

1 STATE OF NEW MEXICO
2 ENERGY AND MINERALS DEPT.
3 OIL CONSERVATION DIVISION
4 STATE LAND OFFICE BLDG.
5 SANTA FE, NEW MEXICO
6 9 May 1984

7 EXAMINER HEARING

8 IN THE MATTER OF:

9 Application of Bill Scott, d/b/a CASE
10 Cedar Lake Oil, for an oil 8174
11 for an oil treating plant
12 permit, Eddy County, New
13 Mexico.

14 BEFORE: Richard L. Stamets, Examiner

15 TRANSCRIPT OF HEARING

16 A P P E A R A N C E S

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20 For the Oil Conservation
21 Division:

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23 For the Applicant:

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I N D E X

BILL SCOTT

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MR. STAMETS: Call Case 8174.

MR. PEARCE: That case is on the application of Bill Scott, d/b/a Cedar Lake Oil, for an oil treating plant permit, Eddy County, New Mexico.

MR. PADILLA: Mr. Examiner, Ernest L. Padilla on behalf of the applicant.

I have one witness to be sworn.

MR. PEARCE: Are there other appearances in this matter?

(Witness sworn.)

BILL SCOTT,

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

DIRECT EXAMINATION

BY MR. PADILLA:

Q Mr. Scott, for the record would you please state your name and whether you are the applicant in this case?

A I'm Bill Scott. I am the applicant for this case. I'm from Loco Hills, New Mexico.

Q Where do -- okay, you've answered that. Are you the owner of the proposed treating plant under consideration here today?

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A Yes, I am.

Q You're the sole proprietor?

A Yes.

Q Can you briefly tell us what you seek to do by the application today?

A It's an application for a treating plant for sediment oil.

MR. PADILLA: Mr. Examiner, are the witness' qualifications acceptable inasmuch as he's the owner of the --

MR. STAMETS: They are.

Q Mr. Scott, let's go what we have marked as Exhibit Number One and have you tell us what that is and what it contains.

A This is an application for a treating plant, Loco Hills, New Mexico, and it has our plant description, our initial treating plant, and future expansions and our method of operations.

Q Are you going to -- are you going to treat both tank bottoms and pit bottoms? Is that what you're going to do with your plant?

A Yes, we treat -- we've been cleaning out abandoned pits and making oil out of them, crude oil.

Q Let me hand you what we have marked as Exhibit Number Two and tell us what that is.

A This is a map of where we're going to be located and the section number.

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Q Where are you going to be located?

A In Section 19 in the southwest quarter of Range 31 East, Township 17 South.

Q How far away from Loco Hills are you going to be?

A It will be approximately three and a half miles.

Q I see a highway or something marked on that map. Can you tell us what that is and where it goes?

A Yes. That's Highway 82. It goes to Lovington and to Hobbs. We're about half way between Lovington and Artesia.

Q And the area identified in yellow, can you tell us what that is?

A That's the southwest quarter of Section 19 where our plant will be located.

Q Okay. Let me hand you what we have marked as Exhibit Number Three and have you tell us what that is.

A This is a description of our location, our treating tanks and our office and work area.

Q Starting on the lefthand side approximately where it says "north" can you start from there and start describing the physical --

A We are -- there's a 60-foot right-of-way between the highway and our property and we have 235 feet along the west side. We have our firewall dike and our

The first part of the document discusses the importance of maintaining accurate records of all transactions. It emphasizes that every entry should be supported by a valid receipt or invoice. This ensures transparency and allows for easy verification of the data.

In the second section, the author outlines the various methods used to collect and analyze the data. This includes both primary and secondary data collection techniques. The primary data was gathered through direct observation and interviews, while secondary data was obtained from existing reports and databases.

The third section provides a detailed description of the data analysis process. This involves identifying trends, patterns, and anomalies within the dataset. Statistical tools and software were used to facilitate this process, ensuring that the results are both accurate and reliable.

The fourth section discusses the implications of the findings. It highlights the key insights gained from the analysis and how these can be applied to improve organizational performance. The author also addresses any limitations of the study and suggests areas for future research.

Finally, the document concludes with a summary of the main points and a call to action. It encourages stakeholders to take the necessary steps to implement the recommendations and ensure long-term success.

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treating tanks and our selling tanks.

Q How -- on the lefthand side how tall is that dike going to be ?

A It will range from 2 feet to 4 feet.

Q Is that an earthen dike?

A Yes, it is.

Q Approximately what is the volume to be contained within the area of the dikes or the diked area?

A The diked area will hold approximately 15,000 barrels.

Q And notice toward the bottom of your schematic that you have some tanks. Can you tell us what the combined volume of the tanks will be?

A Just almost 3100 barrels.

Q Should they all rupture at once that would be the amount of spillage, assuming they would be full, 3100 barrels?

A Yes.

Q Can you explain to the Examiner how you intend to -- your plant to operate?

A We pick up crude oil at various pits. We bring it in to our receiving tanks. We treat it from there over into our 400-barrel treating tank. We have our heater on it and sometimes it's so much paraffin in it that we'll need to heat it to get it thinned down some. From there it runs over to our selling tanks.

Q Is that going to heat that with the heat-

1. The first part of the document discusses the importance of maintaining accurate records of all transactions and activities. It emphasizes that proper record-keeping is essential for transparency and accountability, particularly in the context of public administration and government operations. The text notes that such records serve as a critical tool for monitoring performance, identifying inefficiencies, and ensuring that resources are used effectively and ethically.

2. Furthermore, the document highlights the role of these records in facilitating communication and collaboration among various stakeholders. By providing a clear and consistent source of information, well-maintained records help to reduce misunderstandings and ensure that all parties involved have access to the same data. This is particularly important in complex organizations where multiple departments and individuals are working towards common goals.

3. In addition, the text addresses the need for regular audits and reviews of the recorded information. It states that periodic audits are necessary to verify the accuracy and integrity of the data, to detect any potential errors or irregularities, and to ensure that the records remain up-to-date and relevant. This process not only helps to maintain the reliability of the information but also provides an opportunity for continuous improvement and learning within the organization.

4. The document also touches upon the importance of protecting the confidentiality and security of the recorded data. It stresses that sensitive information should be handled with care and that appropriate measures should be in place to prevent unauthorized access, disclosure, or tampering. This is especially true in cases where the records contain personal or proprietary information that could have significant consequences if compromised.

5. Finally, the text concludes by reiterating the overall significance of maintaining accurate records. It asserts that this practice is not merely a bureaucratic requirement but a fundamental aspect of good governance and effective management. By committing to high standards of record-keeping, organizations can enhance their operational efficiency, build trust with their stakeholders, and ensure that they are well-prepared to face any challenges that may arise in the future.

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er that's marked out that's outside the diked area?

A Yes, until we get our proposed solar heater.

Q Is there a reason why that heater is outside the diked area?

A Yes, it's just a proposed safety precaution to get it away from our tanks.

Q I notice you have some other auxiliary facilities. Would you explain what those are, where they are in relation to the actual plant?

A Our office and storage and work area is over in the other corner and we have a --

Q Towards the righthand side of the schematic? Is that --

A Yes, sir.

Q Okay.

A And we have our trailer and our motor home for employees over here on this side.

Q Do you have anything further to testify concerning this exhibit?

A No, sir.

Q Let me hand you what we have marked as Exhibit Number Four and have you identify that.

A This is my bond, treating plant bond, that I have with the Oil Conservation Division.

Q And that's on file already?

A Yes, it is.

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2 Q Are you prepared to comply with the other
3 reporting rules and regulations of the Oil Conservation Div-
4 ision should your application be approved?

5 A Yes, I am.

6 Q Tell us briefly what you -- well, let me
7 ask it this way.

8 Will this plant have waste products?

9 A Yes, we will have a few waste products.
10 We'll have water and some iron sulfide.

11 Q How will you dispose of those waste pro-
12 ducts?

13 A Our water will go, what we don't re-use,
14 a lot of it we will re-use as our treating water, and the
15 other which will go to our excess water will go to Loco
16 Hills Water Disposal and our remaining iron sulfide products
17 will go to Iron Oil Processing in Hobbs.

18 Q Do you request an expeditious decision on
19 the application?

20 A Yes, I do.

21 MR. PADILLA: Mr. Examiner, we
22 tender Exhibits One through Four and we tender the witness
23 for questions.

24 MR. STAMETS: The exhibits will
25 be accepted.

CROSS EXAMINATION

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BY MR. STAMETS:

Q Mr. Scott, you indicates that any -- anything that you can't recover will be going to Oil Processing in Hobbs.

I wonder if you mean, what's the name of that outfit, Pollution Control that has that big salt lake disposal between Hobbs and Carlsbad?

A You mean our iron sulfide?

Q Yeah.

A Well now that's -- part of that's going to be mixed up. We keep it all into a liquid.

Q Uh-huh.

A And Oil Processing is going to pick up the most of all of that. There will still be some hydrocarbons in --

MR. CLEMENTS: Well, there'll be some things that old Persh won't want to buy off of you, is what I'm saying, or what I mean.

A Yes.

MR. CLEMENTS: And this is the only authorized place in --

A The rest of it that he doesn't take will go to the disposal up there.

MR. CLEMENTS: And another thing, of course I've watched you build your dikes there a couple of times going by, back and forth.

A Yes.

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MR. CLEMENTS: You are aware now that this is going to have to be kept in good shape because it's setting on the very banks or brinks of what we call Cedar Lake.

A Yes, sir, we're about a half a mile from it.

MR. CLEMENTS: And we've got quite a water drain coming down off of the crest of these hills, too.

A Yeah, we're fixing where our rainwater and all, you know, that comes in will go around --

MR. CLEMENTS: Right.

A -- this, our proposed dike area.

Q Where is your good oil going to go?

A It will go to Navajo.

Q Okay. And I presume you'll have a road in across this dike.

A Yes, sir.

Q And you're going to have, what, a culvert or something in there or you're --

A No.

Q -- going to have something so that it won't get beat down.

A Yeah, we'll have a road which will be a little taller there and it will be sloped on both sides right here, where the trucks come in.

Q Now you indicated that you're just going

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2 to get oil from pits. You're not going to take oil from,
3 like tank cleaning?

4 A Well now there's been several companies
5 that have asked us if we would take tank bottoms after they,
6 you know, as far as the cleaning of their tank bottoms,
7 where now they have to pay to dispose of it, we -- we will
8 take their tank bottoms.

9 Q Okay.

10 MR. STAMETS: Any other ques-
11 tions of the witness? I guess just one, that you are aware,
12 I believe, from what you've said that you will not be al-
13 lowed to put any -- any waste or any water in any pit or on
14 the surface there except what you might need to keep every-
15 thing neat --

16 A Yes, uh-huh, we --

17 Q -- and clean?

18 A -- don't -- we just use our water for our
19 treating purpose and cleaning.

20 MR. STAMETS: Okay, any final
21 questions? The witness may be excused.

22 Anything further in this case?

23 The case will be taken under
24 advisement.

25 (Hearing concluded.)

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C E R T I F I C A T E

I, SALLY W. BOYD, C.S.R., DO HEREBY CERTIFY that the foregoing 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.

Sally W. Boyd CSR

I do hereby certify that the foregoing is a complete and correct transcript of the hearing held before the Examiner, on or about the 5th day of May, 1984, at 8124, heard by me on 5-9-84.

Richard P. Stone, Examiner
Oil Conservation Division

