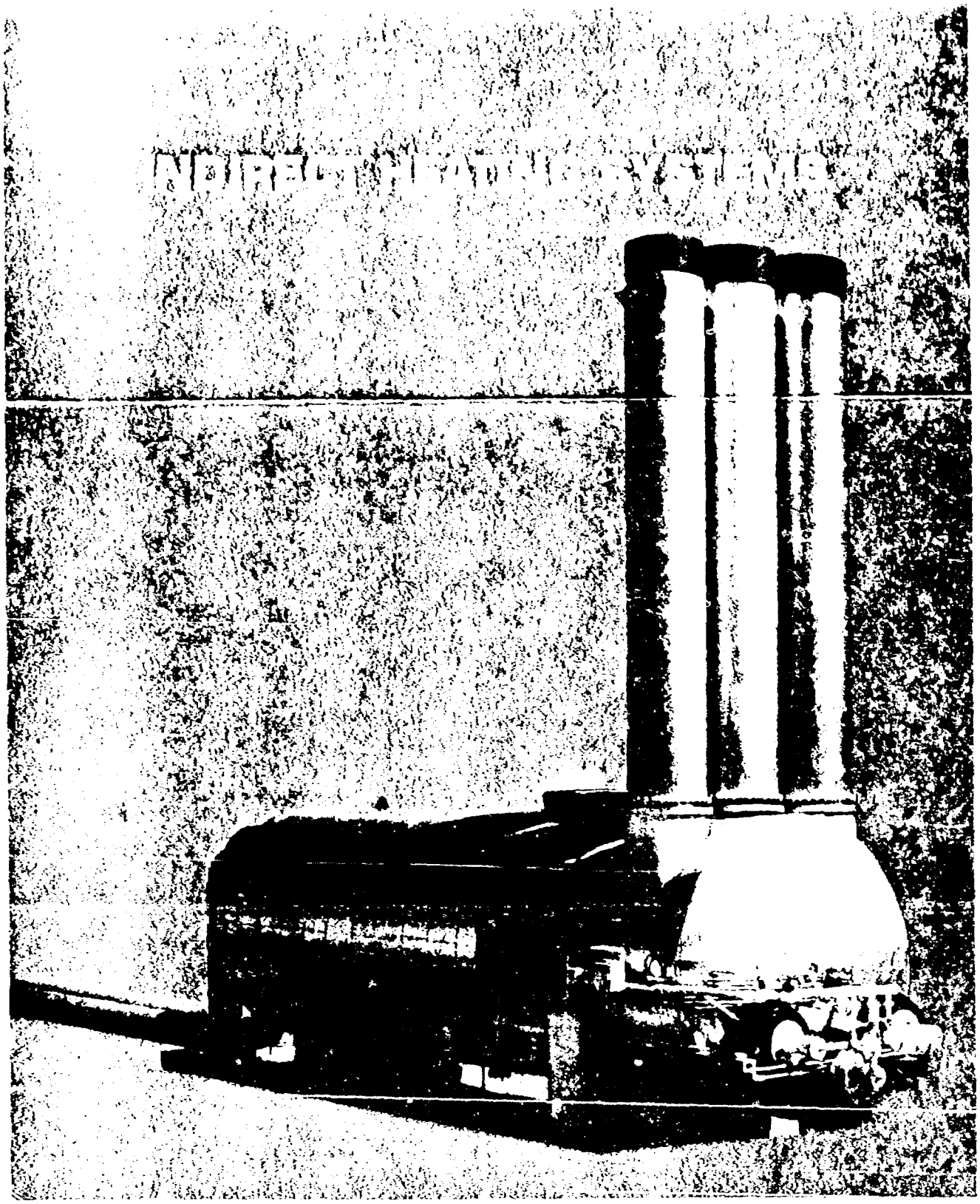

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C-E Natco offers a wide range of computer-designed Indirect Heating Systems with furnace output ratings from 50,000 to 50,000,000 BTU/hour. These systems are divided into four general classifications.

Water Bath.

In these models, both the "U" type firetubes and coils carrying fluids or gasses to be heated are immersed in water. Coils receive heat from the firetube through the water bath. The units are easily adaptable to a wide variety of applications. Coils have been designed to operate up to 13,000 psig. Coil outlet temperatures typically range up to 180 degrees F.

Steam Bath.

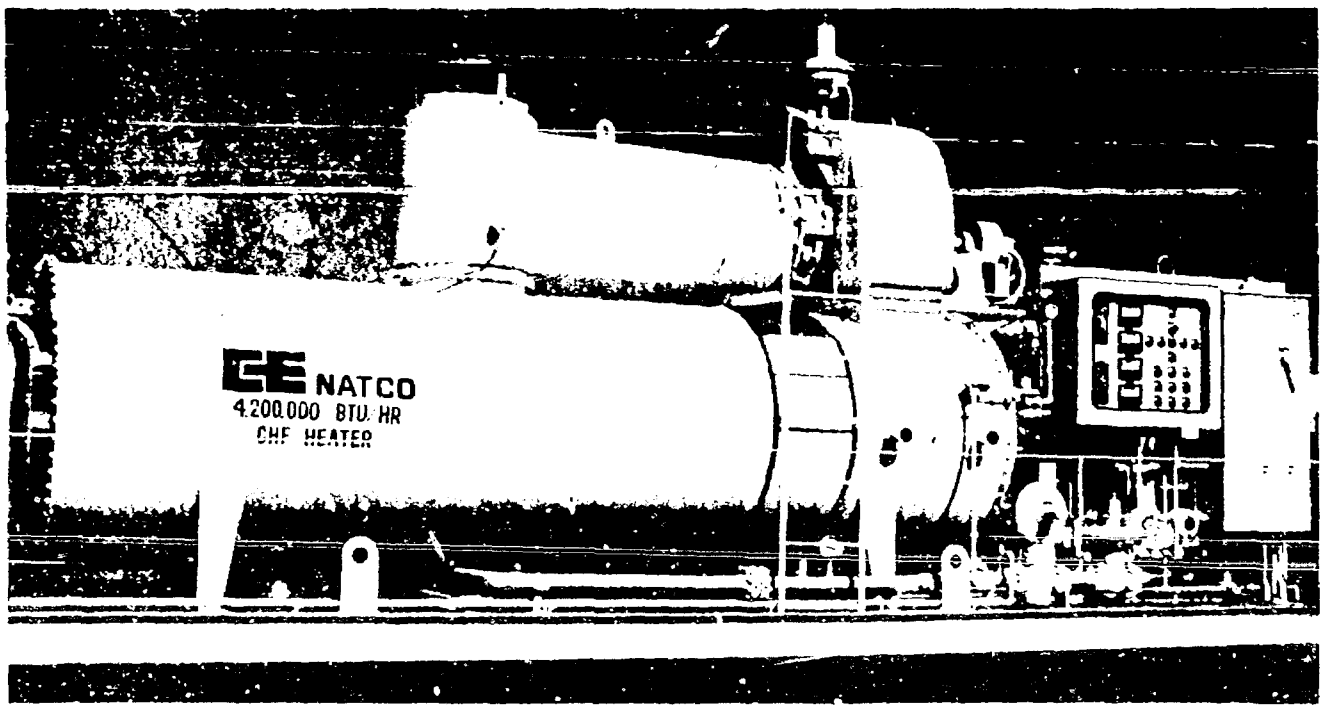
With these configurations, firetubes are immersed in water, but the coils are located above the water level in a steam section. These systems can operate safely up to 15 psig steam pressure. Applications are basically the same as water bath models, except coil outlet temperatures can be 215 degrees F. or slightly higher.

Salt Bath.

These C-E Natco systems employ molten eutectic salt as the heat transfer medium. They are designed to operate with outlet temperatures from 300 to 700 degrees F. Coils can be multitubular. These systems are ideally suited to applications where high process temperatures are required.

Controlled Heat Flux.

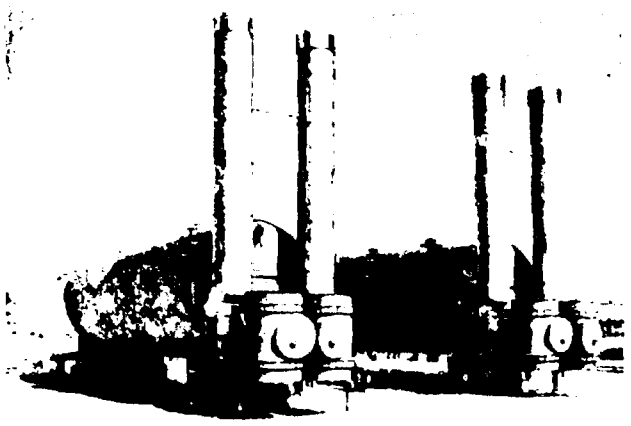
C-E Natco's CHF heaters have a unique place in process fluid heating. The heat generation and heat transfer sections are separate. There is no radiant section. Heat is transferred by convection. The units are designed to heat both liquids and gases to any temperature up to 1,000 degrees F. Shop-assembled sizes up to 50,000,000 BTU/hour are available.



NATCO
PROCESS EQUIPMENT

G-701-A2

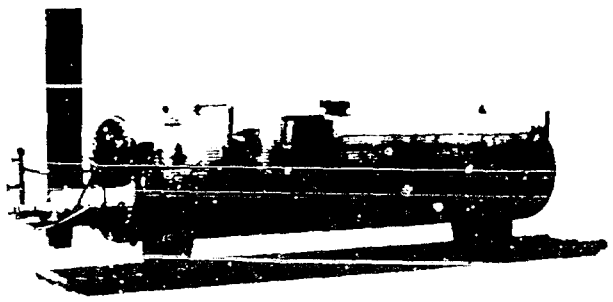
Engineering, Inc



Options Provide Maximum Utility

C-E Natco engineers use modern data processing equipment to design Indirect Heating Systems for specific applications. Available options include:

- Heat capacity from 50,000 to 50,000,000 BTU/hour.
- Coil working pressures to 13,000 psig.
- Coil design with carbon steel, stainless steel or other special materials.
- Corrosion allowances as required.
- Custom coil design for minimum pressure drop.
- Oil, gas or combination-fired models.
- Forced draft or natural draft burners.
- Dual temperature controls.
- CMA pilot guard safety shut-down.
- Pilot or flame detectors.
- Automatic pilot relight system.
- FM or FIA approved control systems.
- Alarm systems.
- Gas manifolds with fuel regulators.
- Fuel gas scrubbers.
- Firetube and stack flame arrestors.
- Aluminum jacketed insulation.
- Special paints or coatings.
- Skid mounted and piped.



Consider These Advantages:

UNIQUE DESIGN provides maximum efficiency, economy and operating simplicity.

PROVEN DEPENDABILITY in thousands of varied industrial applications.

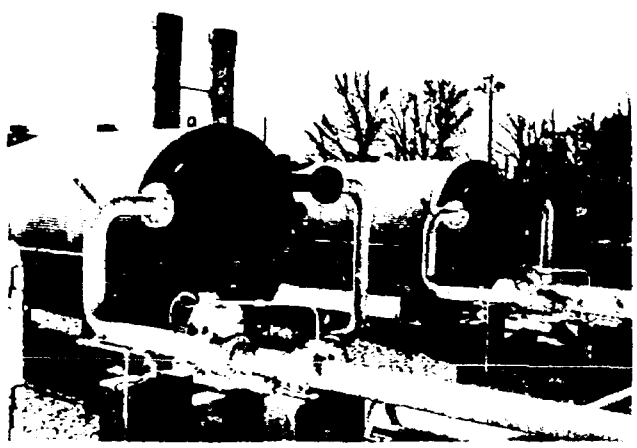
SAFETY with the surrounding bath. Safety-drilled return bends and flame arrestors available for all models.

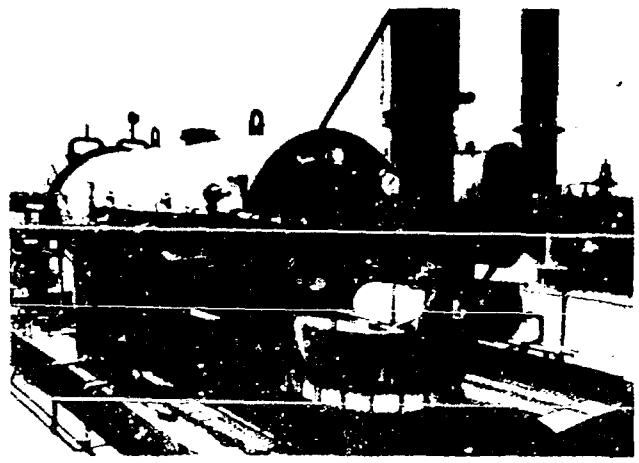
CONSTANT HEATING, even with varying flow rates, since the bath medium is a heat reservoir that will furnish additional heat required with sudden increases in flow.

MAINTENANCE is simplified since firetubes and coil bundles are removable for inspection and replacement.

ECONOMY from pilot and burner assemblies that are computer selected for maximum thermal efficiency.

ADAPTABILITY to meet virtually any application through a wide variety of standard or custom models with heater sizes from 50,000 to 50,000,000 BTU/hour.





NATCO
PROCESS EQUIPMENT

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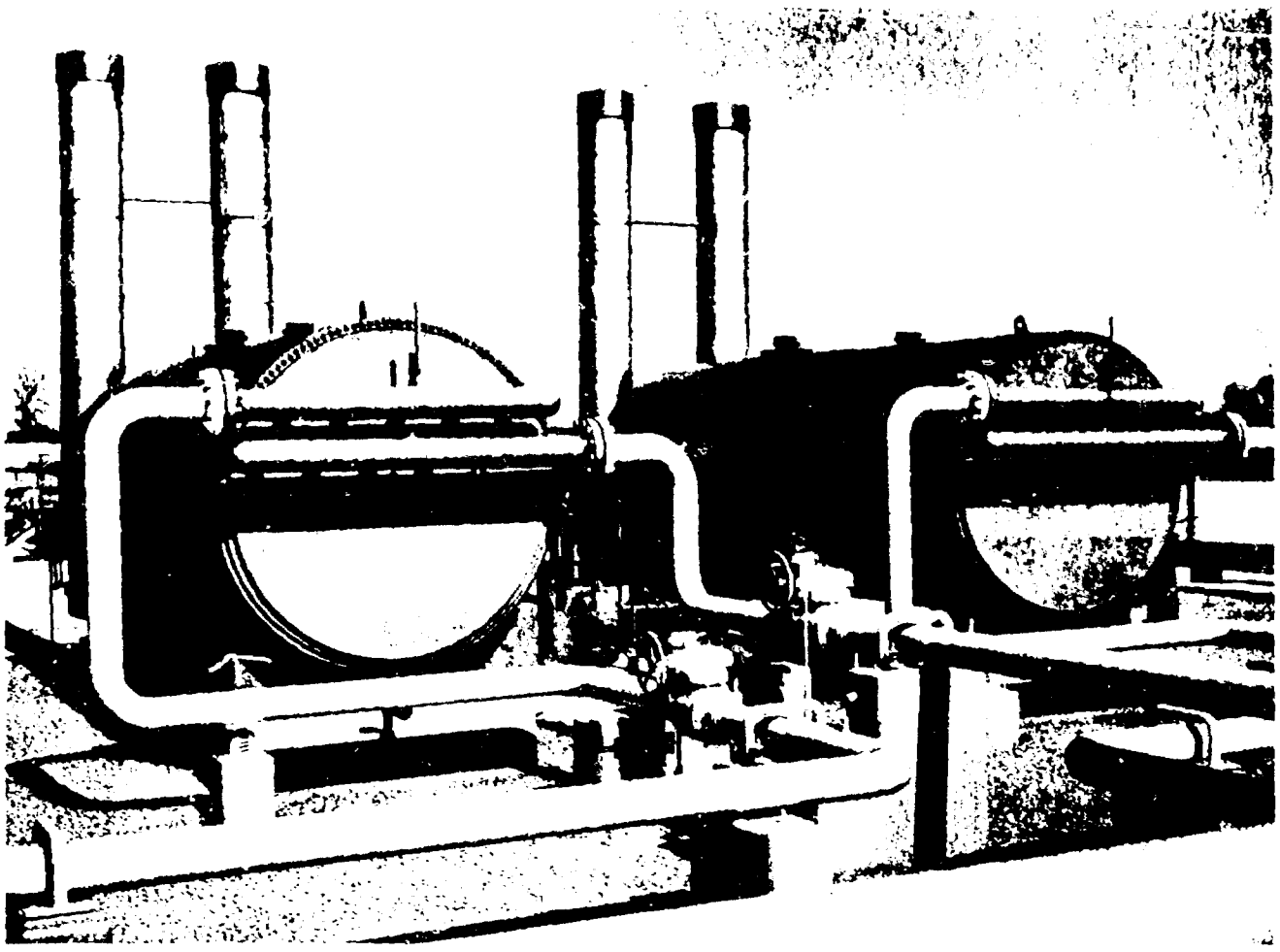

Contact the C-E Natco Representative Nearest You For Quotations Or More Information

Regional Offices: Casper, Wyoming 307-234-7183 • Harvey, Louisiana 504-366-4327 • Houston, Texas 713-666-0391 • Dallas, Texas 214-741-6239

Branch Offices: More than 40 in the U.S.A.

Foreign Operations: C-E NATCO LIMITED, Calgary Alberta, Canada • NATCO (U.K.) LIMITED, London, England • NATIONAL TANK FRANCE, Paris, France • NATCO (AUSTRALIA) PTY. LTD., Sydney, Australia • NATCO U.K. LIMITED, Singapore

Industrial Product Representatives: ARROYO PROCESS EQUIPMENT, Clearwater, Fl. • BECKER PRECISION EQUIPMENT CO., INC., Elk Grove Village, Ill. • DUNCAN ENGINEERING & EQUIPMENT CO., Pico Rivera, Calif. • EPCO SERVICES, INC., Chicago, Ill. • MILTON S. FRANK CO., INC., San Francisco, Calif. • E. V. GOODWILLER & CO., Detroit, Mich. • GOULD & SMITH, INC., Presque Isle, Maine • P. C. MCKENZIE CO., Pittsburgh, Pa. • RAWSON-HOULIHAN CO., INC., Houston, Texas • THE RAWSON CO., INC., New Orleans, La. • TOWERS, MYERS & CO., Fairview Park, Ohio • UNIT PROCESS CO., INC., Kirkland, Wash. • VANCO ENGINEERING CO., Tulsa, Okla. • VOIGT-ENGLAND CO., Birmingham, Al.; Charlotte, N. C.; Decatur, Ga. • G. M. WALLACE & ASSOCIATES, INC., Denver, Colo.; Salt Lake City, Utah; El Paso, Texas; Butte, Mt.

Descriptions and specifications contained herein were in effect at the time this publication was approved for printing. C-E Natco reserves the right to discontinue products at any time or change specifications and/or designs without notice or without incurring obligations.

NATCO
PROCESS EQUIPMENT

A Division of Combustion Engineering, Inc., P.O. Drawer 1710, Tulsa, Oklahoma 74101, Telephone (918) 663-9100.

G-701-A4

Printed in U.S.A.
N2R5M1074

Dockets Nos. 25-79 and 26-79 are tentatively set for hearing on July 11 and 25, 1979. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - JUNE 27, 1979

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

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

CASE 6545: (Continued from May 23, 1979, Examiner Hearing)

In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Corinne Grace, Travelers Indemnity Company, and all other interested parties to appear and show cause why the Kuklah Baby Well No. 1 located in Unit G of Section 24, Township 22 South, Range 26 East, Eddy County, New Mexico, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 6549: (Continued from May 23, 1979, Examiner Hearing)

Application of Gulf Oil Corporation for pool creation, discovery allowable, and special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order creating a new Bone Springs oil pool for its Lea "YH" State Well No. 1 located in Unit O of Section 25, Township 18 South, Range 34 East. Applicant also seeks a discovery allowable and promulgation of special pool rules, including a provision for 80-acre spacing.

CASE 6563: (Continued from June 13, 1979, Examiner Hearing)

Application of Roy L. McKay for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for his North Woolworth Ranch Unit Area, comprising 1,280 acres, more or less, of State lands in Township 23 South, Range 35 East.

CASE 6548: (Continued from May 23, 1979, Examiner Hearing)

Application of John F. Staver for salt water disposal, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Dakota formation through the open hole interval from 1408 feet to 1412 feet in his Table Mesa Well No. 22 located in Unit N and from 1394 feet to 1400 feet in his Table Mesa Well No. 23 located in Unit O, both in Section 34, Township 28 North, Range 17 West, Table Mesa-Dakota Oil Pool.

CASE 6576: Application of Bass Enterprises Production Company for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Townsend Unit Area, comprising 320 acres, more or less, of State lands in Township 15 South, Range 34 East.

CASE 6577: Application of Oil Processing 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 purpose of treating and reclaiming sediment oil at a site in the NE/4 SE/4 of Section 8, Township 20 South, Range 37 East.

CASE 6578: Application of Mesa Petroleum Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation underlying the E/2 of Section 28, Township 17 South, Range 27 East, to be dedicated to a well to be drilled in Unit G of said Section 28. 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 6579: Application of R. N. Hillin for an unorthodox well location and approval of infill drilling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a waiver of existing well spacing requirements and a finding that the drilling of a Morrow gas well at an unorthodox location 800 feet from the South line and 2000 feet from the East line of Section 34, Township 19 South, Range 28 East, is necessary to effectively and efficiently drain that portion of the E/2 of said Section 34 which cannot be so drained by the existing well.

CASE 6580: Application of Continental Oil Company for a carbon dioxide injection project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to initiate a pilot carbon dioxide injection project in the Grayburg-San Andres formation in Units H and I of Section 20, Township 17 South, Range 32 East, Maljamar Pool, for tertiary recovery purposes.

CASE 6581: Application of Belco Petroleum Corporation for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Warren-American State Well No. 2 660 feet from the South and West lines of Section 32, Township 9 South, Range 33 East, Flying "M"-San Andres Pool, the W/2 SW/4 of said Section 32 to be dedicated to the well.

Docket No. 24-79

CASE 6582: Application of Belco Petroleum Corporation for a non-standard proration unit and unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 40-acre non-standard proration unit comprising the NE/4 SW/4 of Section 31, Township 9 South, Range 33 East, Flying "M"-San Andres Pool, to be dedicated to its Federal 31 Well No. 2 to be drilled at an unorthodox location 1980 feet from the South and West lines of said section.

CAMPBELL AND BLACK, P.A.
LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR
PAUL R. CALDWELL

RECEIVED
JUN 5 - 1979
OIL CONSERVATION DIVISION
SANTA FE

POST OFFICE BOX 2208
JEFFERSON PLACE
SANTA FE, NEW MEXICO 87501
TELEPHONE (505) 988-4421

June 5, 1979

Joe D. Ramey, Director
Oil Conservation Division
New Mexico Department of
Energy and Minerals
Post Office Box 2088
Santa Fe, New Mexico 87501

RE: Application of Oil Porcessing, a General Partnership, for a Treating Plant Permit, Lea County, New Mexico.

Dear Mr. Ramey:

Enclosed for filing is the application of Oil Processing in the above referenced matter. We would appreciate this case being included on the examiner hearing docket scheduled for June 27, 1979.

Very truly yours,

William F. Carr

WFC/tn

Enclosure

cc: Oil Processing

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BEFORE THE

OIL CONSERVATION DIVISION

DEPARTMENT OF ENERGY AND MINERALS

STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF OIL PROCESSING, A General Partnership, FOR A TREATING PLANT PERMIT, LEA COUNTY, NEW MEXICO

CASE 6577

APPLICATION

Comes now, OIL PROCESSING, a General Partnership, 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 Lea County, 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 Division.

3. That the proposed location of the treating plant is in the Northeast Quarter (NE/4) of the Southeast Quarter (SE/4) of Section 8, Township 20 South, Range 37 East, N.M.P.M., Lea County, New Mexico.

4. That the type and capacity of the plant is as follows:

   a. One 1000 barrel storage tank.

   b. Two new C.E. Natco welded tank heater treaters (cone bottom tanks) with a capacity of 1000 barrels each and a 24-hour day capacity of up to 200 barrels.

c. Two 500 barrel clean oil tanks.

d. Incoming product to be treated with chemicals if necessary and then transferred through a the heater treater and then into storage for transmission to purchaser.

e. The capacity of the plant is dependent upon the amount of incoming product.

OIL PROCESSING requests that this application be set for hearing before a duly appointed Examiner of the Oil Conservation Division on June 27, 1979, that notice be given as required by law and the rules of the Division, and that this application for a treating plant permit be approved.

Respectfully submitted,

CAMPBELL AND BLACK, P.A.

By William F. Carr

William F. Carr
P. O. Box 2208
Santa Fe, New Mexico 87501
Attorneys for Applicant

ROUGH

dr/

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

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

CASE NO. 6577

Order No. R-6053

APPLICATION OF OIL PROCESSING FOR AN
OIL TREATING PLANT PERMIT, LEA
COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on June 27, 19 79, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this _____ day of July, 19 79, the Division Director, 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 Division has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Oil Processing, seeks authority to construct and operate a chemical and heat-treatment type oil

treating plant in the NE/4 SE/4 of Section 8, Township 20 South, Range 37 East, NMPM, Lea County, New Mexico, for the reclamation of up to approximately 200 barrels of sediment oil per day to be obtained from tank bottoms, disposal water, 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 two water holding and settling pits proposed by applicant should be constructed in accordance with the Division's "specifications for the Design and Construction of Lined Evaporation Pits" with the exception of Section 2(a) requiring minimum surface area.

(5) 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.

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

IT IS THEREFORE ORDERED:

(1) That the applicant, Oil Processing, is hereby authorized to install and operate a chemical and heat-treatment type oil treating plant in the NE/4 SE/4 of Section 8, Township 20 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 Division;

PROVIDED FURTHER, that prior to commencing operation of said plant, the applicant shall file with the Division 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 Division.

Memo

From

To

Called in by W. J. Carr
6/4/59

OIL CONSERVATION COMMISSION-SANTA FE

(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.

(5) 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.

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

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

(4) That the two water holding and settling pits proposed by the applicant for the subject installation shall be constructed in accordance with the Division's "Specifications for The Design and Construction of Lined Evaporation Pits," except that Section 2(A) of said Specifications shall not be applicable.