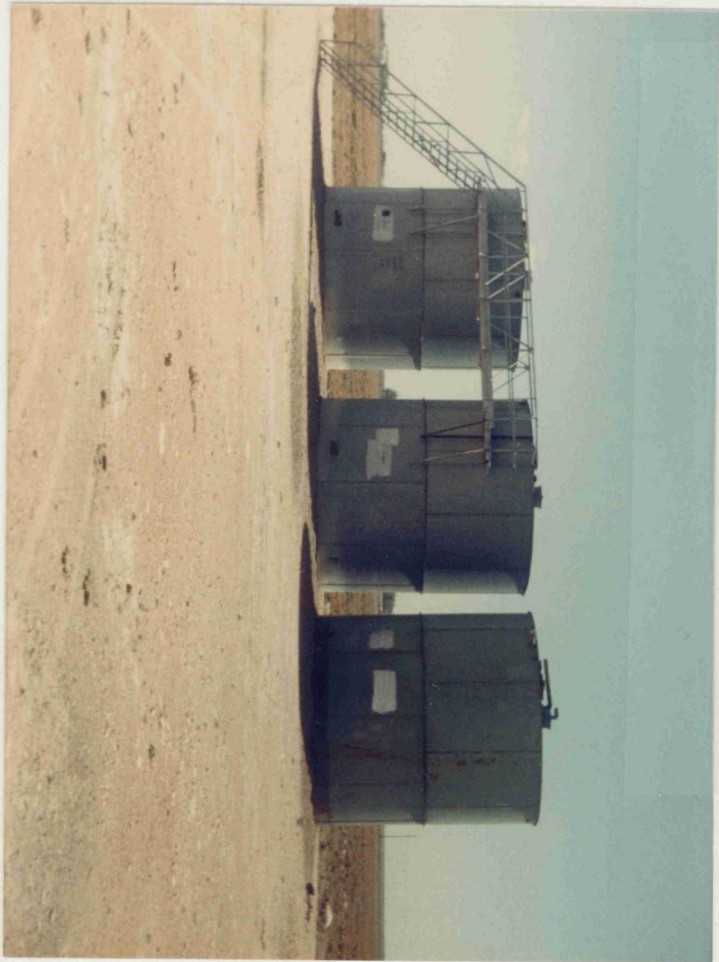


VENO ENERGY TREATING PLANT
NW/4 NE/4 S23-T16S-R35E

Inventory of Equipment
as of April 3, 1986
(on Location)

5 500 bbl tanks, bolted
walkways on two tanks
1 4 x 20 Heater-Treater with all connections & valves
1 200 gallon propane tank - connected with piping
1 pile of assorted metals & pipes - approx 5 tons
several barrels - assorted pipes & metals scattered
around tank areas
1 250 bbl junk tank - Northside location

BEFORE EXAMINER CATANACH	
OIL CONSERVATION DIVISION	
<u>PN</u>	EXHIBIT NO. <u>1</u>
CASE NO. <u>8871</u>	



BEFORE EXAMINER CATANACH

OIL CONSERVATION DIVISION

DV EXHIBIT NO. 2

CASE NO. 8871

EARL LEAVELLE
522 West Avenue B
Lovington, N. M. 88260

April 3, 1986

NEW MEXICO OIL CONSERVATION DIVISION
P. O. Box 1980
Hobbs, New Mexico 88240

Re: U. S. Operating, Leavell No. 1 Well

Attention: Jerry Sexton

Mr. Sexton:

Regarding the above mentioned well site, there is excess material and equipment located on the pad.

I want this equipment and excess material moved and the pad cleaned.

I do not want the bond released until this work is completed.

If you have any questions, please call my daughter Earlene Roberts, at (505) 396-8521, Ext. 214.

Thank you,

Earl Leavelle
Earl Leavelle *up ER*

BEFORE EXAMINER CATANACH	
OIL CONSERVATION DIVISION	
<u>DIV</u>	EXHIBIT NO. <u>3</u>
CASE NO:	<u>8871</u>

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. 8192
Order No. R-7596

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

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8 a.m. on May 23, 1984, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 20th day of July, 1984, 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, Veno Energy, seeks authority to construct and operate a chemical and heat-treatment type oil treating plant in the NW/4 NE/4 of Section 23, Township 16 South, Range 35 East, NMPM, Lea County, New Mexico, for the processing of approximately 200 barrels of sediment oil per day to be obtained from tank bottoms, disposal waters and waste pits.

(3) That said location is situated on the drilling pad of the Dwight A. Tipton Leavelle Well No. 1 located 660 feet from the North line and 1980 feet from the East line of said Section 23.

(4) 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.

(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 Director of the Division should be authorized to administratively grant approval for the expansion or modification of said plant.

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

IT IS THEREFORE ORDERED:

(1) That the applicant, Veno Energy, is hereby authorized to install and operate a chemical and heat-treatment type oil treating plant at its salt water disposal site in the NW/4 NE/4 of Section 23, Township 16 South, Range 35 East, NMPM, Lea County, New Mexico, for the purpose of treating and reclaiming sediment oil to be obtained from tank bottoms, waste pits and disposal water.

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 and obtain approval of 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 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 the Director of the Division may administratively grant authority for the expansion or modification of said plant upon request and a demonstration that such expansion or modification is upon contiguous acreage and is otherwise consistent with this order and Division Rules and Regulations.

(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

S E A L