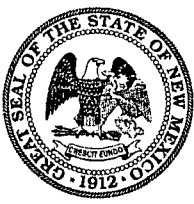


NM1 - 29

**GENERAL
CORRESPONDENCE**

YEAR(S):

2005-1987



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

March 9, 2005

Mr. Dan Watson
P.O. Box 75
Tatum, NM 88267

RE: Watson Treating Plant
Sec 34, Township 8 South, Range 35 East
NMPM, Lea County New Mexico
Closure Request

The New Mexico Oil Conservation Division has received your request dated February 19, 2004 requesting closure of the above site and release of the bond. After investigation into the circumstances surrounding the site such as prior NMOCD approval for closure and landowner satisfaction regarding the conditions at the site, this request is hereby granted.

You must ask your bank to request release of the bond. When this is received, NMOCD will release the bond being held by NMOCD to ensure proper cleanup and remediation at the site. This approval does not relieve you of future liability should operations at this site prove to have been harmful to public health or the environment. Nor does it relieve you of your responsibility to comply with the rules and regulations of any other governmental entity.

If you have any questions, contact me at (505) 476-3492 or emartin@state.nm.us

NEW MEXICO OIL CONSERVATION DIVISION

Edwin E. Martin
Environmental Engineer

Cc: NMOCD, Hobbs

**Danny R. Watson
P.O. Box 682
Tatum, N.M. 88267**

Phone: 505-398-3490

Fax: 505-398-3494

February 19, 2004

Mr. David Catanach,

I, Danny R. Watson am the owner of Watson Treating Plant. We did have a treating plant on Sec 34 T 85 range 35 east N.M. and we did operate it until we had to move. The reason for moving the plant was the rancher Mack Ainsworth inherited the ranch from his father and he wanted us out. We tried to pay our way, but he would not talk to us about staying. We cannot prove who shot holes in our tanks several times, but they were done shortly after the rancher told us to get out.

We then applied to move the plant equipment and get permission. Then after we moved we never ever had another hole shot in our tanks. We then cleaned up the grounds around the location. We got the okay for clean up from Jerry Sexton and Eddie Seay from Hobbs OCD. We then contacted the rancher and he too okayed the site at that time.

Now I am sure the rancher won't say anything because he got so over bearing and upset over other things in his life that he died with a massive heart attack about 5 years ago and I am not sure who owns the land now.

Again we did what we needed and what was required by us that time and we feel that if the OCD and ranchers was satisfied at that time, the bond on this plant should be released.

Please let me know if I can help in any way.

Sincerely,



Danny R. Watson



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop
Cabinet Secretary

Lori Wrotenbery

Director

Oil Conservation Division

September 17, 2003

Mr. Dan Watson
Watson Treating Plant
P.O. Box 75
Tatum, NM 88267

Re: Case No. 13166
Application of the New Mexico Oil Conservation Division through the Environmental Bureau Chief
to Revoke the Permit of Watson Treating Plant to Operate an Oil Treatment Plant, and to Release
Bond; Lea County, New Mexico.

Dear Mr. Watson;

By letter dated May 5, 2003, the Division notified you that it intended to revoke the permit for the Watson Treating Plant at Section 12, Township 8 South, Range 34 East, NMPM, in Lea County, New Mexico, if it did not receive a request from you to keep the permit. The Division did not receive such a request. Therefore, the Division is proceeding with a permit revocation hearing.

A hearing will be conducted by a Division hearing examiner in Porter Hall, first floor, 1220 South St. Francis Drive, Santa Fe, New Mexico, at 8:15 a.m. on Thursday, October 9, 2003. At that hearing, you will have an opportunity to oppose the revocation of the permit.

If you have any questions, please do not hesitate to call me at (505) 476-3451.

Very truly yours,

Gail MacQuesten
Assistant General Counsel

ec: Martyne Kielling



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

May 5, 2003

Lori Wrotenbery

Director

Oil Conservation Division

Mr. Dan Watson
Watson Treating Plant
P.O. Box 75
Tatum, NM 88267

VIA CERTIFIED MAIL 7001-1904-0004-3929-8362

Re: Oil Treating Plant at Section 12, Township 8 South, Range 34 East, NMPM, Lea County, New Mexico permitted by Order No. R-6095 issued in Case No. 6616, under date of September 10, 1979.

Dear Mr. Watson:

The Oil Conservation Division (OCD) has determined that disposal operations have ceased at the referenced facility. Watson Treating Plant submitted a closure plan that was approved by the OCD on December, 2002. Watson Treating Plant submitted closure reports dated February 3, 2003 and March 20, 2003. The closure of the facility was approved by the OCD on May 2, 2003.

In the absence of a response to this letter, the Division will proceed with an application for a hearing to show cause why the permit for this facility should not be revoked. You posted a surety bond, in the amount of \$10,000, No. BO1148 issued by Underwriters Indemnity Company on January 1, 1987. Upon revocation of the permit this Bond will be released.

Unless the permittee submits to this office, no later than May 23, 2003 a request to keep the permit, the Division will proceed to schedule a permit revocation hearing.

Should you have any questions, please call Martyne Kieling at (505)-476-3488.

Sincerely,

Roger C. Anderson
Environmental Bureau Chief

cc: David K. Brooks
OCD legal
OCD Hobbs



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

May 2, 2003

Lori Wrotenberg

Director

Oil Conservation Division

Mr. Dan Watson
Watson Treating Plant
P.O. Box 75
Tatum, NM 88267

Re: CLOSURE OF WATSON TREATING PLANT
Section 12, Township 8 South, Range 34 East, NMPM, Lea County, New Mexico
permitted by Order No. R-6095 issued in Case No. 6616, under date of September
10, 1979.

Dear Mr. Watson:

The New Mexico Oil Conservation Division (OCD) is in receipt of Watson Treating Plant's (Watson) closure report dated March 20, 2003 for the treating plant at the above-referenced location. Based on the closure report with photos and "Proof of Test Holes Report" dated February 3, 2003. The OCD has determined that the treating plant location has been remediated to OCD standards and the site has been restored. **The OCD hereby approves of the closure of Watson Treating Plant.**

Please be advised that OCD approval does not relieve Watson of liability should any remaining contaminants result in pollution of the ground water, surface water or the environment. In addition, OCD approval does not relieve Watson of the responsibility for compliance with other federal, state, or local laws and/or regulations.

If you have any questions please contact me at 505-476-3488.

Sincerely,

Martyne Kieling
Environmental Geologist

xc: OCD Hobbs Office

RECEIVED

MAR 20 2003

Environmental Bureau
Oil Conservation Division

Proof of Final Cleanup

Watson Treating Plant

Section 12

Township 8

Range 34 East

Treater Removed

Firebox Removed

March 8, 2003

Picture #1

From North to South



Dark soil on westside of tanks is sand.

Picture #2

A closer view of picture #1



*From north to south on west
side of fresh water tanks*

Picture #3

From south to north



*Where treater & firebox has
been removed*

Picture #4

A close view from southwest corner to northeast corner



Picture #5

*Full location view from
southwest to northeast*





NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

February 6, 2003

Lori Wrotenberg

Director

Oil Conservation Division

Mr. Dan Watson
Watson Treating Plant
P.O. Box 75
Tatum, NM 88267

**RE: Proof of Test Holes Report
Watson Treating Plant, Inc.
Section 12, Township 8 South, Range 34 East, NMPM
Lea County, New Mexico**

Dear Mr. Watson:

The New Mexico Oil Conservation Division (OCD) received the Watson Treating Plant, Inc. (Watson) "Proof of Test Holes" report on February 3, 2003. The OCD has reviewed the report for Watson along with the closure plan conditions that were outlined in OCD's December 6, 2002 letter. The closure conditions along with comments on each are as follows:

1. Additional wastes may not be disposed of or managed on the property.

Closure condition completed.

2. At least one soil sample from each tank footprint location must be taken (see photo 2). The Soil samples should be taken between three and five feet below ground surface (bgs). If there is any visible contamination at the three to five foot sample depths additional samples must be taken at a minimum of five-foot sample intervals from the original sample point until there is no visible contamination detected. All soil samples taken must be stored on ice and analyzed for total petroleum hydrocarbons (TPH), benzene, toluene, ethyl benzene, and xylene (BTEX), and chloride.

Closure condition completed

Three samples were taken any where from 30 inches to 4 feet below ground surface.

Analytical results are in reported as follows:

BTEX is below detection limits,

TPH is below detection in the North Hole and Center Hole,

TPH is 126 ppm at three (3) feet bgs in the South Hole,

chloride is 128 ppm at 30 inches bgs in the North Hole,

chloride is 288 ppm at four (4) feet bgs in the Center Hole, and

chloride is 64 ppm at three (3) feet bgs in the South Hole.

Ground water has been estimated to be approximately 80 feet bgs. Soil remediation levels as calculated in the NMOCD Surface Impoundment Closure guidelines for this location are as follows:

Benzene	10 ppm
BTEX	50 ppm
TPH	1000 ppm

Based on these numbers and the analytical results in the report cleanup levels have been met for the site.

3. All samples collected for OCD reporting purposes will be analyzed at an approved lab using appropriate EPA Test Methods.

Closure condition completed.

4. Watson must remove any equipment that was associated with the treating plant but not currently used by the water station.

Closure condition pending.

Treater and other equipment is still on site based on three of the photos submitted in the report for the test holes.

5. Watson shall submit a final closure report for review and approval to the OCD Santa Fe office and a copy to the Hobbs District office when the closure is complete. The closure report must include all analytical reports and quality assurance and quality control documentation.

Closure condition pending.

The "Proof of Test Holes" report meets a portion of this closure condition. Watson has supplied all analytical reports and quality assurance and quality control documentation along with photographs. A final report is needed that will document that the treater and equipment has been removed

Please be advised that OCD approval does not relieve Watson of liability should any remaining contaminants result in pollution of the ground water, surface water or the environment. In addition, OCD approval does not relieve Watson of the responsibility for compliance with other federal, state, or local laws and/or regulations.

Please give me a call at (505) 476-3488 if you have any questions.

Sincerely



Martyne J. Kieling
Environmental Geologist

Xc: OCD Hobbs Office
File WM-01-029

C. GROUND WATER QUALITY

If ground water is encountered during the soil/waste characterization of the impacted soils, a sample should be obtained to assess potential impacts on ground water quality.

Ground water samples should be obtained using the sampling procedures in Section III.C. If there is a reasonable probability of ground water contamination based upon the level of contaminants in the soils directly beneath the pit or the extent of soil contamination defined during remedial activities, monitor wells may be required to assess potential impacts on ground water and the extent of ground water contamination.

II. SOIL AND WATER REMEDIATION LEVELS

A. SOILS

1. Highly Contaminated/Saturated Soils

Highly contaminated/saturated soils should be remediated insitu or excavated to the maximum extent practicable and remediated using techniques described in Section IV.A.

2. Unsaturated Contaminated Soils

The general site characteristics obtained during the site assessment (Section I.A.) will be used to determine the appropriate soil remediation levels using a risk based approach. Soils which are contaminated by petroleum constituents will be scored according to the ranking criteria below to determine their relative threat to public health, fresh waters and the environment.

a. Ranking Criteria

	<u>Depth To Ground Water</u>	<u>Ranking Score</u>
	<50 feet	20
≈ 80'	50 - 99	10
	>100	0

Wellhead Protection Area

<1000 feet from a water source, or;
<200 feet from private domestic water source

Yes	20
(No)	(0)

Distance To Surface Water Body

<200 horizontal feet	20
200 - 1000 horizontal feet	10
(>1000 horizontal feet	(0)

b. Recommended Remediation Level

The total ranking score determines the level of remediation that may be required at any given site. The total ranking score is the sum of all four individual ranking criteria listed in Section II.A.2.a. The table below lists the remediation level that may be required for the appropriate total ranking score.

(NOTE: The OCD retains the right to require remediation to more stringent levels than those proposed below if warranted by site specific conditions (ie. native soil type, location relative to population centers and future use of the site or other appropriate site specific conditions.)

<u>Total Ranking Score</u>			
	<u>>19</u>	<u>10 - 19</u>	<u>0 - 9</u>
<u>Benzene (ppm) *</u>	10	10	10
<u>BTEX (ppm) *</u>	50	50	50
<u>TPH (ppm) **</u>	100	1000	5000

* A field soil vapor headspace measurement (Section III.B.1) of 100 ppm may be substituted for a laboratory analysis of the Benzene and BTEX concentration limits.

** The contaminant concentration for TPH is the concentration above background levels.

B. GROUND WATER

Contaminated ground water is fresh ground water which contains free phase products, measurable concentrations of dissolved phase volatile organic constituents or other dissolved constituents in excess of the natural background water quality. Ground water contaminated in excess of the New Mexico Water Quality Control Commission (WQCC) ground water standards or natural background water quality will require remediation.

III. SOIL AND WATER SAMPLING PROCEDURES

Below are the sampling procedures for soil and ground water contaminant investigations of unlined surface impoundments that have received RCRA Subtitle C exempt oil field exploration and production wastes. Unlined surface impoundments that have received non-exempt RCRA wastes will be required to be tested to demonstrate that the wastes are not characteristically hazardous according to RCRA regulations.

A. HIGHLY CONTAMINATED OR SATURATED SOILS

The following method is used to determine if soils are highly contaminated or saturated:

1. Physical Observations

Study a representative sample of the soil for observable free petroleum hydrocarbons or immiscible phases and gross staining. The immiscible phase may range from a free hydrocarbon to a sheen on any associated aqueous phase. A soil exhibiting any of these characteristics is considered highly contaminated or saturated.

B. UNSATURATED CONTAMINATED SOILS

The following methods may be used for determining the magnitude of contamination in unsaturated soils:

1. Soil Sampling Procedures for Headspace Analysis

A headspace analysis may be used to determine the total volatile organic vapor concentrations in soils (ie. in lieu of a laboratory analysis for benzene and BTEX but not in lieu of a TPH analysis). Headspace analysis procedures should be conducted according to OCD approved industry standards or other OCD-approved procedures.

RECEIVED

FEB 03 2003

Environmental Bureau
Oil Conservation Division

Proof of Test Holes
for
Watson Treating Plant, Inc.

2111 Beechwood, Abilene, TX 79603 101 East Marland, Hobbs, NM 88240
(915) 673-7001 Fax (915) 673-7020 (505) 393-2326 Fax (505) 393-2476

Page 7 of 7[illegible]



ARDINAL LABORATORIES

PHONE (915) 673-7001 • 2111 BEECHWOOD • ABILENE, TX 79603

PHONE (505) 393-2326 • 101 E. MARLAND • HOBBS, NM 88240

ANALYTICAL RESULTS FOR
WATSON TREATING PLANT, INC.
ATTN: DANNY R. WATSON
P.O. BOX 682
TATUM, NM 88267
FAX TO: (505) 398-3494

Receiving Date: 12/04/02
Reporting Date: 12/06/02
Project Number: NOT GIVEN
Project Name: PLANT REMOVAL
Project Location: NOT GIVEN

Sampling Date: 12/04/02
Sample Type: SOIL
Sample Condition: COOL & INTACT
Sample Received By: AH
Analyzed By: BC

S 12 T 8 R34E

LAB NO.	SAMPLE ID	BENZENE (mg/Kg)	TOLUENE (mg/Kg)	ETHYL BENZENE (mg/Kg)	TOTAL XYLENES (mg/Kg)
ANALYSIS DATE		12/04/02	12/04/02	12/04/02	12/04/02
H7279-1	NH #1	<0.005	<0.005	<0.005	<0.015
H7279-2	CH #2	<0.005	<0.005	<0.005	<0.015
H7279-3	SH #3	<0.005	<0.005	<0.005	<0.015
Quality Control		0.107	0.101	0.104	0.301
True Value QC		0.100	0.100	0.100	0.300
% Recovery		107	101	104	100.0
Relative Percent Difference		2.1	6.9	10.1	8.6

METHOD: EPA SW-846 8260

Burton J. P. Cooke
Chemist

12/6/02
Date

PLEASE NOTE: Liability and Damages. Cardinal's liability and client's exclusive remedy for any claim arising, whether based in contract or tort, shall be limited to the amount paid by client for analyses. All claims, including those for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within thirty (30) days after completion of the applicable service. In no event shall Cardinal be liable for incidental or consequential damages, including, without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates or successors arising out of or related to the performance of services hereunder by Cardinal, regardless of whether such claim is based upon any of the above-stated reasons or otherwise.

H7279B.XLS



ARDINAL LABORATORIES

PHONE (915) 673-7001 • 2111 BEECHWOOD • ABILENE, TX 79603

PHONE (505) 393-2326 • 101 E. MARLAND • HOBBS, NM 88240

ANALYTICAL RESULTS FOR
WATSON TREATING PLANT, INC.
ATTN: DANNY R. WATSON
P.O. BOX 682
TATUM, NM 88267
FAX TO: (505) 398-3494

Receiving Date: 12/04/02
Reporting Date: 12/06/02
Project Number: NOT GIVEN
Project Name: PLANT REMOVAL
Project Location: NOT GIVEN

Sampling Date: 12/04/02
Sample Type: SOIL
Sample Condition: COOL & INTACT
Sample Received By: AH
Analyzed By: BC/AH

S12 T8 R34E

LAB NUMBER	SAMPLE ID	GRO (C ₆ -C ₁₀) (mg/Kg)	DRO (>C ₁₀ -C ₂₈) (mg/Kg)	CI* (mg/Kg)
		12/04/02	12/04/02	12/05/02
H7279-1	NH #1	<10.0	<10.0	128
H7279-2	CH #2	<10.0	<10.0	288
H7279-3	SH #3	<10.0	126	64
Quality Control		750	813	980
True Value QC		800	800	1000
% Recovery		93.7	102	98.0
Relative Percent Difference		6.3	3.8	3.0

METHODS: TPH GRO & DRO: EPA SW-846 8015 M; CI: Std. Methods 4500-CI'B

*Analyses performed on 1:4 w:v aqueous extracts.

Bryan J. Cole
Chemist

12/6/02
Date

H7279A.XLS

PLEASE NOTE: **Liability and Damages.** Cardinal's liability and client's exclusive remedy for any claim arising, whether based in contract or tort, shall be limited to the amount paid by client for analyses. All claims, including those for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within thirty (30) days after completion of the applicable service. In no event shall Cardinal be liable for incidental or consequential damages, including, without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates or successors arising out of or related to the performance of services hereunder by Cardinal, regardless of whether such claim is based upon any of the above-stated reasons or otherwise.

Pictures from north to south on Watson Treating Plant, Inc., with holes dug and exposed. All holes are numbered from north to south.

1st Angle



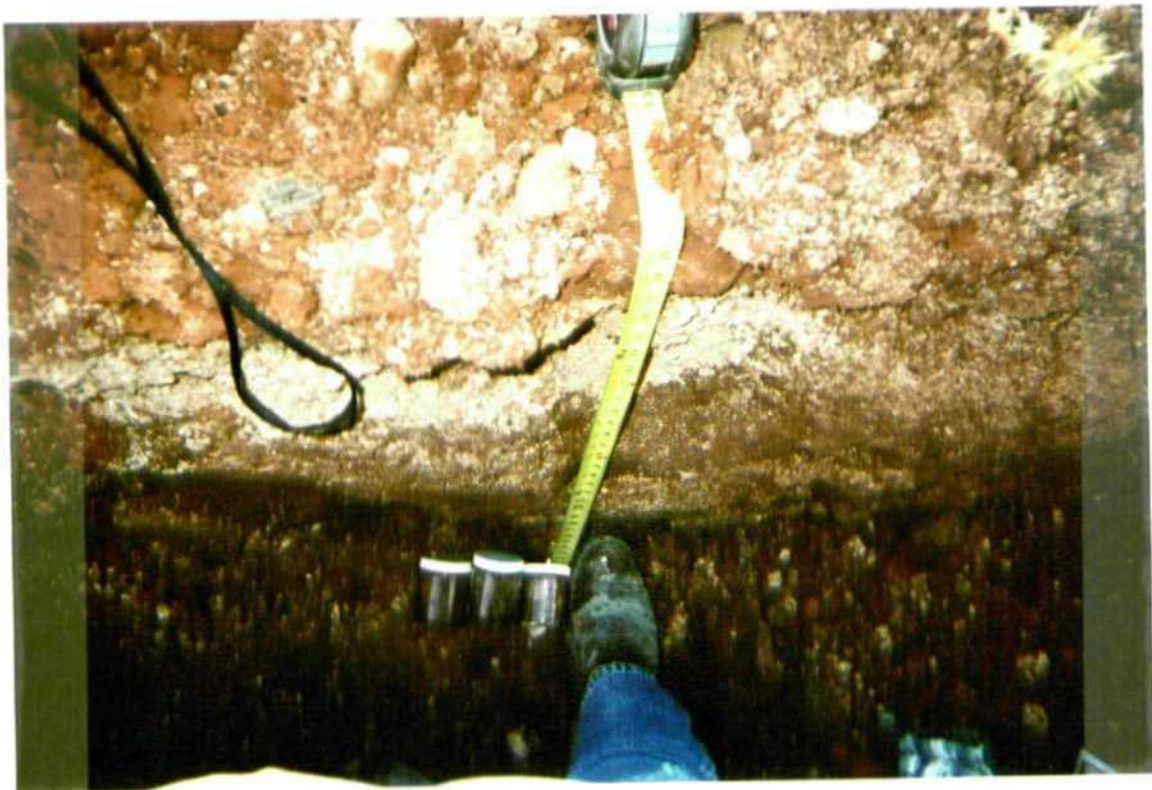
2nd Angle



Hole #1

North Hole

30 plus inches deep with sample bottles in bottom of hole for proof.



Hole #2

Center Hole

4 feet deep with sample bottles.



Hole #3

South Hole

3 feet deep with sample bottles in place.



Location picture from south to north

This hole is where the spill had occurred several years ago and I have worked it before, but not in the last 2 or 3 years.



NMPRC Corporation Information Inquiry

- [Follow this link to start a new search.](#)

WATSON, INC.

SCC Number: 1111541
Tax & Revenue Number: 01149865000
Incorporation Date: AUGUST 25, 1981, in NEW MEXICO
Corporation Type: DOMESTIC PROFIT
Corporation Status: ACTIVE
Good Standing: In GOOD STANDING through 3/15/2002
Purpose: OIL & GAS SERVICE

CORPORATION DATES

Taxable Year End Date: 12/31/99
Filing Date: 03/29/00
Expiration Date:

SUPPLEMENTAL POST MARK DATES

Supplemental:
Name Change:
Purpose Change:

MAILING ADDRESS

P.O. BOX 75 TATUM , NEW MEXICO 88267

PRINCIPAL ADDRESS

2821 PECOS HIGHWAY CARLSBAD NEW MEXICO 88220

PRINCIPAL ADDRESS (Outside New Mexico)

REGISTERED AGENT***STANLEY WATSON***

2821 PECOS HIGHWAY CARLSBAD NEW MEXICO 88220

Designation date: 03/29/00

Agent Post Mark Date:

Resignation date:

COOP LICENSE INFORMATION

Number:

Type:

Expiration Year:

OFFICERSPresident ***WATSON, STANLEY***Vice President ***NONE LISTED***Secretary ***DEAN, DORIS WATSON***Treasurer ***DEAN, DORIS WATSON***

DIRECTORS

Date Election of Directors:

DEAN, DORIS W 2821 PECOS HIGHWAY CARLSBAD , NM***WATSON, STANLEY*** 2821 PECOS HIGHWAY CARLSBAD , NM

NMPRC Corporation Information Inquiry

- [Follow this link to start a new search.](#)

DANNY'S HOT OIL SERVICE, INC.

SCC Number: 1675628
Tax & Revenue Number: 02249429004
Incorporation Date: JUNE 20, 1994, in NEW MEXICO
Corporation Type: DOMESTIC PROFIT
Corporation Status: ACTIVE
Good Standing: In GOOD STANDING through 3/15/2003
Purpose: SERVICE WELLS

CORPORATION DATES

Taxable Year End Date: 12/31/00
Filing Date: 03/15/01
Expiration Date:

SUPPLEMENTAL POST MARK DATES

Supplemental:
Name Change:
Purpose Change:

MAILING ADDRESS

PO BOX 682 TATUM , NEW MEXICO 88267

PRINCIPAL ADDRESS

20 E BROADWAY TATUM NEW MEXICO 88267

PRINCIPAL ADDRESS (Outside New Mexico)

REGISTERED AGENT

DANNY R WATSON

20 E BROADWAY TATUM NEW MEXICO 88267

Designation date: 03/15/99

Agent Post Mark Date:

Resignation date:

COOP LICENSE INFORMATION

Number:

Type:

Expiration Year:

OFFICERS

President ***WATSON, DANNY R.***

Vice President ***NONE LISTED***

Secretary ***NONE LISTED***

Treasurer ***NONE LISTED***

DIRECTORS

Date Election of Directors: 01/01/99

WATSON, DANNY R 20 E. BROADWAY TATUM , NM 88267

NMPRC Corporation Information Inquiry

- [Follow this link to start a new search.](#)

DANNY R. WATSON OPERATING, INC.

SCC Number: 1673193
Tax & Revenue Number: 02249428006
Incorporation Date: JUNE 09, 1994, in NEW MEXICO
Corporation Type: DOMESTIC PROFIT
Corporation Status: THE PROCESS OF REVOCATION
Good Standing:
Purpose: MANAGE OIL AND GAS
PROPERTIES

CORPORATION DATES

Taxable Year End Date: 12/31/99
Filing Date: //
Expiration Date:

SUPPLEMENTAL POST MARK DATES

Supplemental:
Name Change:
Purpose Change:

MAILING ADDRESS

20 E. BROADWAY TATUM , NEW MEXICO 88267

PRINCIPAL ADDRESS

20 E. BROADWAY TATUM NEW MEXICO 88267

PRINCIPAL ADDRESS (Outside New Mexico)

REGISTERED AGENT

DANNY R WATSON

20 E. BROADWAY TATUM NEW MEXICO 88267

Designation date: 06/05/98

Agent Post Mark Date:

Resignation date:

COOP LICENSE INFORMATION

Number:

Type:

Expiration Year:

INCORPORATORS

WATSON, DANNY R.

NONE LISTED

NONE LISTED

NONE LISTED

DIRECTORS

Date Election of Directors: 03/31/99

WATSON, DANNY R 20 E. BROADWAY TATUM , NM 88267

Public Regulation Commission

3/7/2000

DANNY'S HOT OIL SERVICE, INC.

MAILING ADDRESS
PO BOX 682 TATUM NEW MEXICO 88267

SCC Number: 1675628

Tax & Revenue Number: 02249429004

INCORPORATED ON JUNE 20, 1994 , IN NEW MEXICO.

CORPORATION IS A DOMESTIC PROFIT

CORPORATION IS ACTIVE
GOOD STANDING THROUGH: 3/15/2001

PURPOSE OF THE CORPORATION
SERVICE WELLS

CORPORATION DATES
Taxable Year End Date: 12/31/98 **Filing Date:** 03/15/99
Corporate Existence Expiration Date:

SUPPLEMENTAL POST MARK DATES
Supplemental: **Name Change:** **Purpose Change:**

PRINCIPAL ADDRESS
20 E BROADWAY TATUM NEW MEXICO 88267

PRINCIPAL ADDRESS(Outside New Mexico)

REGISTERED AGENT
DANNY R WATSON
20 E BROADWAY TATUM NEW MEXICO 88267

Designation date: 03/15/99 **Agent Post Mark Date:** **Resignation date:**

COOP LICENSE INFORMATION
Number: **Type:** **Expiration Year:**

WATSON, DANNY R. President
NONE LISTED Vice President
NONE LISTED Secretary

NONE LISTED *Treasurer*

DIRECTORS

Date Election of Directors: 01/01/99

WATSON , DANNY R

20 E. BROADWAY TATUM , NM 88267

New Search Inquiry Page

Public Regulation Commission**3/7/2000****DANNY R. WATSON OPERATING, INC.****MAILING ADDRESS****20 E. BROADWAY TATUM NEW MEXICO 88267**

SCC Number: 1673193**Tax & Revenue Number: 02249428006****INCORPORATED ON JUNE 09, 1994 , IN NEW MEXICO.****CORPORATION IS A DOMESTIC PROFIT****CORPORATION IS ACTIVE
GOOD STANDING THROUGH: 3/15/2000****PURPOSE OF THE CORPORATION
MANAGE OIL AND GAS PROPERTIES****CORPORATION DATES****Taxable Year End Date: 12/31/99 Filing Date: //**
Corporate Existence Expiration Date:**SUPPLEMENTAL POST MARK DATES****Supplemental: Name Change: Purpose Change:****PRINCIPAL ADDRESS****20 E. BROADWAY TATUM NEW MEXICO 88267****PRINCIPAL ADDRESS(Outside New Mexico)**

REGISTERED AGENT**DANNY R WATSON
20 E. BROADWAY TATUM NEW MEXICO 88267****Designation date: 06/05/98 Agent Post Mark Date: Resignation date:****COOP LICENSE INFORMATION****Number: Type: Expiration Year:****WATSON, DANNY R. President
NONE LISTED Vice President
NONE LISTED Secretary**

NONE LISTED *Treasurer*

DIRECTORS

Date Election of Directors: 03/31/99

WATSON, DANNY R

20 E. BROADWAY TATUM, NM 88267

New Search Inquiry Page

Public Regulation Commission**3/7/2000****WATSON, INC.****MAILING ADDRESS****P.O. BOX 75 TATUM NEW MEXICO 88267**

SCC Number: 1111541**Tax & Revenue Number: 01149865000****INCORPORATED ON AUGUST 25, 1981 , IN NEW MEXICO.****CORPORATION IS A DOMESTIC PROFIT****CORPORATION IS ACTIVE
GOOD STANDING THROUGH: 3/15/2000****PURPOSE OF THE CORPORATION
OIL & GAS SERVICE****CORPORATION DATES
Taxable Year End Date: 12/31/99 Filing Date: //
Corporate Existence Expiration Date:****SUPPLEMENTAL POST MARK DATES
Supplemental: Name Change: Purpose Change:****PRINCIPAL ADDRESS
2821 PECOS HIGHWAY CARLSBAD NEW MEXICO 88220****PRINCIPAL ADDRESS(Outside New Mexico)**

**REGISTERED AGENT
STANLEY WATSON
2821 PECOS HIGHWAY CARLSBAD NEW MEXICO 88220****Designation date: 03/14/98 Agent Post Mark Date: Resignation date:****COOP LICENSE INFORMATION
Number: Type: Expiration Year:****WATSON, STANLEY *President*
NONE LISTED *Vice President*
DEAN, DORIS WARSON *Secretary***

DEAN, DORIS WARSON *Treasurer*

DIRECTORS

Date Election of Directors: 11/01/96

DEAN, DORIS W

2821 PECOS HIGHWAY CARLSBAD, NM 88220

WATSON, STANLEY

2821 PECOS HIGHWAY CARLSBAD, NM 88220

New Search Inquiry Page

T.6 S.

T.7 S.

T.8 S.

T.9 S.

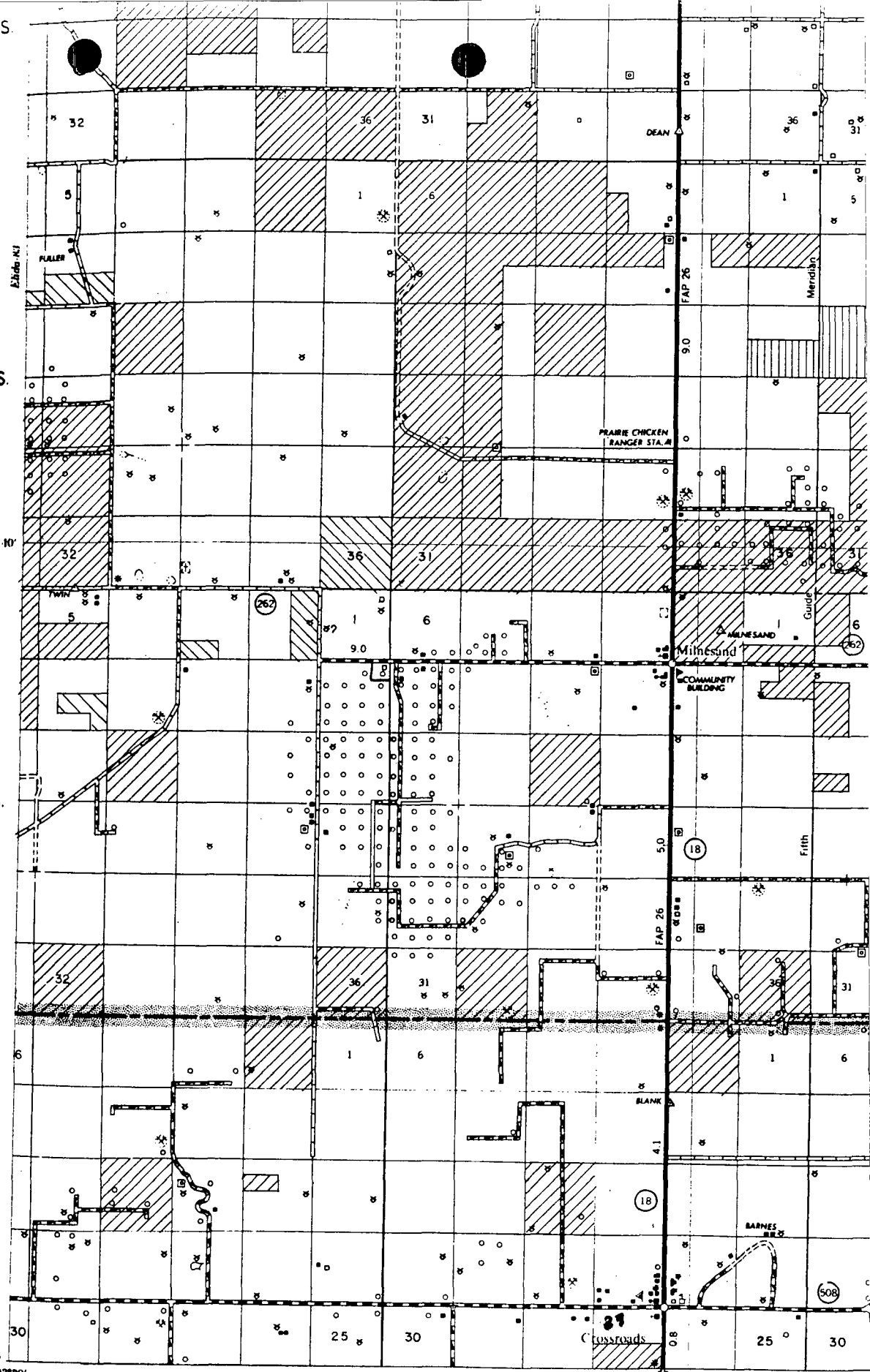
33°30' 103°30'

R.34 E.

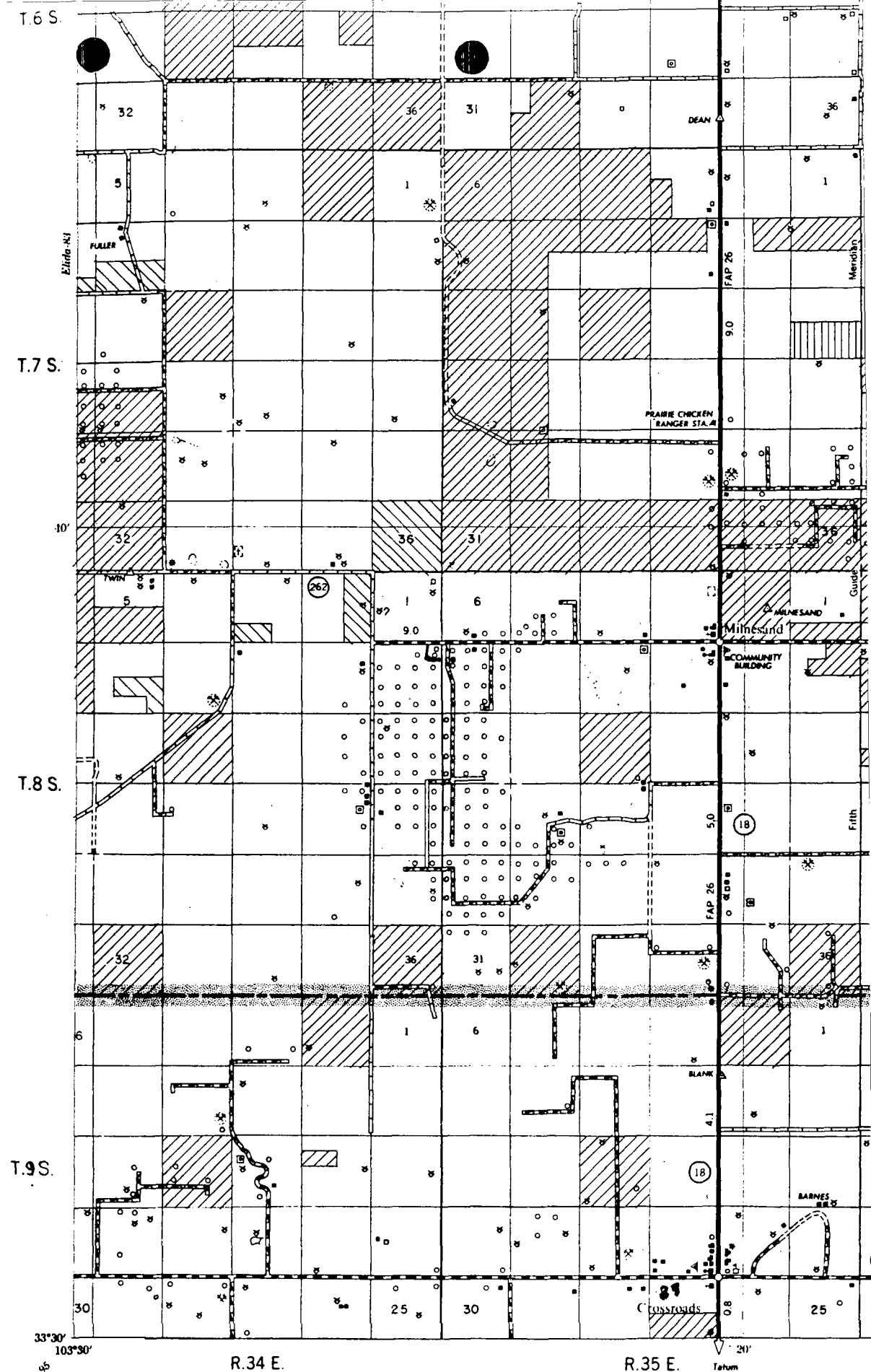
R.35 E.

Tahm

Control by National Geodetic Survey; U.S. Geological Survey;
U.S. Forest Service; Bureau of Land Management and Planning Division.
Modified Conic Projection Standard Parallel 34½° North American Datum.



Caprock 95



Control by National Geodetic Survey; U.S. Geological Survey;
 U.S. Forest Service; Bureau of Land Management and Planning Division.
 Modified Conic Projection Standard Parallel 34° North American Datum.

STATE OF NEW MEXICO
ENERGY MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

MEMORANDUM OF MEETING OR CONVERSATION

X Telephone Personal Time 2:40 pm Date 4-23-02

Originating Party

Martyn Kieling

Other Parties

Danny Watson
SDS-398-8490

Subject Treating Plant Bond needs Rider if I am to continue
Re-permitting To note Company Name Change.

Discussion Danny will call back next week 4-30-02

Conclusions or Agreements I will call Danny if I do not hear from
him by 5-6-02

Distribution

Signed

Martyn Kieling

District I - (505) 393-6161
P. O. Box 1980
Hobbs, NM 88241-1980
District II - (505) 748-1283
811 S. First
Artesia, NM 88210
District III - (505) 334-6178
1000 Rio Brazos Road
Aztec, NM 87410
District IV - (505) 827-7131

New Mexico
Energy Minerals and Natural Resources Department
Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

Form C-137
Originated 8/8/95
Revised 6/25/97

Submit Original
Plus 1 Copy
to Santa Fe
1 Copy to appropriate
District Office

APPLICATION FOR WASTE MANAGEMENT FACILITY
(Refer to the OCD Guidelines for assistance in completing the application)

RECEIVED

OCT 9 1997

☐ Commercial

☐ Centralized

Environmental Bureau
Oil Conservation Division

1. Type: ☐ Evaporation ☐ Injection ☐ Other _____
☐ Solids/Landfarm ☒ Treating Plant

2. Operator: Watson Treating Plant, Inc.

Address: P.O. Box 682, Tatum, NM 88267

Contact Person: Danny R. Watson Phone: (505) 398-3490

3. Location: NE 4 NE /4 Section 12 Township 8 Range 34
Submit large scale topographic map showing exact location

4. Is this a modification of an existing facility? ☐ Yes ☒ No

5. Attach the name and address of the landowner of the facility site and landowners of record within one mile of the site.

6. Attach description of the facility with a diagram indicating location of fences, pits, dikes, and tanks on the facility.

7. Attach designs prepared in accordance with Division guidelines for the construction/installation of the following: pits or ponds, leak-detection systems, aerations systems, enhanced evaporation (spray) systems, waste treating systems, security systems, and landfarm facilities.

8. Attach a contingency plan for reporting and clean-up for spills or releases.

9. Attach a routine inspection and maintenance plan to ensure permit compliance.

10. Attach a closure plan.

11. Attach geological/hydrological evidence demonstrating that disposal of oil field wastes will not adversely impact groundwater. Depth to and quality of ground water must be included.

12. Attach proof that the notice requirements of OCD Rule 711 have been met.

13. Attach a contingency plan in the event of a release of H₂S.

14. Attach such other information as necessary to demonstrate compliance with any other OCD rules, regulations and orders.

15. CERTIFICATION

I hereby certify that the information submitted with this application is true and correct to the best of my knowledge and belief.

Name: Danny R. Watson Title: Owner

Signature: *Danny R. Watson* Date: 10/2/97

5. T.E. Parkingson, Milensand, New Mexico.
6. Done. See Exhibit #11.
7. There are no pits, ponds or open top tanks.
8. If leak was 5 bbls or more, it would be reported to OCC office. If liquid, it would be picked up by vacuum truck and disposed of properly such as put back in good tank. If contaminated, dirt could be remediated on site. That is what I would prefer to do.
9. I do inspect location and tanks every two weeks. Rancher checks daily and does call if I have any problems.
10. I would first clean out the tank then remove them. Check soil for contamination which should be very minimum. As you can see, grass and weeds are growing right up to tanks. Would still remediate or disk up ground as needed to pass standards as we now have.
11. OCD Santa Fe has this on record. No wells within one mile (fresh water) and if you find any water, it is about 80' to top of water zone sometimes.
12. Done.
13. Back off until fresh breathing equipment can be provided.
14. Should be included with Rule 711 Report.

District I - (505) 393-6161
P. O. Box 1980
Hobbs, NM 88241-1980
District II - (505) 748-1283
811 S. First
Artesia, NM 88210
District III - (505) 334-6178
1000 Rio Brazos Road
Aztec, NM 87410
District IV - (505) 827-7131

New Mexico
Energy Minerals and Natural Resources Department
Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

Form C-137
Originated 8/8/95
Revised 6/25/97

Submit Original
Plus 1 Copy
to Santa Fe
1 Copy to appropriate
District Office

APPLICATION FOR WASTE MANAGEMENT FACILITY
(Refer to the OCD Guidelines for assistance in completing the application)

☐ Commercial

☐ Centralized

1. Type: ☐ Evaporation ☐ Injection ☐ Other _____
☐ Solids/Landfarm ☒ Treating Plant

2. Operator: WATSON TREATING PLANT INC

Address: P.O. Box 682

Contact Person: DANNY R. WATSON Phone: (505) 398-3490

3. Location: NE 4 N.E. 14 Section 12 Township 8 Range 34
Submit large scale topographic map showing exact location

4. Is this a modification of an existing facility? ☐ Yes ☒ No

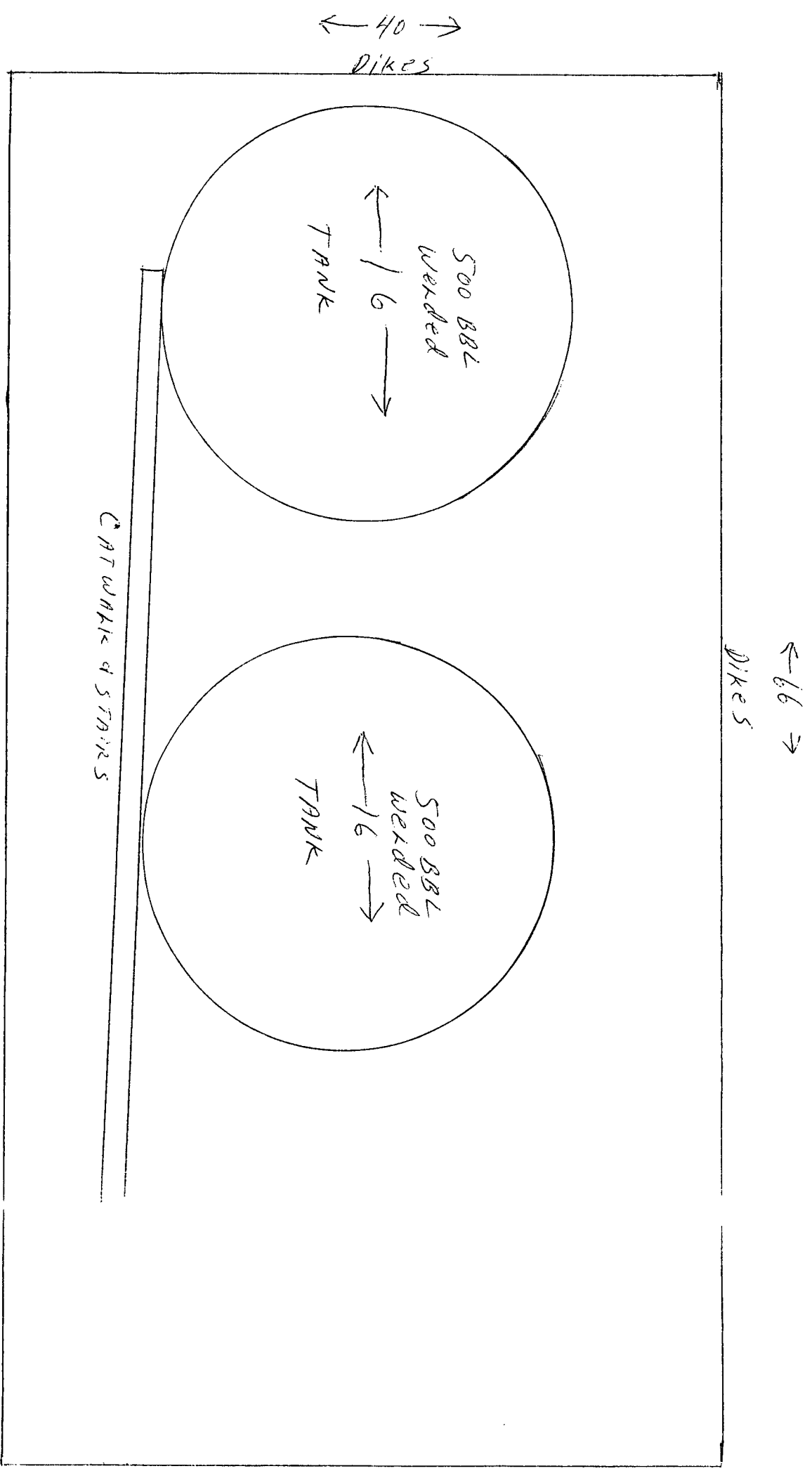
5. Attach the name and address of the landowner of the facility site and landowners of record within one mile of the site.
6. Attach description of the facility with a diagram indicating location of fences, pits, dikes, and tanks on the facility.
7. Attach designs prepared in accordance with Division guidelines for the construction/installation of the following: pits or ponds, leak-detection systems, aerations systems, enhanced evaporation (spray) systems, waste treating systems, security systems, and landfarm facilities.
8. Attach a contingency plan for reporting and clean-up for spills or releases.
9. Attach a routine inspection and maintenance plan to ensure permit compliance.
10. Attach a closure plan.
11. Attach geological/hydrological evidence demonstrating that disposal of oil field wastes will not adversely impact groundwater. Depth to and quality of ground water must be included.
12. Attach proof that the notice requirements of OCD Rule 711 have been met.
13. Attach a contingency plan in the event of a release of H₂S.
14. Attach such other information as necessary to demonstrate compliance with any other OCD rules, regulations and orders.
15. CERTIFICATION

I hereby certify that the information submitted with this application is true and correct to the best of my knowledge and belief.

Name: _____ Title: _____

Signature: _____ Date: _____

Dikes are 2' tall
2' deep trench
2' trench width



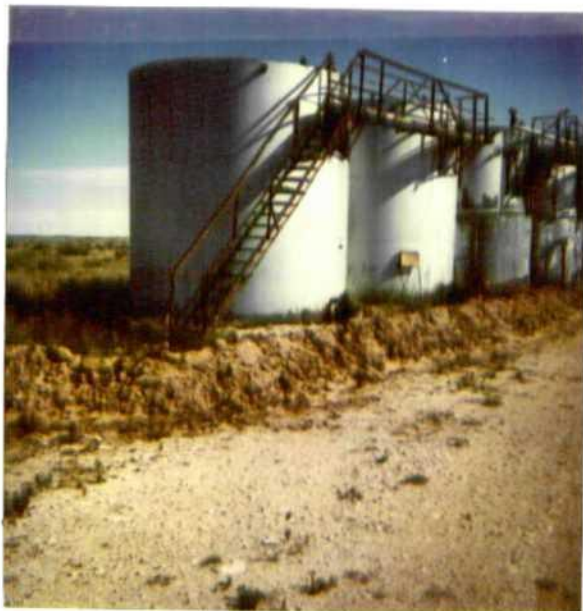
State	County	City	Address	Phone	Occupation	Age	Sex	Marital Status	Religion	Education	Income	Assets	Liabilities	Notes
Alabama	Jefferson	Montgomery	123 Main St.	555-1234	Teacher	35	F	Married	Methodist	High School	\$12,000	\$5,000	\$2,000	
Alabama	Madison	Birmingham	456 Oak Ave.	555-5678	Engineer	42	M	Single	Baptist	College	\$18,000	\$10,000	\$3,000	
Alabama	Shelby	Memphis	789 Pine St.	555-9012	Doctor	50	M	Married	Catholic	University	\$25,000	\$15,000	\$4,000	
Alabama	St. Clair	Mobile	101 Beach Blvd.	555-3456	Merchant	48	M	Married	Presbyterian	High School	\$15,000	\$8,000	\$2,500	
Alabama	Cherokee	Dothan	202 Elm St.	555-7890	Nurse	38	F	Single	Methodist	College	\$10,000	\$4,000	\$1,500	
Alabama	Franklin	Prichard	303 Maple Ave.	555-2345	Farmer	55	M	Married	Baptist	High School	\$8,000	\$3,000	\$1,000	
Alabama	Lawrence	Anniston	404 Cedar St.	555-6789	Electrician	40	M	Married	Catholic	High School	\$11,000	\$5,000	\$2,000	
Alabama	Wilcox	Enterprise	505 Birch St.	555-0123	Business	45	M	Married	Methodist	College	\$13,000	\$6,000	\$2,500	
Alabama	Washington	Opelika	606 Walnut St.	555-4567	Lawyer	52	M	Married	Baptist	University	\$20,000	\$12,000	\$3,500	
Alabama	Chilton	Andalusia	707 Elm St.	555-8901	Teacher	32	F	Single	Methodist	High School	\$9,000	\$4,000	\$1,500	
Alabama	Greene	Greenville	808 Oak Ave.	555-2345	Engineer	47	M	Married	Catholic	College	\$16,000	\$9,000	\$3,000	
Alabama	Madison	Prichard	909 Pine St.	555-6789	Doctor	51	M	Married	Presbyterian	University	\$22,000	\$14,000	\$4,000	
Alabama	St. Clair	Mobile	1010 Beach Blvd.	555-0123	Merchant	49	M	Married	Baptist	High School	\$17,000	\$10,000	\$3,500	
Alabama	Cherokee	Dothan	1111 Elm St.	555-4567	Nurse	39	F	Single	Methodist	College	\$11,000	\$5,000	\$2,000	
Alabama	Franklin	Prichard	1212 Maple Ave.	555-8901	Farmer	56	M	Married	Baptist	High School	\$9,000	\$3,000	\$1,000	
Alabama	Lawrence	Anniston	1313 Cedar St.	555-2345	Electrician	41	M	Married	Catholic	High School	\$12,000	\$6,000	\$2,500	
Alabama	Wilcox	Enterprise	1414 Birch St.	555-6789	Business	46	M	Married	Methodist	College	\$14,000	\$7,000	\$3,000	
Alabama	Washington	Opelika	1515 Walnut St.	555-0123	Lawyer	53	M	Married	Baptist	University	\$21,000	\$13,000	\$4,000	
Alabama	Chilton	Andalusia	1616 Elm St.	555-4567	Teacher	33	F	Single	Methodist	High School	\$10,000	\$4,000	\$1,500	
Alabama	Greene	Greenville	1717 Oak Ave.	555-8901	Engineer	48	M	Married	Catholic	College	\$18,000	\$11,000	\$3,500	
Alabama	Madison	Prichard	1818 Pine St.	555-2345	Doctor	52	M	Married	Presbyterian	University	\$23,000	\$15,000	\$4,500	
Alabama	St. Clair	Mobile	1919 Beach Blvd.	555-6789	Merchant	50	M	Married	Baptist	High School	\$19,000	\$12,000	\$4,000	
Alabama	Cherokee	Dothan	2020 Elm St.	555-0123	Nurse	40	F	Single	Methodist	College	\$12,000	\$6,000	\$2,500	
Alabama	Franklin	Prichard	2121 Maple Ave.	555-4567	Farmer	57	M	Married	Baptist	High School	\$10,000	\$3,000	\$1,000	
Alabama	Lawrence	Anniston	2222 Cedar St.	555-8901	Electrician	42	M	Married	Catholic	High School	\$13,000	\$7,000	\$3,000	
Alabama	Wilcox	Enterprise	2323 Birch St.	555-2345	Business	47	M	Married	Methodist	College	\$15,000	\$8,000	\$3,500	
Alabama	Washington	Opelika	2424 Walnut St.	555-6789	Lawyer	54	M	Married	Baptist	University	\$24,000	\$16,000	\$5,000	
Alabama	Chilton	Andalusia	2525 Elm St.	555-0123	Teacher	34	F	Single	Methodist	High School	\$11,000	\$5,000	\$2,000	
Alabama	Greene	Greenville	2626 Oak Ave.	555-4567	Engineer	49	M	Married	Catholic	College	\$19,000	\$13,000	\$4,000	
Alabama	Madison	Prichard	2727 Pine St.	555-8901	Doctor	53	M	Married	Presbyterian	University	\$26,000	\$18,000	\$5,000	
Alabama	St. Clair	Mobile	2828 Beach Blvd.	555-2345	Merchant	51	M	Married	Baptist	High School	\$21,000	\$15,000	\$5,000	
Alabama	Cherokee	Dothan	2929 Elm St.	555-6789	Nurse	41	F	Single	Methodist	College	\$13,000	\$7,000	\$3,000	
Alabama	Franklin	Prichard	3030 Maple Ave.	555-0123	Farmer	58	M	Married	Baptist	High School	\$11,000	\$4,000	\$1,500	
Alabama	Lawrence	Anniston	3131 Cedar St.	555-4567	Electrician	43	M	Married	Catholic	High School	\$14,000	\$8,000	\$3,500	
Alabama	Wilcox	Enterprise	3232 Birch St.	555-8901	Business	48	M	Married	Methodist	College	\$16,000	\$9,000	\$4,000	
Alabama	Washington	Opelika	3333 Walnut St.	555-2345	Lawyer	55	M	Married	Baptist	University	\$27,000	\$19,000	\$6,000	
Alabama	Chilton	Andalusia	3434 Elm St.	555-6789	Teacher	35	F	Single	Methodist	High School	\$12,000	\$6,000	\$2,500	
Alabama	Greene	Greenville	3535 Oak Ave.	555-0123	Engineer	50	M	Married	Catholic	College	\$20,000	\$14,000	\$5,000	
Alabama	Madison	Prichard	3636 Pine St.	555-4567	Doctor	54	M	Married	Presbyterian	University	\$28,000	\$20,000	\$6,000	
Alabama	St. Clair	Mobile	3737 Beach Blvd.	555-8901	Merchant	52	M	Married	Baptist	High School	\$23,000	\$17,000	\$6,000	
Alabama	Cherokee	Dothan	3838 Elm St.	555-2345	Nurse	42	F	Single	Methodist	College	\$14,000	\$8,000	\$3,500	
Alabama	Franklin	Prichard	3939 Maple Ave.	555-6789	Farmer	59	M	Married	Baptist	High School	\$12,000	\$5,000	\$2,000	
Alabama	Lawrence	Anniston	4040 Cedar St.	555-0123	Electrician	44	M	Married	Catholic	High School	\$15,000	\$9,000	\$4,000	
Alabama	Wilcox	Enterprise	4141 Birch St.	555-4567	Business	49	M	Married	Methodist	College	\$17,000	\$10,000	\$4,500	
Alabama	Washington	Opelika	4242 Walnut St.	555-8901	Lawyer	56	M	Married	Baptist	University	\$29,000	\$21,000	\$7,000	
Alabama	Chilton	Andalusia	4343 Elm St.	555-2345	Teacher	36	F	Single	Methodist	High School	\$13,000	\$7,000	\$3,000	
Alabama	Greene	Greenville	4444 Oak Ave.	555-6789	Engineer	51	M	Married	Catholic	College	\$21,000	\$16,000	\$6,000	
Alabama	Madison	Prichard	4545 Pine St.	555-0123	Doctor	55	M	Married	Presbyterian	University	\$30,000	\$22,000	\$8,000	
Alabama	St. Clair	Mobile	4646 Beach Blvd.	555-4567	Merchant	53	M	Married	Baptist	High School	\$25,000	\$19,000	\$7,000	
Alabama	Cherokee	Dothan	4747 Elm St.	555-8901	Nurse	43	F	Single	Methodist	College	\$15,000	\$9,000	\$4,000	
Alabama	Franklin	Prichard	4848 Maple Ave.	555-2345	Farmer	60	M	Married	Baptist	High School	\$13,000	\$6,000	\$2,500	
Alabama	Lawrence	Anniston	4949 Cedar St.	555-6789	Electrician	45	M	Married	Catholic	High School	\$16,000	\$10,000	\$4,500	
Alabama	Wilcox	Enterprise	5050 Birch St.	555-0123	Business	50	M	Married	Methodist	College	\$18,000	\$11,000	\$5,000	
Alabama	Washington	Opelika	5151 Walnut St.	555-4567	Lawyer	57	M	Married	Baptist	University	\$31,000	\$23,000	\$9,000	
Alabama	Chilton	Andalusia	5252 Elm St.	555-8901	Teacher	37	F	Single	Methodist	High School	\$14,000	\$8,000	\$3,500	
Alabama	Greene	Greenville	5353 Oak Ave.	555-2345	Engineer	52	M	Married	Catholic	College	\$22,000	\$18,000	\$7,000	
Alabama	Madison	Prichard	5454 Pine St.	555-6789	Doctor	56	M	Married	Presbyterian	University	\$32,000	\$24,000	\$10,000	
Alabama	St. Clair	Mobile	5555 Beach Blvd.	555-0123	Merchant	54	M	Married	Baptist	High School	\$27,000	\$21,000	\$8,000	
Alabama	Cherokee	Dothan	5656 Elm St.	555-4567	Nurse	44	F	Single	Methodist	College	\$16,000	\$10,000	\$5,000	
Alabama	Franklin	Prichard	5757 Maple Ave.	555-8901	Farmer	61	M	Married	Baptist	High School	\$14,000	\$7,000	\$3,000	
Alabama	Lawrence	Anniston	5858 Cedar St.	555-2345	Electrician	46	M	Married	Catholic	High School	\$17,000	\$11,000	\$5,000	
Alabama	Wilcox	Enterprise	5959 Birch St.	555-6789	Business	51	M	Married	Methodist	College	\$19,000	\$12,000	\$5,500	
Alabama	Washington	Opelika	6060 Walnut St.	555-0123	Lawyer	58	M	Married	Baptist	University	\$33,000	\$25,000	\$10,000	
Alabama	Chilton	Andalusia	6161 Elm St.	555-4567	Teacher	38	F	Single	Methodist	High School	\$15,000	\$9,000	\$4,000	
Alabama	Greene	Greenville	6262 Oak Ave.	555-8901	Engineer	53	M	Married	Catholic	College	\$23,000	\$19,000	\$8,000	
Alabama	Madison	Prichard	6363 Pine St.	555-2345	Doctor	57	M	Married	Presbyterian	University	\$34,000	\$26,000	\$11,000	
Alabama	St. Clair	Mobile	6464 Beach Blvd.	555-6789	Merchant	55	M	Married	Baptist	High School	\$29,000	\$23,000	\$9,000	
Alabama	Cherokee	Dothan	6565 Elm St.	555-0123	Nurse	45	F	Single	Methodist	College	\$17,000	\$11,000	\$5,500	
Alabama	Franklin	Prichard	6666 Maple Ave.	555-4567	Farmer	62	M	Married	Baptist	High School	\$15,000	\$8,000	\$3,500	
Alabama	Lawrence	Anniston	6767 Cedar St.	555-8901	Electrician	47	M	Married	Catholic	High School	\$18,000	\$12,000	\$6,000	
Alabama	Wilcox	Enterprise	6868 Birch St.	555-2345	Business	52	M	Married	Methodist	College	\$20,000	\$13,000	\$6,000	
Alabama	Washington	Opelika	6969 Walnut St.	555-6789	Lawyer	59	M	Married	Baptist	University	\$35,000	\$27,000	\$11,000	
Alabama	Chilton	Andalusia	7070 Elm St.	555-0123	Teacher	39	F	Single	Methodist	High School	\$16,000	\$10,000	\$4,500	
Alabama	Greene	Greenville	7171 Oak Ave.	555-4567	Engineer	54	M	Married	Catholic	College	\$24,000	\$20,000	\$9,000	
Alabama	Madison	Prichard	7272 Pine St.	555-8901	Doctor	58	M	Married	Presbyterian	University	\$36,000	\$28,000	\$12,000	
Alabama	St. Clair	Mobile	7373 Beach Blvd.	555-2345	Merchant	56	M	Married	Baptist	High School	\$31,000	\$25,000	\$10,000	
Alabama	Cherokee	Dothan	7474 Elm St.	555-6789	Nurse	46	F	Single	Methodist	College	\$18,000	\$12,000	\$6,000	
Alabama	Franklin	Prichard	7575 Maple Ave.	555-0123	Farmer	63	M	Married	Baptist	High School	\$16,000	\$9,000	\$4,000	
Alabama	Lawrence	Anniston	7676 Cedar St.	555-4567	Electrician	48	M	Married	Catholic	High School	\$19,000	\$13,000	\$6,500	
Alabama	Wilcox	Enterprise	7777 Birch St.	555-8901	Business	53	M	Married	Methodist	College	\$21,000	\$14,000	\$6,500	
Alabama	Washington	Opelika	7878 Walnut St.	555-2345	Lawyer	60	M	Married	Baptist	University	\$37,000	\$29,000	\$12,000	
Alabama	Chilton	Andalusia	7979 Elm St.	555-6789	Teacher	40	F	Single	Methodist	High School	\$17,000	\$11,000	\$5,000	
Alabama	Greene	Greenville	8080 Oak Ave.	555-0123	Engineer	55	M	Married	Catholic	College	\$25,000	\$21,000	\$10,000	
Alabama	Madison	Prichard	8181 Pine St.	555-4567	Doctor	59	M	Married	Presbyterian	University	\$38,000	\$30,000	\$13,000	
Alabama	St. Clair	Mobile	8282 Beach Blvd.	555-8901	Merchant	57	M	Married	Baptist	High School	\$33,000	\$27,000	\$11,000	
Alabama	Cherokee	Dothan	8383 Elm St.	555-2345	Nurse	47	F	Single	Methodist	College	\$19,000	\$13,000	\$7,000	
Alabama	Franklin	Prichard	8484 Maple Ave.	555-6789	Farmer	64	M	Married	Baptist	High School	\$17,000	\$10,000	\$4,500	
Alabama	Lawrence	Anniston	8585 Cedar St.	555-0123	Electrician	49	M	Married	Catholic	High School	\$20,000	\$14,000	\$7,000	
Alabama	Wilcox	Enterprise	8686 Birch St.	555-4567	Business	54	M	Married	Methodist	College	\$22,000	\$15,000	\$7,500	
Alabama	Washington	Opelika	8787 Walnut St.	555-8901	Lawyer	61	M	Married	Baptist	University	\$39,000	\$31,000	\$13,000	
Alabama	Chilton	Andalusia	8888 Elm St.	555-2345	Teacher	41	F	Single	Methodist	High School	\$18,000	\$12,000	\$5,500	
Alabama	Greene	Greenville	8989 Oak Ave.	555-6789	Engineer	56	M	Married	Catholic	College	\$26,000	\$22,000	\$11,000	
Alabama	Madison	Prichard	9090 Pine St.	555-0123	Doctor	60	M	Married	Presbyterian	University	\$40,000	\$32,000	\$14,000	
Alabama	St. Clair	Mobile	9191 Beach Blvd.	555-4567	Merchant	58	M	Married	Baptist	High School	\$35,000	\$29,000	\$12,000	
Alabama	Cherokee	Dothan	9292 Elm St.	555-8901	Nurse	48	F	Single	Methodist	College	\$20,000	\$14,000	\$7,500	
Alabama	Franklin	Prichard	9393 Maple Ave.	555-2345	Farmer	65	M	Married	Baptist	High School	\$18,000	\$11,000	\$5,000	
Alabama	Lawrence	Anniston	9494 Cedar St.	555-6789	Electrician	50	M	Married	Catholic	High School	\$21,000	\$15,000	\$8,000	
Alabama	Wilcox	Enterprise	9595 Birch St.	555-0123	Business	55	M	Married	Methodist	College	\$23,000	\$16,000	\$8,500	
Alabama	Washington	Opelika	9696 Walnut St.	555-4567	Lawyer	62	M	Married	Baptist	University	\$41,000	\$33,000	\$14,000	
Alabama	Chilton	Andalusia	9797 Elm St.	555-8901	Teacher	42	F	Single	Methodist	High School	\$19,000	\$13,000	\$6,000	
Alabama	Greene	Greenville	9898 Oak Ave.	555-2345	Engineer									

1. Clean tanks (estimated) 900 bbls @ \$5.00 per bbls disposal fee = \$4,500.
2. Trucking 7 loads = 21 hours @ \$61.00 = \$1281.00 (3 hours per load).
3. Dirt Spill - \$14.00 per yard. Estimated 20 yds = \$280.00. Trucking 4 hours = \$220.00.
4. Backhoe for pickup land level fill dirt = \$335.00.
5. Tank and treater removal = \$1000.00
6. Grand Total third party cost for clean up is estimated at \$7,616.00

Inspection Report Response

Watson Treating Plant, Inc.

1. N/A - already answered
2. Dirt around valves was dug up and put on spill site and remediated with spill site dirt.
3. Done - See Photos 1, 2 and 3.
4. N/A - already answered
5. N/A - already answered
6. Done - See Photos 7, 9 and 10.
7. N/A - already answered
8. There are no lines attached to tanks.
9. Berms have been built. See Pictures 1, 2, 3 and 4.
10. All spills will be reported as required.
11. Has been remediated as requested and will continue on site.
12. Berm has been built as requested. See Photos 5 and 6.
13. I have locked valves. See Photos 8 and 10.
14. I have a sign. See Photo 7.
15.
 - (a) Danny R. Watson only officer.
 - (b) N/A - already answered
 - (c) See C-137 Application.
 - (d) See C-137 Application.
 - (e) See C-137 Application.
 - (f) See C-137 Application.
 - (g) See C-137 Application.
 - (h) See C-137 Application.
 - (i) See C-137 Application.
 - (j) See C-137 Application.
 - (l) See C-137 Application.



1



2



3



4



5



6



7



8

Watson Treating Plant, Inc.
Photos taken by Danny Watson
October 5, 1997



9



10

MEMORANDUM OF MEETING OR CONVERSATION

<input type="checkbox"/> Telephone	<input checked="" type="checkbox"/> Personal	Time 9:00 - 10:30	Date 9/26/97
<u>Originating Party</u> Dannyl Watson		<u>Other Parties</u> Roger Anderson Marlyne Kicking	
<u>Subject</u> Watson Treating Plant Inspection Report + Bonding			
<u>Discussion</u> 25,000 \$\$\$ Existing Bond is Good. Dannyl W. May Petition For an Examiner Hearing to Reduce the Bonding Amount.			
<u>Conclusions or Agreements</u> one week extension on the IR Response And C-137 submitted to the Co th			
<u>Distribution</u>		Signed Mottym J. Kicking	

TREATING PLANT OPERATOR'S MONTHLY REPORT

Report of Watson Treating Plant, Inc. Month of March 1996

Address (Street) (City) (State)

TOTAL STOCKS PIPELINE OIL BEGINNING OF MONTH (Attach additional sheets if necessary)

PLANT NAME	LOCATION	BARRELS
Watson Treating Plant, Inc.	S12 T8 R34	3825
TOTAL ALL PLANTS		

TOTAL PIPELINE OIL RECOVERED (Attach additional sheets if necessary)

PLANT NAME	LOCATION	BARRELS
Watson Treating Plant, Inc.		
TOTAL ALL PLANTS		

DELIVERIES PIPELINE OIL (Attach additional sheets if necessary)

FROM	TO	BARRELS
Watson Treating Plant, Inc.		
TOTAL ALL PLANTS		

TOTAL STOCKS PIPELINE OIL END OF MONTH (Attach additional sheets if necessary)

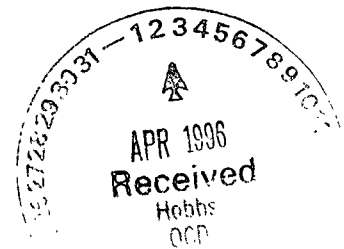
PLANT NAME	LOCATION	BARRELS
Watson Treating Plant, Inc.	S12 T8 R34	3825
TOTAL ALL PLANTS		

TOTAL ALL PLANTS

I hereby certify that this report is true and complete to the best of my knowledge and belief.

NAME OF TREATING PLANT OPERATOR Danny Watson

By Bookkeeper Title Owner Date 4/2/96



MEMORANDUM OF MEETING OR CONVERSATION

<input checked="" type="checkbox"/> Telephone <input type="checkbox"/> Personal	Time 3:35 PM	Date 8.15.97
Originating Party MARK ASKLEY, MARTINE KENNEDY ROBER ANDERSON		Other Parties DANNY WATSON (505-398-3490)
Subject OIL STORAGE AT BRINE FACILITY		mjk

Discussion

ROBER ANDERSON SAID DANNY W. COULD LEAVE
OIL STORAGE TANKS IF STORED PROPERLY. THE OIL
IS CONSIDERED NOW EXEMPT.

(Accountability for Oil Movement & Sale C-117)

Are shown that All oil goes through the treating Plant
Facility west of Millslands. This Starts the Paper Work
trail whether the oil actually Passes through the TP or Not. mjk

Conclusions or Agreements

DANNY W. WILL LEAVE STORAGE FOR OIL
IN PLACE, AND WILL HANDLE AND SPILLS AS ~~WASTE~~ WASTE.

~~THE~~ Tanks are on Brine well Permitted Site and will be handled by Mark A.
if A spill is spotted. ~~THE~~ mjk

Distribution

Signed

Mark Askey



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

GARREY CARRUTHERS
GOVERNOR

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

September 19, 1990

CERTIFIED MAIL
RETURN RECEIPT NO. P-918-402-430

Watson Treating Plant, Inc.
P. O. Box 75
Tatum, New Mexico 88267

RE: Regulatory Notification, New Federal Requirements for Oil Reclamation Facilities

Dear Sir:

This letter is to advise you of a forthcoming federal requirement that may affect operation of your facility.

As you know, only the New Mexico Oil Conservation Division (OCD) currently regulates your facility. However, on September 25, 1990, a US Environmental Protection Agency (EPA) regulation directing use of the Toxicity Characteristic Leaching Procedure (TCLP) and adding toxicity constituent regulatory levels becomes effective. On that date waste material containing benzene, a natural component of crude oil, will be regulated as federal "hazardous waste" if benzene levels exceed the promulgated level of 500 parts per billion (ppb). Certain waste materials are excluded from this regulation including wastes from crude oil and natural gas exploration and production activities. However, liquid and solid wastes and sludges generated by crude oil and tank bottom reclaimers may not be exempted. Permitting under OCD rules does not necessarily mean your facility is EPA exempt.

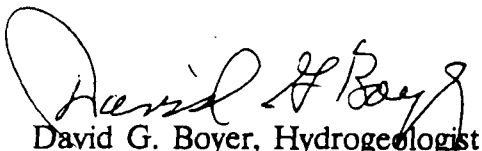
If the waste stream from treating crude oil and tank bottoms by your facility contains benzene concentrations of greater than 500 ppb and if that waste is not exempted under EPA interpretation of the oil and gas exclusion, EPA will require that the waste stream be permitted and handled as hazardous waste. Additionally, if any portion of a common facility handling exempt exploration and production wastes is also considered to be treating, storing, or disposing of hazardous waste, then the entire common facility may be subject to EPA regulations which include provisions for substantial hydrogeologic investigations, corrective actions, and post-closure monitoring. There are civil and criminal penalties for failure to comply with "hazardous waste" regulations.

Therefore the OCD strongly recommends that you contact and review your operations with a private consultant or attorney familiar with this new federal rule prior to September 25 to determine the impact of the new regulation at your facility, and for advice as to technical permitting requirements and your potential liability.

Currently, the State of New Mexico is taking action to notify President Bush, the USEPA, and the Department of Energy of the impact of this new rule, and is requesting implementation be delayed for at least six months while the issue is reexamined. However, the outcome of this appeal is far from certain. Enclosed with this letter is a copy of the letter to President Bush. You may also wish to contact members of the New Mexico Congressional delegation regarding this important matter.

If you have any questions you are urged to contact either myself at (505) 827-5812 or Roger Anderson of this office at 827-5884.

Sincerely,



David G. Boyer, Hydrogeologist
Environmental Bureau Chief

DGB/sl

Enclosure

cc: NMOCD District Office



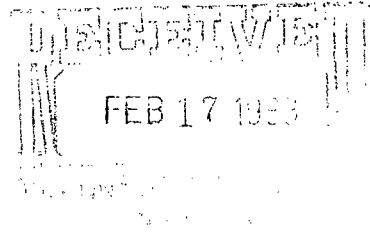
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

GARREY CARRUTHERS
GOVERNOR

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

February 3, 1988



Mr. Stan Watson
Watson Treating Plant
P. O. Box 75
Tatum, New Mexico 88267

RE: Relocation of Treating Plant from Sec. 34, T8S, R35E, to
Sec. 12, T8S, R34E, Roosevelt County.

Dear Mr. Watson:

On January 21, the Oil Conservation Division (OCD) received your application to relocate the Watson Treating Plant from Sec. 34, T8S, R35E to Sec. 12 T8S, R34E, Roosevelt County. The following comments and requests for additional information are based on our review of the information provided and the requirements for a treating plant application as outlined in OCD Rule 312. A copy of Rule 312 was previously furnished to you.

(1) Affirmation

Include the following affirmation and signature with the application:

"I hereby certify that I am familiar with the information contained in and submitted with this application and that such information is true, accurate and complete to the best of my knowledge and belief."

Stan Watson
(Signature)

2-14-88
(Date)

STAN WATSON
(Printed Name of Person
Signing)

SEC.
(Title)

- (2) Dwellings and water wells including windmills, located within $\frac{1}{4}$ mile of the site were not specifically indicated on a map. If any are located within $\frac{1}{4}$ mile of the site boundaries, please show their location.
- (3) Will any pits or below-grade tanks be present at the facility?

Mr. Stan Watson
February 3, 1988
Page 2

- (4) Please furnish a description of the containment dikes, including height, length, and width. Will the reservoir formed by the dikes have a capacity one-third larger than the total capacity of all the enclosed tanks?
- (5) Evidence was not furnished that T.E. Parkinson was given written notice of your application.
- (6) A contingency plan addressing procedures to be followed in case of leaks or spills must be filed with this office.
- (7) What measures will be taken to prevent unauthorized access to the facility? Will gates be closed and locked when authorized personnel are not present?
- (8) Please furnish a closure plan and schedule for cleanup and restoration of the old facility site.
- (9) All information concerning the change in location for this treating plant should also be filed with the OCD Hobbs district office.

Submission of the information requested in this letter will allow our review of your application to continue. If you have any questions, please contact me at 827-5884.

Sincerely,



Jami Bailey
Geologist

JB:sl

cc: OCD - Hobbs

24-Hour Service, Call

(505) 398-3490

(505) 398-3464



P.O. BOX 75

TATUM, NEW MEXICO 88267

February 14, 1988

Jami Bailey
P.O. Box 2088
State Land Office Building
Santa Fe, NM 87504

Re: Reply to letter dated Feb. 3, 1988. Relocation of Treating Plant, from Sec. 34, TRS, R35E to Sec. 12, T8S, R34E., Roosevelt County.

Dear Jami:

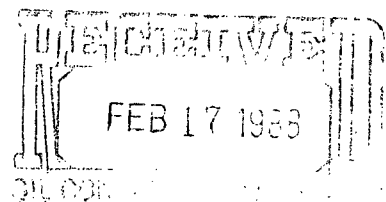
- (1) Affirmation complete
- (2) No dwellings or water wells within $\frac{1}{4}$ mile.
Refer to Eddy Seay's letter dated Feb. 2, 1988.
- (3) There will no pits below ground level.
- (4) Dike description is length 150', width 50', height 3'.
- (5) Letter enclosed from T.E. Parkinson also a copy of certified receipt.
- (6)
 1. Notification to District Office as soon as possible.
 2. Pick up all oil and liquids.
 3. Restore land to industry standard for such leaks.
 4. Notify District office for inspection of leak or spill for approval of clean up.
- (7) Gate going into treating plant will be locked when no personal is on location.
- (8) Tanks will be removed and ground levelled to original contour.
- (9) All information was sent to the Oil Conservation Division, District office Attention: Jerry Sexton.

Sincerely,

A handwritten signature in cursive script that reads "Stan Watson".

Stan Watson

cc: Jerry Sexton

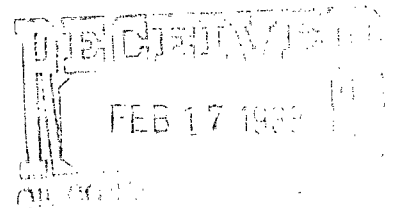


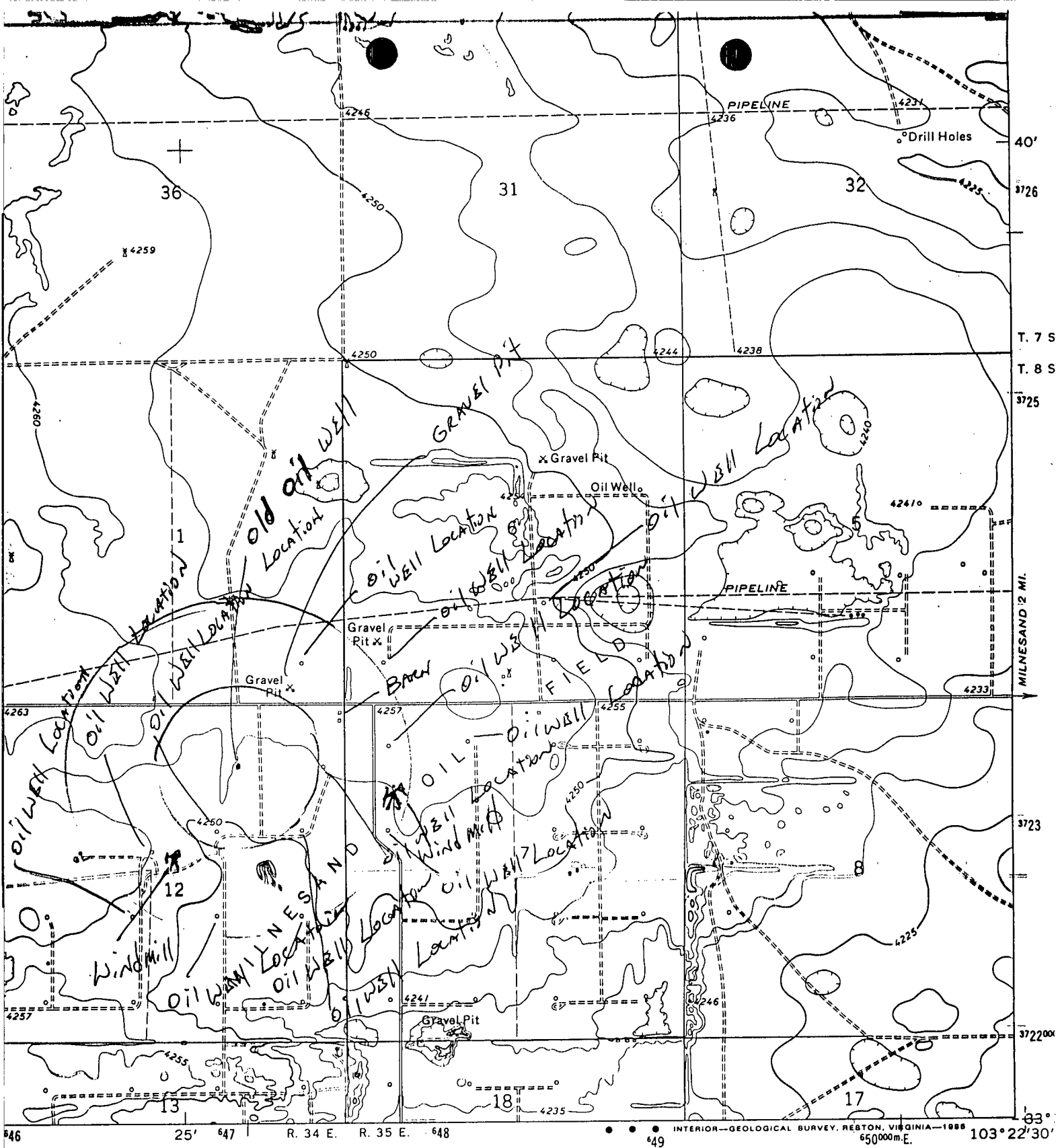
I, T.E. Parkinson am aware of the transfer of the Watson Treating Plant, Inc. from location Sec. 34, TRS, R35E to Sec. 12, T8S, R34E, Roosevelt County.

The Watson's have owned and operated the plant at the present site for several years and will own and operate it at the transferred site.

I give my permission for the plant to be in this area.
I see no problem with any hazard what so ever.

T.E. Parkinson
Signature





ROAD CLASSIFICATION

- | | |
|---|---|
| Primary highway,
hard surface..... | Light-duty road, hard or
improved surface..... |
| Secondary highway,
hard surface..... | Unimproved road..... |
| ○ Interstate Route | ○ U. S. Route ○ State Route |

MILNESAND NW, N. MEX.
33103-F4-TF-024

QUADRANGLE LOCATION

SENDER: Complete Items 1 and 2 when additional services are desired, and complete Items 3 and 4.
 Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1. ☐ Show to whom delivered, date, and addressee's address. 2. ☐ Restricted Delivery.

3. Article Addressed to: *J. E. Parkman*

4. Article Number: *9-711-680-127*

Type of Service:
☐ Registered ☐ Insured
☐ Certified ☐ COD
☐ Express Mail

Always obtain signature of addressee or agent and **DATE DELIVERED**.

5. Signature - Addressee: *J. E. Parkman*

6. Signature - Agent: *X*

7. Date of Delivery:

8. Addressee's Address (ONLY if requested and fee paid)

PS Form 3811, Feb. 1986 DOMESTIC RETURN RECEIPT

1988 FEB 10 10 AM
 RETURN TO
 1988 FEB 10 10 AM
 RETURN TO
 1988 FEB 10 10 AM
 RETURN TO

Print Sender's name, address, and ZIP code in the space below.

UNITED STATES POSTAL SERVICE
 OFFICIAL BUSINESS
 RETURN INSTRUCTIONS
 Put your name, address, and ZIP code in the space below.
 Attach to front of article if possible.
 Attach to front of article if possible.
 Attach to front of article if possible.
 Attach to front of article if possible.

RECEIVED
 FEB 17 1988

Memo

From

JERRY SEXTON
District Supervisor

To Dave Boyer

RECEIVED
FEB 04 1988
OIL CONSERVATION

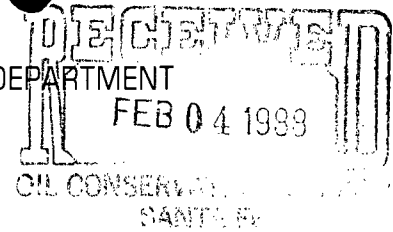
Attached is a memo from Eddie Seay on the latest proposed site for Watson Treating Plant. The District finds no problem with the proposed site.

JS:jm

cc: Watson Treating Plant



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION
HOBBS DISTRICT OFFICE



GARREY CARRUTHERS
GOVERNOR

POST OFFICE BOX 1980
HOBBS, NEW MEXICO 88241-1980
(505) 393-6161

MEMORANDUM TO: Jerry Sexton
FROM: Eddie W. Seay
DATE: February 2, 1988
SUBJECT: Treating Plant

On Thursday, January 21, I inspected a site for Watson Treating plant. The site is located approximately 4 miles west and 1/2 mile south of Milnesand, New Mexico.

The site is an old abandoned battery area, with Breck Operating as the operator of the area. Two water wells were noticed from this site - one to the southwest 3/4 to 1 mile, and one southeast 3/4 to 1 mile. No residence was found in the immediate area. This site seems to be a good location for their new treating plant.

A discharge plan will have to be filed on the environmental aspects of the site to be approved.

EWS:jm

*No authentic
For HP-bank
and, OK rule*



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

GARREY CARRUTHERS
GOVERNOR

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

February 3, 1988

Mr. Stan Watson
Watson Treating Plant
P. O. Box 75
Tatum, New Mexico 88267

RE: Relocation of Treating Plant from Sec. 34, T8S, R35E, to
Sec. 12, T8S, R34E, Roosevelt County.

Dear Mr. Watson:

On January 21, the Oil Conservation Division (OCD) received your application to relocate the Watson Treating Plant from Sec. 34, T8S, R35E to Sec. 12 T8S, R34E, Roosevelt County. The following comments and requests for additional information are based on our review of the information provided and the requirements for a treating plant application as outlined in OCD Rule 312. A copy of Rule 312 was previously furnished to you.

(1) Affirmation

Include the following affirmation and signature with the application:

"I hereby certify that I am familiar with the information contained in and submitted with this application and that such information is true, accurate and complete to the best of my knowledge and belief."

(Signature)

(Date)

(Printed Name of Person
Signing)

(Title)

(2) Dwellings and water wells including windmills, located within $\frac{1}{4}$ mile of the site were not specifically indicated on a map. If any are located within $\frac{1}{4}$ mile of the site boundaries, please show their location.

(3) Will any pits or below-grade tanks be present at the facility?

- (4) Please furnish a description of the containment dikes, including height, length, and width. Will the reservoir formed by the dikes have a capacity one-third larger than the total capacity of all the enclosed tanks?
- (5) Evidence was not furnished that T.E. Parkinson was given written notice of your application.
- (6) A contingency plan addressing procedures to be followed in case of leaks or spills must be filed with this office.
- (7) What measures will be taken to prevent unauthorized access to the facility? Will gates be closed and locked when authorized personnel are not present?
- (8) Please furnish a closure plan and schedule for cleanup and restoration of the old facility site.
- (9) All information concerning the change in location for this treating plant should also be filed with the OCD Hobbs district office.

Submission of the information requested in this letter will allow our review of your application to continue. If you have any questions, please contact me at 827-5884.

Sincerely,



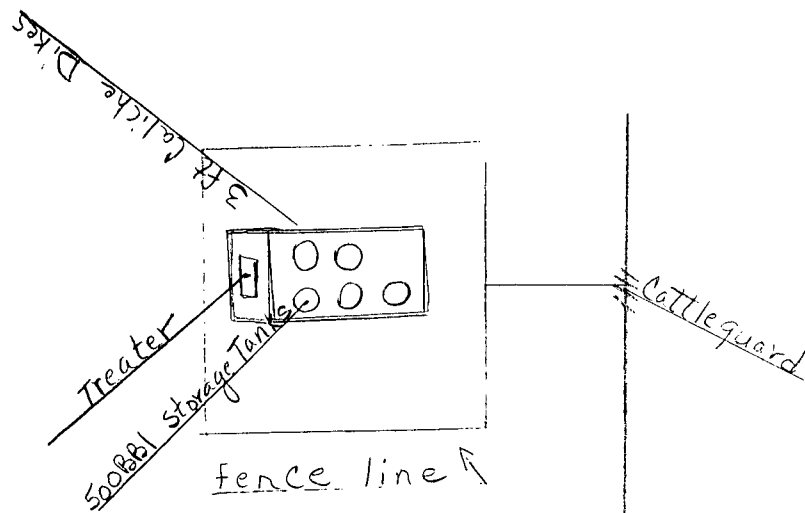
Jami Bailey
Geologist

JB:sl

cc: OCD - Hobbs

West

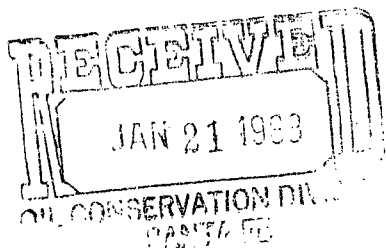
North



Watson Treating Plant

2 Acre Tract

S12 T8 R34



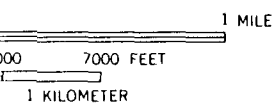
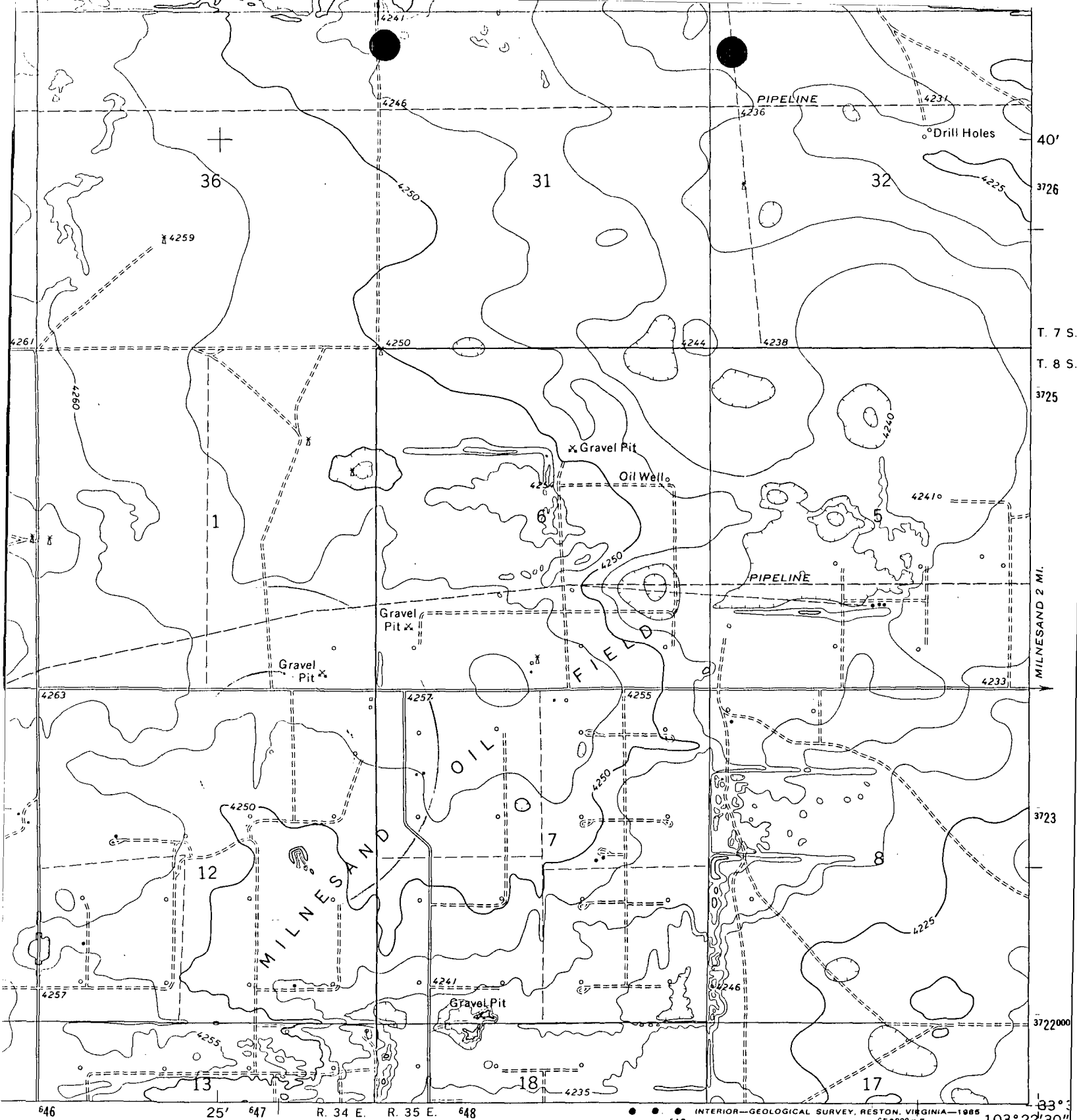
81 # 200111

East

MINESAND

1
m
b

South



QUADRANGLE LOCATION

ROAD CLASSIFICATION

Primary highway, hard surface	Light-duty road, hard or improved surface
Secondary highway, hard surface	Unimproved road
Interstate Route	U. S. Route
	State Route

MILNESAND NW, N. MEX.
33103-F4-TF-024

NOTICE OF PUBLICATION(FOR)
STATE OF NEW MEXICO
ENERGY, MINERALS, AND NATURAL RESOURCES DEPARTEMENT
OIL CONSERVATION DIVISION

Notice is hereby given that pursuant to Oil Conservation Division regulations, the following treating plant application has been submitted for approval to Director of the Oil Conservation Division:

State Land Office Building
P.O. Box 2088
Santa Fe, NM 87504-2088
(505)827-5800

Watson Treating Plant proposes to move from Sec. 34, T8, R35E, Roosevelt County to Sec. 12, T8, R34.

A design capacity of 2500 barrals.

Surface facility only. No fluid injection nor fluid extraction.

Any interested person may obtain further information from the Oil Conservation Division and may submit written comments to the Director of the Oil Conservation Division at the address given above. Prior to ruling on any proposed treating plant or its modification, the Director shall allow at least 20 days after the date of publication of this notice during which time comments may be submitted to him and a public hearing may be requested by any interested person. Requests for a public hearing should set forth reasons why a hearing should be held. A public hearing will be held if the OCD Director determines there is sufficient public interest.

If no public hearing is held, the Director will approve or disapprove the application based on information available. If a public hearing is held, the Director will approve or disapprove the application based on information in the plan and information submitted at the hearing.

The plat and maps within this transfer request, illustrate our newly proposed site. Watson's will remain the owner/operator of the plant, and only want to relocate for distance and feasibility reasons.

The treating plant process of tank bottoms and unsalable crude oil will be carried on with our propane heater. The additional tanks will be used for sorting oil rather than capacity storage.

The unmerchable fluids will be reported and taken to Parabo, Inc. at Eunice, NM.

Thank you,

Stan Watson

Stan Watson



P 711 680 108

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL

(See Reverse)

Sent to <i>James K. Urnsperger</i>	
Street and No. <i>Box 175</i>	
P.O., State and ZIP Code <i>Marion, NM 88265</i>	
Postage \$ <i>22</i>	
Certified Fee <i>75</i>	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt showing to whom and Date Delivered <i>70</i>	
Return Receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees <i>\$1.67</i>	
Postmark or Date	

PS Form 3800, June 1985

P 711 680 107

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL

(See Reverse)

Sent to <i>Joe. Pruitt</i>	
Street and No. <i>Wilcox</i>	
P.O., State and ZIP Code <i>NM 88114</i>	
Postage \$ <i>22</i>	
Certified Fee <i>75</i>	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt showing to whom and Date Delivered <i>70</i>	
Return Receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees <i>\$1.67</i>	
Postmark or Date	

PS Form 3800, June 1985



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

GARREY CARRUTHERS
GOVERNOR

January 5, 1988

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

Leavell Insurance, Inc.
P. O. Box 858
Hobbs, New Mexico 88241

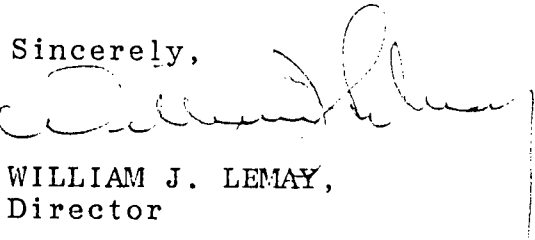
Attention: Kim Dyer

Re: \$25,000 Treating Plant Bond
Watson Treating Plant, Inc., Principal
Underwriters Indemnity Co., Surety
Sec. 34, 8-S, 35-E, Roosevelt County
Bond No. B01148

Dear Ms. Dyer:

The Oil Conservation Division hereby approves the above-captioned treating plant bond effective January 4, 1988.

Sincerely,


WILLIAM J. LEMAY,
Director

dr/

cc: Oil Conservation Division
Hobbs, New Mexico

Watson Treating Plant, Inc.
P. O. Box 75
Tatum, New Mexico 88267

DEC - 7 1987

11-30-87

Director of the Oil Conservation Division
State Land Office building
P. O. Box 2088
Santa Fe, New Mexico 87504-2088

Dear Sir:

Watson Treating Plant is seeking authority to transfer
their plant from Sec 34, T8S, R35E, in Roosevelt County
to S.2 SE4, Sec 5, T14S, R36E in Lea County.

We, the undersigned, being land owners and home owners
within a two mile radius of the proposed site, respect-
fully ask that the transfer be denied. The odor from the
plant will be overpowering, our water supply could become
contaminated and it is our belief that the value of our
land will be reduced.

Virginia Telephist - Box 14 McDonald N.M. 88262
Hans Stund Box 2 McDonald, N.M. 88262
Barney Brecken Box 7 McDonald N.M. 88262
Don Brown Box 6 McDonald, N.M. 88262
Fred Richardson Drawer A McDonald N.M. 88262
Clifford Gray Box 61 McDonald N.M.
Mary Jane Board Box 93 McDonald N.M. 88262
James A Foster 1901 W. Ave. 1, Lovington, NM
Joyce J Foster 1901 West Lovington, Lovington NM

Sindi Kemann

Box M McDonald, NM 88262

Bill Stephens

Box B McDonald, NM 88262

Alvin Buckner

McDonald, NM

Betty Heman

Box 6 McDonald, NM 88262

Len Heman

Box M McDonald NM

Rita Heman

Box 74 McDonald NM

LEGAL NOTICE
NOTICE OF PUBLICATION (FOR)
STATE OF New Mexico
Energy, Minerals and natural
resources department
OIL CONSERVATION DIVISION

Notice is hereby given that pursuant to Oil Conservation Division regulations, the following treating plant application has been submitted for approval to Director of the Oil Conservation Division:

State Land Office Building, P.O.
Box 2088, Santa Fe, New Mexico
87504-2088, (505) 827-5800

Watson Treating Plant proposes to move from Sec. 34, 8S, 35E, Roosevelt County to Sec 12, T8, R34.

At a design capacity of 2500 barrels.

Any interested person may obtain further information from the Oil Conservation Division and may submit written comments to the Director of the Oil Conservation Division at the address given above. Prior to ruling on any proposed treating plant or its modification, the Director shall allow at least 20 days after the date of publication of this notice, during which time comments may be submitted to him and a public hearing may be requested by any interested person. Requests for a public hearing should set forth reasons why a hearing should be held. A public hearing will be held if the OCD Director determines there is sufficient public interest.

If no public hearing is held, the Director will approve or disapprove the application based on information available. If a public hearing is held, the Director will approve or disapprove the application based on information in the plan and information submitted at the hearing.

Published in the Portales News-Tribune January 18, 1988. Legal #0161.

Affidavit of Publication

I, Marshall Stinnett

Business Manager

of

THE PORTALES NEWS-TRIBUNE

a newspaper of general paid circulation and entered under second class postal privilege in Roosevelt County, published daily, (except Saturday) at Portales, New Mexico, for the fifty-two (52) consecutive weeks preceding this date, do solemnly swear that a copy of the above notice, as per clipping attached, was published weekly in the regular and entire issue of said

newspaper, and not in any supplement thereof for 1

consecutive weeks commencing with the issue dated _____

January 18 1988

and ending with the issue dated January 18 1988

All publication costs having been paid.

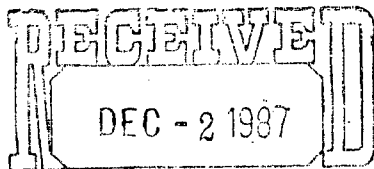
Marshall Stinnett

before me this 18th day of January 1988

De maris Barnett

Notary Public

My commission expires 3/7/91 1991



2929 E Main Sp. 91
Mesa Az. 85203
Nov. 30, 1987.

Oil Conservation Division
SANTA FE

State Land office

Dear Sirs:

I am very much opposed to the
moving of the Watson oil treating plant being
transferred from Roosevelt Co to Lea Co.

I am a land owner right next to the
place they plan to put it. I own almost
all of section 5 and all of section 6.

I understand they are sending in a
petition against it so will you file that
with the petition

Thank you.

Myrtle Dovie Richardson

VACUUM TRUCKS

OIL RECLAIMING

TRANSPORTS

HAULING

WATER HAULING

24-Hour Service, Call

(505) 398-3490

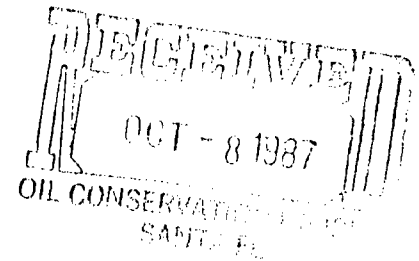
(505) 398-3464

WATSON

INCORPORATED

P.O. BOX 75

TATUM, NEW MEXICO 88267



October 7, 1987

Oil Conservation Division
State Land Office Building
P. O. Box 2088
Santa Fe, NM 87504

Dear Mr. Lemay:

As per instructed by Jerry Sexton, Oil Conservation Division, Hobbs, NM, we the Watson Treating Plant, Inc. are asking permission for the following transfer of storage.

From Roosevelt County site SE/4-NW/4 of section 34, township 8 South, Range 35 East.

To Lea County site S $\frac{1}{2}$ - SE/4 of section 5, township 14 South, Range 36 East.

Thank you for your time and consideration.

Sincerely,

Doris Watson

Doris Watson
President

3 Jan. 14.36.2. CE = 44-56 Ogallala TL 98-125

2 Jan 14.38.4 CE = 43-52 Ogallala TO 82-125

14.36.5.133 = SW/4 NW/4 Ogallala TO 105 OTW 62

VACUUM TRUCKS

OIL RECYCLING

TRANSPORTS

OIL TULING

WATER HAULING

24-Hour Service, Call

(505) 398-3490

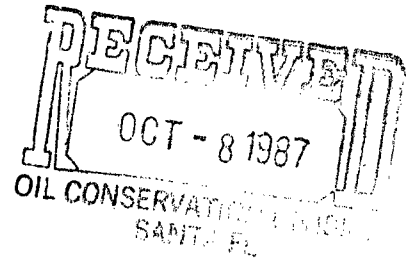
(505) 398-3464

WATSON

INCORPORATED

P.O. BOX 75

TATUM, NEW MEXICO 88267



October 7, 1987

Oil Conservation Division
State Land Office Building
P. O. Box 2088
Santa Fe, NM 87504

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To Lea County site S $\frac{1}{2}$ - SE/4 of section 5, township 14 South, Range 36 East.

Thank you for your time and consideration.

Sincerely,

Doris Watson

Doris Watson
President



STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

GARREY CARRUTHERS
GOVERNOR

October 26, 1987

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

Ms. Doris Watson
Watson Incorporated
P.O. Box 75
Tatum, NM 88267

Re: Location Transfer of Treating Plant

Dear Ms. Watson:

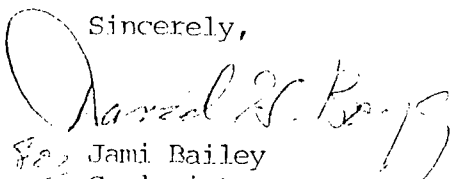
The Oil Conservation Division has received your request for transfer of the Watson treating plant from the SE/4 NW/4 of Section 34, Township 85, Range 35E, Roosevelt County, to the S/2 SE/4 of Section 5, Township 145, Range 36E, Lea County.

In order to approve the transfer, we require that all the information listed in Rule 312 be furnished to this office. This information includes a plat showing the location of the plant, a description of the plant along with a diagrammatic plan of the plant layout, location of water wells, notification of landowners within one half (1/2) mile, etc. A copy of Rule 312 is enclosed for your guidance.

After all the information is submitted and the Division Director gives written approval of the transfer of the location of the treating plant, the \$25,000 bond can be transferred to cover the new location prior to start-up of operation. This transfer of the bond will be approved only upon cleanup and restoration of the Roosevelt County site in accordance with Rule 312.

If you have any questions, feel free to contact me at 827-5884.

Sincerely,


Jami Bailey
Geologist

Enclosure

cc: W. J. LeMay
OCD -- Hobbs

VACUUM TRUCKS

OIL RECLAIMING

TRANSPORTS

OIL PULPING

WATER HAULING

24-Hour Service, Call

(505) 398-3490

(505) 398-3464

Watson

INCORPORATED

P.O. BOX 75

TATUM, NEW MEXICO 88267

Oct. 20, 1987

To Whom It May Concern:

Recently the Watson Treating Plant ask for authority of transfer from:

S/2-SE/4 of Sec.5 T14S R 36E

Roosevelt County

To: SE/4 NW/4 Sec 34 T8S R 35E

Lea County

In Rule 312 printed in Oil Conservation Division rules and regulations we have already applied for a treating plant permit and received #R-6095.

We will comply with the rules and regulations of having an approved Form C-104.

We understand the procedures of having approved Form C-117 when cleaning tanks and sediment oil removal.

In the transfer of location S/2-SE/4 of Sec 5 T14S R 36E Roosevelt County will be cleaned to EID specifications.

On the location SE/4 NW/4 S34 T8S R35E Lea County will be st in the matter the Oil Conservation Commission personnal in Hobbs ask us to.

Authority of Transfer

Page 2

The increase of treating plant bonds \$10,000. to \$25,000.
is being taken care of by Leavell Insurance and REal Estate,
212 W. Broadway, Hobbs, NM.

Thank you for your time and consideration.

Doris Watson
Doris Watson, President.

WATSON TREATING PLANT, INC.

O.C.C. RECLAIMING PERMIT

R-6095

P.O.BOX 75-(505)398-3490

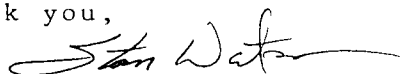
Tatum, NM 88267

The plat and maps within this transfer request, illustrate our newly proposed site. Watosn's will remain the owner/operator of the plant, and only want to relocate for distance and feasibility reasons.

The treating process of tank bottoms and unsalable crude oil will be carried on with our propane heater. The additional tanks will be used for sorting oil rather than capacity storage.

The unmerchantable fluids will be reported and taken to Parabo, Inc. at Eunice, NM.

Thank you,

A handwritten signature in cursive script, appearing to read "Stan Watson".

Stan Watson

I certify the area will be
fenced and in good repair at
all times. The gates will be
locked when an attendant is
not on duty.

Doris Watson

11/20/87 10:25 A.M.

01

2
\$0.01

1
\$2.02

4
\$0.01

3
39.98

2
39.96

1
39.93

4
39.94

Total

McDonnell

John C. Sartin

B. 415 P521
Nelda Faye Key

B. 415 P522
Sammy Anne Hull

6-19-87
Myrtle
Dovie
Richardson

Mike R
Salazar

6-19-87
1/2 Myrtle Dovie
Richardson
1/2 Wilisie Sue
Richardson

Jae Collier

Life Est.
Dovie Richardson

Contract # 5414

Ponder Joy

State Cont.
#5414

Sandra
Ponder Joy

5/6 Sandra Ponder

Karl
Cannon, et al.

8 (100)

0000000000

WEST ↑

BARBED WIRE FENCE

TREATER

500 BBL STORAGE TANKS

3' CALICHE DIRT

N
O
R
T
H

WATSON TREATING PLANT

80 ACRE TRACT

S/2 SE/4 S.5 T.14S R.36E

BARBED WIRE FENCE

DOM. WELL

BARN

CALICHE ROAD

GATE

Store
Carr. Etn. (S)

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Carr. Etn. (S)

NOTICE OF PUBLICATION (FOR)
State Of New Mexico
Energy, Minerals and Natural Resources Department
Oil Conservation Division

Notice is hereby given that pursuant to Oil Conservation Division regulations, the following treating plant transfer has been submitted for approval to Director of the Oil Conservation Division:

State Land Office Building
P.O. Box 2088
Santa Fe, NM 87504-2088

Watson Treating Plant proposes to transfer from Sec 34, T8S, R35E, Roosevelt County to S/2 SE/4 Sec 5, T14S, R36E Lea County.

The above styled cause, seeks authority for a transfer and operate an oil treating plant for the purpose of treating and reclaiming sediment oil.

Any interested person may obtain further information from the Oil Conservation Division and may submit written comments to the Director of the Oil Conservation Division at the address given above. Prior to ruling on any proposed treating plant or its modification, the Director shall allow at least 20 days after the date of publication of this notice, during which time comments may be submitted to him and a public hearing may be requested by any interested person. Requests for a public hearing should set forth reasons why a hearing should be held. A public hearing will be held if the OCD Director determines there is sufficient public interest.

Affidavit of Publication

STATE OF NEW MEXICO)
) ss.
COUNTY OF LEA)

Joyce Clemens being first duly sworn on oath deposes and says that he is **Adv. Director** of THE LOVINGTON DAILY LEADER, a daily newspaper of general paid circulation published in the English language at Lovington, Lea County, New Mexico; that said newspaper has been so published in such county continuously and uninterruptedly for a period in excess of Twenty-six (26) consecutive weeks next prior to the first publication of the notice hereto attached as hereinafter shown; and that said newspaper is in all things duly qualified to publish legal notices within the meaning of Chapter 167 of the 1937 Session Laws of the State of New Mexico.

That the notice which is hereto attached, entitled

Notice Of Publication

and numbered in the

..... Court of Lea County, New Mexico, was published in a regular and entire issue of THE LOVINGTON DAILY LEADER and not in any supplement thereof, once each week on the same day of the week, for one (1)

consecutive weeks, beginning with the issue of

November 18, 1987

and ending with the issue of

....., 19.....

And that the cost of publishing said notice is the sum of \$ 11.38

which sum has been (Paid) ~~(Assessed)~~ as Court Costs

Joyce Clemens

Subscribed and sworn to before me this 18th

day of November, 1987

Ms. Jean Leves
Notary Public, Lea County, New Mexico

My Commission Expires Sept. 28, 1990

LEGAL NOTICE NOTICE OF PUBLICATION (FOR)

State of New Mexico
Energy, Minerals and
Natural Resources
Department
Oil Conservation Division

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Display	Class.
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THE LOVINGTON DAILY LEADER

Drawer 1717 Lovington, N.M. 88260

Statement of Account For

- Watson Treating Plant
- P. O. Box 75
- Tatum, NM 88267

Month of November 19 87

DISPLAY ADVERTISING:

_____ inches @ _____

CLASSIFIED ADVERTISING:

_____ words @ _____

_____ inches @ _____

OTHER CHARGES:

Notice Of Publication

Total..... 10 80

Tax..... 58

Total this month..... 11 38

Previous Balance.....

PS Form 3800, June 1985

P 711 680-064

RECEIPT FOR CERTIFIED MAIL
NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL
(See Reverse)

Sent to <i>Myrtle Marie Richardson</i>	
Street and No. <i>1417</i>	
P.O., State and ZIP Code <i>814 Jctum Hwy - Lovington</i>	
Postage <i>\$22</i>	
Certified Fee <i>75</i>	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt showing to whom and Date Delivered <i>70</i>	
Return Receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees <i>\$1.67</i>	
Postmark or Date <i>1987</i>	

USPS

PS Form 3800, June 1985

P 711 680-065

RECEIPT FOR CERTIFIED MAIL
NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL
(See Reverse)

Sent to <i>Sandra Ponder Joy</i>	
Street and No. <i>#71 Glen Abbey</i>	
P.O., State and ZIP Code <i>Wilmette, Ill 60091</i>	
Postage <i>\$22</i>	
Certified Fee <i>75</i>	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt showing to whom and Date Delivered <i>70</i>	
Return Receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees <i>\$1.67</i>	
Postmark or Date <i>1987</i>	

USPS

P 711 680-064

RECEIPT FOR CERTIFIED MAIL
NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL
(See Reverse)

Sent to <i>Virginia Bickert</i>	
Street and No. <i>Box 14</i>	
P.O., State and ZIP Code <i>McDonnell, Mo 64062</i>	
Postage <i>\$22</i>	
Certified Fee <i>75</i>	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt showing to whom and Date Delivered <i>70</i>	
Return Receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees <i>\$1.67</i>	
Postmark or Date <i>1987</i>	

USPS

PS Form 3800, June 1985

P 711 680-062

RECEIPT FOR CERTIFIED MAIL
NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL
(See Reverse)

Sent to <i>Wm. L. Deligan</i>	
Street and No. <i>Box 103</i>	
P.O., State and ZIP Code <i>McDonnell, Mo 64062</i>	
Postage <i>\$22</i>	
Certified Fee <i>75</i>	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt showing to whom and Date Delivered <i>70</i>	
Return Receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees <i>\$1.67</i>	
Postmark or Date <i>1987</i>	

USPS

PS Form 3800, June 1985

P 711 680-063

RECEIPT FOR CERTIFIED MAIL
NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL
(See Reverse)

Sent to <i>John C. Denton</i>	
Street and No. <i>Box 1085</i>	
P.O., State and ZIP Code <i>Shiloh, Mo 64484</i>	
Postage <i>\$22</i>	
Certified Fee <i>75</i>	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt showing to whom and Date Delivered <i>70</i>	
Return Receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees <i>\$1.67</i>	
Postmark or Date <i>1987</i>	

USPS

PS Form 3800, June 1985



Leavell Insurance, Inc.

PHONE (505) 393-2550 • 212 W. BROADWAY • P.O. BOX 858
HOBBS, NEW MEXICO 88241



November 9, 1987

Watson Treating Plant, Inc.
P.O. Box 75
Tatum, NM 88267

RE: Oil Treating Plant Bond
Bond #01-0130-00690-79-1

Dear Doris,

Enclosed is a copy of your bond renewal in the amount of \$10,000. We have written USF&G to increase the amount of the bond to \$25,000 effective the renewal date of 01/01/88. You should receive notice of the increase shortly.

Sincerely,

Carroll H. Leavell
CHL/sd

NOTICE OF PREMIUM DUE

BOND NUMBER	NOTICE TO AGENT		PR HO		PREMIUM PERIOD		948 COMPLET												
	01-0130-00690-79-1		PR		FROM	TO													
	B.O. ALBUQUERQUE, NEW MEXICO				10/09/87	10/09/88													
	PRINCIPAL (SURETY) OR INSURED (FIDELITY) & ADDRESS *** FS 11 :																		
WATSON TREATING PLANT, INC. TATUM NM																			
OBLIGEE, CASE OR ESTATE (SURETY) OR EMPLOYEE (FIDELITY)																			
STATE OF NEW MEXICO OIL CONSERVATION COMMISSION																			
AGENT AND ADDRESS 7661																			
LEAVELL INSURANCE & R/E, INC. JAL NM																			
<table border="1"> <tr><th colspan="2">PREMIUM RECEIPT</th></tr> <tr><td>RECEIVED</td><td></td></tr> <tr><td>PAYMENT OF \$</td><td></td></tr> <tr><td>USF & G</td><td></td></tr> <tr><td>BY</td><td></td></tr> <tr><td>DATE</td><td></td></tr> </table>		PREMIUM RECEIPT		RECEIVED		PAYMENT OF \$		USF & G		BY		DATE		LINE	BOND AMOUNT	COMM.	PREMIUM		
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OIL TREATING PLANT BOND																			

PREMIUMS FOR COURT BONDS ARE DUE UNTIL LIABILITY IS TERMINATED

MARKS

206

1.72 (5/85)

LIFE	none	ON WHOM CARRIED	TO WHOM PAYABLE	ISSUING COMPANY	SURRENDER VALUE
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