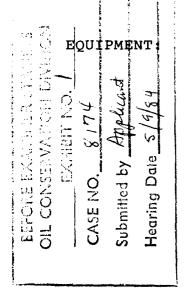
IN APPLICATION OF PROPOSED WASTE OIL TREATMENT FACILITY IN THE AREA OF LOCO HLLS, NEW MEXICO

OPERATOR:	BILL SCOTT, d/b/a CEDAR LAKE OIL
ADDRESS :	Box 41, Loco Hills, New Mexico 88255
SITE LOCATION:	SW/4 of Section 19, Township 17 South, Range 31 East

PLANT DESCRIPTION:

A Plant, situated on a two acre parcel approximately 3 1/2 miles East of Loco Hills, New Mexico on Highway 82 between Artesia and Lovington. This facility will be constructed for the purpose of reclaiming, treating, and processing waste oil taken from pit and tank bottoms which have been abandoned or which have been mandated for clean-up in accordance with environmental regulations. Thereafter the processed waste oil will be marketed.



Initially, the physical facility shall contain the following equipment: (1) 500 Barrel Receiving Tank (2) Fluid Catalizer (3) One 400 Barrel Welded Cone Bottom Tank for Proces-(4) sing Waste Oil and Waste Product Two 210 Barrel Tanks for Storing Marketable Oil (5) Two 250 Barrel Processing Tanks which will be used in conjunction with Heater Treaters and Fluid Catalizers (6) One 210 Waste Water Disposal Tank (7) Three Pumps for moving fluid in and out of tanks (8) Supporting Facility such as an office, pump house, fencing as necessary, dikes and other structures as may be required for the safe and efficient operation of the Plant.

FUTURE EXPANSION:

Economics of production trends may dictate the addition of at least one 1000 barrel receiving tank, other tanks for receiving and/or processing and storing waste and processed products, and a heating facility.

PROPOSED MODE OF OPERATIONS:

Pit Bottoms will be transported by truck to the treating plant where the material will be put through the various stages of processing. Depending on the content, grade and impurity of the material, some or all of the treating processees may be used.

BOND: Applicant has obtained a performance bond as required under Rule 312 of the Rules and Regulations of the Oil Conservation Division.