

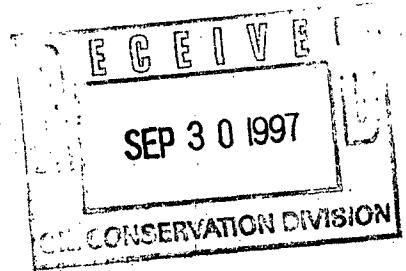
NM - 1

**GENERAL
CORRESPONDENCE**

YEAR(S):
1997 - 1986

Kenneth Tank Service
Oil Treating Plant
P.O. Box 100
Crossroads, NM 88114

September 24, 1997



Oil Conservation Division
New Mexico Energy, Minerals & Natural Resources Dept.
2040 South Pacheco Street
Santa Fe, NM 87505

Re: Treating Plant, Kenneth Tank Service
NW/4 of Section 35, Township 9 South, Range 35 East, NMPM
Lea Co., NM

Dear Ms. Martyne J. Keiling, Environment Geologist

In regard to your letter dated July 29, 1997, Kenneth Tank Service had already corrected the problems portrayed in Attachment 2 (Photos) because they had been mentioned to our shop manager at the time of inspection in April 1997.

After consideration of the usefulness of this facility vs. new revisions in rules we have decided to abandon this facility. Tanks and lines will be removed and the facility land surface left in appropriate condition. (I am also the land owner.)

Sincerely,

A handwritten signature in cursive script, appearing to read "L.A. Stearns".

Submitted by L.A. Stearns for
C.K. Kinsolving, Owner Kenneth Tank Service Treating Plant

cc: Hobbs OCD Office

UGRID 81987

Public Regulation Commission**3/7/2000****KENNETH TANK SERVICE, INC.*****MAILING ADDRESS*****BOX 100 CROSSROADS NEW MEXICO 87114**

SCC Number: 1146323**Tax & Revenue Number:*****INCORPORATED ON JUNE 25, 1982 , IN NEW MEXICO.******CORPORATION IS A DOMESTIC PROFIT******CORPORATION HAS APPLIED FOR A STATEMENT OF INTENT TO
DISSOLVE******PURPOSE OF THE CORPORATION
TO ENGAGE IN THE OIL FIELD SERVICE******CORPORATION DATES*****Taxable Year End Date: 12/31/82 Filing Date: //
Corporate Existence Expiration Date:*****SUPPLEMENTAL POST MARK DATES*****Supplemental: Name Change: Purpose Change:*****PRINCIPAL ADDRESS*****BOX 100 CROSSROADS NEW MEXICO 87114*****PRINCIPAL ADDRESS(Outside New Mexico)***

REGISTERED AGENT**C. K. KINSOLVING
BOX 1836 CROSSROADS NEW MEXICO 87114****Designation date: 05/16/84 Agent Post Mark Date: Resignation date:*****COOP LICENSE INFORMATION*****Number: Type: Expiration Year:****INCORPORATOR(S)
KINSOLVING, C. K.
STEARNS, LOU ANN**

DIRECTORS

Date Election of Directors: 12/31/85

KINSOLVING, C. K

BOX 1005 CROSSROADS , NM 87114

New Search Inquiry Page



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

Martyne Kieling

From: Wayne Price
Sent: Tuesday, July 29, 1997 9:10 AM
To: Martyne Kieling
Subject: RE: Kenneth tank services
Importance: High

Mrs. L.A. Stearns
Kenneth Tank Services
P.O. Box 100
Crossroads, NM 88114
505-675-2356

From: Martyne Kieling
Sent: Monday, July 28, 1997 10:24 AM
To: Wayne Price
Subject: Kenneth tank services
Importance: High

Hi Wayne

Our file on Kenneth Tank Services does not have the name of the owner. And I did not get the name written into my field book. When you get a chance could you drop me a line and give me the name and verify this address

Kenneth Tank Services
Box 100
Crossroads, NM 88114

One of the older letters on file has Attention to a C.K. Kinsolving.

Thanks
Martyne

NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

September 6, 1995

CERTIFIED MAIL

RETURN RECEIPT NO. P-111-334-286

Kenneth Tank Service
P.O. Box 100
Crossroads, New Mexico 88114

**Re: Kenneth Tank Service Treating Plant
Lea County, New Mexico**

KTS
New Mexico Oil Conservation Division (OCD) records indicate that the Kenneth Tank (KTS) Treating Plant, located in the NW/4 of Section 35, Township 9 South, Range 35 East, NMPM, Lea County, New Mexico, has been inactive in excess of six (6) consecutive months.

Pursuant to OCD rule 711.D.1., you are required to submit closure plans detailing how ~~Petro-Thermo~~ plans to clean up and restore the facility site. Closure shall be in accordance with a plan acceptable to the Division Director and may include removal or demolition of buildings, removal of all tanks, vessels, equipment or hardware, containment and removal of fluids and chemicals, removal of contaminated soils, backfilling and grading of pits, and general reclamation of the plant site. Please submit a closure plan no later than October 14, 1995 or the OCD will take action to address ~~Petro-Thermo's~~ continuing violation of OCD rules.

KTS
To help you in preparing your closure plan, enclosed you will find the OCD's "GUIDELINES FOR REMEDIATION OF LEAKS, SPILLS AND RELEASES" which provides guidance for the remediation of contaminants resulting from leaks, spills and releases of oilfield wastes or products.

If you have any questions, please contact me at (505) 817-7153.

Sincerely,

Chris Eustice
Geologist

Enclosure

xc: Wayne Price, OCD Hobbs Office
Jerry Sexton, OCD Hobbs Office

P 111 334 286

Receipt for
Certified Mail

No Insurance Coverage Provided
Do not use for International Mail

UNITED STATES
POSTAL SERVICE

(See Reverse)

Sent to	
Street and No.	
P.O., State and ZIP Code	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date	

PS Form 3800, June 1991

Fold at line over top of envelope to the right of the return address

CERTIFIED

P 111 334 286

MAIL

December 6, 1993

CERTIFIED MAIL
RETURN RECEIPT NO. P-111-334-286

Kenneth Tank Service
P.O. Box 100
Crossroads, New Mexico 88114

**Re: Kenneth Tank Service Treating Plant
Lea County, New Mexico**

Dear Sir:

The New Mexico Oil Conservation Division (OCD) has completed a review of Kenneth Tank Service's treating plant file. The C-118's on file indicates that the above mentioned facility has been inactive in excess of six (6) months.

OCD rule 312.A.13 requires that "upon cessation of treating plant operations for 6 consecutive months, the operator will complete clean-up and restoration of the facility site within 6 months, unless an extension of time is granted by the Director of the Division".

Please provide the OCD with a status report on your facility.

If you have any questions contact Chris Eustice at (505) 827-5824.

Sincerely,

Roger C. Anderson
Environmental Bureau Chief

RCA/cee
xc: OCD Hobbs Office



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-918-402-408

Kenneth Tank Service
P. O. Box 100
Crossroads, New Mexico 88114

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.

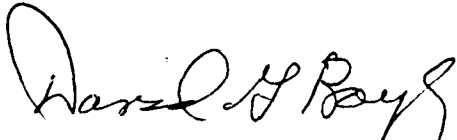
Kenneth Tank Service
September 19, 1990
Page -2-

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

GROUND WATER SECTION
Environmental Improvement Division
Health and Environment Department
Santa Fe, N.M. 87503
Phone: (505) 827-2900

Summary of Discharge Plan

October 6, 1988

DP number: 1 Facility name: COPPER FLAT PARTNERSHIP
Alternate name: QUINTANA MINERALS
Type of facility: MINING - COPPER - FLOATATION MILL
Means of discharge: TAILINGS-RECLAIMED

County: SIERRA EID District 3
Location: 2 MI. NE OF HILLSBORO

T15S, R 7W, Sec. 25.000
Nearest city: HILLSBORO

Responsible person:
DAVID NORQUAY
Title: ASSISTANT GENERAL MANAGER
Address:
City, zip: TORONTO, M5L 1A2 ON -
Phone: 416-980-3572

Contact or consultant person:
CANADIAN IMPERIAL BANK OF COM
HEAD OFF., COMMERCE CT. W -

The Ground Water Section staff reviewer is MARK MILLER.
Application was received 01/28/85 and Public Notice published 03/09/87.
The plan was approved 05/29/87 and expires 05/29/92.
(Application for renewal should be submitted in ample time before expiration.)

Monitoring Requirements summary

No. of monitoring reports required annually: 2
Monitoring reports are due no later than June 30 and December 31 of each year.

Sampling required	Annual freq.	# of sites	Comments, description
Water levels:	2	4	MONITOR WELLS NP-3, NP-4, GWQ-10, GWQ-11
Disch. vols:	0	0	
Major ions:	2	4	SULFATE, CHLORIDE, TDS IN 4 MONITOR WELLS
Heavy metals:	0	0	
N Species:	0	0	
Organics:	0	0	
Other:	0	0	

— If this space is checked, monitoring requirements are summarized or explained in more detail on the attached sheet.
Any inadvertent omission from this summary does not relieve the discharger of responsibility for compliance with that requirement.
Send monitoring reports to the address at top, "Attention: MARK MILLER, re: DP-1".

LuAnn RTS

675-2356

March 86

Drumle
2 500 BBL

Tanbs

R-8167

Chem Treatment
No Heater Treater

Dockets Nos. 8-86 and 9-86 are tentatively set for March 5, and March 19, 1986. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - FEBRUARY 19, 1986

8:15 A.M. - OIL CONSERVATION DIVISION CONFERENCE ROOM
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

The following cases will be heard before Michael E. Stogner, Examiner, or David R. Catanach, Alternate Examiner:

CASE 8825: Application of C. K. Kinsolving d/b/a/ Kenneth Tank Service for an oil treating plant permit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority for the construction and operation of an oil treating plant for the purpose of treating and reclaiming sediment oil at a site in the NW/4 of Section 35, Township 9 South, Range 35 East.

CASE 8826: Application of Harvey E. Yates Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Northeast Lovington-Pennsylvanian Pool underlying the N/2 SE/4 of Section 8, Township 16 South, Range 37 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 8820: (Continued from February 5, 1986, Examiner Hearing)

Application of Santa Fe Energy Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp, Strawn, Atoka, and Morrow formations underlying the W/2 of Section 24, Township 22 South, Range 27 East, forming a standard 320-acre gas spacing and proration unit, to be dedicated to a well to be drilled at a standard gas well location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 8827: Application of The Petroleum Corporation of Delaware for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from 3,500 feet to 5,600 feet underlying the NE/4 SW/4 of Section 12, Township 26 South, Range 29 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 8828: Application of The Petroleum Corporation of Delaware for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from 3,500 feet to 5,600 feet underlying the SW/4 NW/4 of Section 12, Township 26 South, Range 29 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 8819: (Continued from February 5, 1986, Examiner Hearing)

Application of The Petroleum Corporation of Delaware for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from 3500 feet to 5600 feet underlying the SE/4 SW/4 of Section 12, Township 26 South, Range 29 East, forming a standard 40-acre oil spacing and proration unit, to be dedicated to a well located at a standard oil well location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 8829: Application of Amoco Production Company for compulsory pooling, Union County, New Mexico.

Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Tubb formation from the base of the Cimarron Anhydrite Marker to the top of the Precambrian Basement underlying all of Section 33, Township 20 North, Range 35 East, forming a standard 640-acre carbon dioxide gas spacing and proration unit, to be dedicated to its Bravo Dome Carbon Dioxide Gas Unit Well No. 2035-311K located 2310 feet from the South line and 1650 feet from the West line of said Section 33. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 8830: Application of Amoco Production Company for compulsory pooling, Union County, New Mexico.

Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Tubb formation from the base of the Cimarron Anhydrite Marker to the top of the Precambrian Basement underlying all of Section 33, Township 19 North, Range 34 East, forming a standard 640-acre carbon dioxide gas spacing and proration unit to be dedicated to its Bravo Dome Carbon Dioxide Gas Unit Well No. 1934-331G located 1980 feet from the North and East lines of said Section 33. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 8014: (Reopened)

In the matter of Case 8014 being reopened pursuant to the provisions of Order No. R-7588 which order promulgated temporary special rules and regulations for the Cedar Hill-Fruitland Basal Coal Pool in San Juan County, including a provision for 320-acre spacing units. Operators in said pool may appear and show cause why the pool should not be developed on 160-acre spacing and proration units.

CASE 8831: Application of Inexco Oil Company for compulsory pooling and an unorthodox well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the top of the Strawn formation underlying the SE/4 NE/4 and all mineral interests in the Undesignated South Humble City-Strawn Pool underlying the S/2 NE/4 of Section 14, Township 17 South, Range 37 East, to be dedicated to a well to be drilled at an unorthodox well location 1800 feet from the North line and 500 feet from the East line of said Section 14. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well.CASE 8773: (Continued from January 22, 1986, Examiner Hearing)

Application of Bliss Petroleum, Inc. for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox gas well location for its existing J. W. Grizzell "A" Well No. 1 located 1034 feet from the South line and 2635 feet from the West line of Section 5, Township 22 South, Range 37 East, San Andres formation, the SW/4 of said Section 5 to be dedicated to said well.

CASE 8810: (Continued from February 5, 1986, Examiner Hearing)

Application of Bliss Petroleum, Inc. for an exception to the special rules and regulations for the Dean Permo-Pennsylvanian Pool, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an exception to the special rules and regulations of the Dean Permo-Pennsylvanian Pool, as promulgated by Division Order No. R-892, authorizing a 40-acre non-standard oil spacing and proration unit comprising the SW/4 NW/4 of Section 35, Township 15 South, Range 36 East, to be dedicated to a well to be located at a standard oil well location thereon.

CASE 3823: (Continued from February 5, 1986, Examiner Hearing)

Application of Nearburg Producing Company for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox gas well location 660 feet from the South line and 760 feet from the East line of Section 23, Township 20 South, Range 34 East, Pennsylvanian formation, the S/2 of said Section 23 to be dedicated to the well.

CASE 3689: (Continued from February 5, 1986, Examiner Hearing)

Application of Doyle Hartman for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Jalmat Gas Pool underlying a previously approved 120-acre non-standard proration unit comprising the N/2 NW/4 and SW/4 NW/4 of Section 20, Township 25 South, Range 37 East, to be dedicated to its Justis Christmas Gas Com Well No. 1 located 2225 feet from the North line and 790 feet from the West line of said Section 20. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 3832: Application of Tenneco Oil Company for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox gas well location 660 feet from the South line and 1980 feet from the West line of Section 13, Township 12 South, Range 34 East, to test the Undesignated West Ranger Lake-Devonian Gas Pool, the W/2 of said Section 13 to be dedicated to the well.CASE 8833: Application of V-F Petroleum, Inc. for an exception to the special pool rules and regulations of the Dean Permo-Pennsylvanian Pool as promulgated by Division Order No. R-892, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an exception to the special rules and regulations of the Dean Permo-Pennsylvanian Pool as promulgated by Division Order No. R-892 to permit applicant to complete its ARCO State Lease Well No. 1 located at an unorthodox oil well location 1980 feet from the South line and 660 feet from the West line of Section 35, Township 15 South, Range 36 East, the NW/4 SW/4 (Unit L) of said Section 35 to be dedicated to the well forming a non-standard oil spacing and proration unit.CASE 8834: Application of Cities Service Oil & Gas Corporation for pool creation, special pool rules, discovery allowable, and unorthodox well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new oil pool for Bough "C" Pennsylvanian production comprising the W/2 SW/4 of Section 25, Township 13 South, Range 34 East, and the promulgation of temporary special rules therefor including a provision for 80-acre spacing and designated well locations. Applicant further seeks the assignment of an oil discovery allowable as allowed by General Rule 509 to the discovery well for said pool being the applicant's Elkan "A" Well No. 1 located at an unorthodox location for the proposed special pool rules 1650 feet from the South line and 990 feet from the West line of said Section 25.CASE 8807: (Continued from January 22, 1986, Examiner Hearing)

Application of Joseph S. Sprinkle for a determination of reasonable well costs, Lea County, New Mexico. Applicant, in the above-styled cause, as an interest owner in the TXO Production Corporation Sprinkle Federal Well No. 1 located 660 feet from the North and West lines of Section 26, Township 18 South, Range 32 East, Querecho Plains-Upper Bone Spring Pool, which was drilled pursuant to the compulsory pooling provisions of Division Order No. R-7850, entered in Case No. 8494 and dated March 14, 1985, and to which is dedicated the NW/4 NW/4 (Unit D) of said Section 26, seeks an order ascertaining the reasonableness of actual well costs for the subject well.

DOCKET: COMMISSION HEARING - WEDNESDAY - FEBRUARY 26, 1986

OIL CONSERVATION COMMISSION - 9 A.M. - MORGAN HALL, STATE
LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

CASE 8749: (Continued from January 7, 1986, Commission Hearing)

Application of the Oil Conservation Commission on its own motion to rescind Order No. R-1670, as amended, to recodify and amend the General Rules and Regulations for the Prorated Gas Pools contained therein and to amend the special gas prorationing rules for the Atoka-Pennsylvanian, Blaine, Buffalo Valley-Pennsylvanian, Burton Flat-Morrow, Burton Flat-Strawn, South Carlsbad-Morrow, Crosby-Devonian, Eumont, Indian Basin-Morrow, Indian Basin-Upper Pennsylvanian, Jalmat, Justis-Glorieta, Monument McKee-Ellenburger, and Tubb Gas Pools of Lea, Eddy and Chaves Counties, and the special gas prorationing rules for the Basin-Dakota, Blanco-Mesaverde, South Blanco-Pictured Cliffs, and Tapacito-Pictured Cliffs Gas Pools of San Juan, Sandoval, and Rio Arriba Counties.

CASE 8792: (Continued from January 7, 1986, Commission Hearing)

Application of Northwest Pipeline Corporation to amend Oil Conservation Division Rule 403, Rule 1100, Rule 1111, and Form C-111. Applicant, in the above-styled cause, seeks the proposed amendments to clarify the rules and duties of gas transporters and gas purchasers under the Division's General Rules.

CASE 8835: Application of the Oil Conservation Division on its own motion to require Division approval of all commercial and centralized oil field fluid waste collection or disposal facilities utilizing ponds, pits, and below grade tanks in McKinley, Rio Arriba, Sandoval and San Juan Counties, New Mexico. Applicant also seeks to require commercial disposal pit operators to keep and make available records on the volume, source, dates, and type of oil field fluid waste received, and the hauling companies using their facilities. Copies of the proposed rules are available at Santa Fe and at the Aztec District office.CASE 8463: (Continued from January 7, 1986, Commission Hearing)(This case will be dismissed)

Application of David Fasken for termination of prorationing in the Burton Flat-Morrow Gas Pool, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order terminating prorationing in the Burton Flat-Morrow Gas Pool located in portions of Townships 20 and 21 South, Ranges 26, 27, and 28 East, and to also cancel all cumulative overproduction and underproduction within said pool.

Upon application of David Fasken this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 8796: (Continued from January 7, 1986, Commission Hearing)

Application of Rio Pecos Corporation for enforcement of the Common Purchaser Requirements of Section 70-2-19 NMSA, 1978 (1984 Supplement) and other pertinent provisions of the Oil and Gas Act, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order requiring El Paso Natural Gas Company to purchase the applicant's share of gas production from the Yates Petroleum Corporation Little Box Canyon Unit Well No. 5 located 800 feet from the South line and 1600 feet from the West line of Section 7, Township 21 South, Range 22 East, without discrimination as to price paid, quantities purchased, bases of measurement or gas transportation facilities afforded as compared to gas from other wells of like quantity, quality, and pressure. Applicant further seeks an order requiring El Paso Natural Gas Company to take ratably the gas produced from aforementioned well and any such other relief as may be appropriate.

CASE 8640: (Continued from January 7, 1986, Commission Hearing)

Application of Caulkins Oil Company for compulsory pooling, downhole commingling, and dual completion, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Basin-Dakota and Blanco-Mesaverde Pools underlying the N/2 of Section 20, Township 26 North, Range 6 West, forming a standard 320-acre gas spacing and proration unit in both zones, and in the Pictured Cliffs and Chacra formations underlying the NE/4 of said Section 20, forming a standard 160-acre gas spacing and proration unit in both of these zones, to be dedicated to a well to be drilled at a standard location thereon. Applicant further seeks approval to dually complete said well in such a manner that Blanco-Mesaverde and Basin-Dakota production would be commingled separately and the aforesaid intervals dually completed with commingled Pictured Cliffs and Chacra production and both commingled zones produced through parallel strings of tubing. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well.

Upon application of Meridian Oil Inc. and El Paso Natural Gas Company this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 8712: (De Novo)

Application of Kimbell Oil Company of Texas for HARSHIP GAS WELL CLASSIFICATION, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks a determination that its Salazar Well No. 4-E located 1630 feet from the North line and 1460 feet from the West line (Unit F) of Section 34, Township 25 North, Range 6 West, Basin-Dakota Pool, is a hardship gas well which should be granted priority access to pipeline takes in order to avoid waste.

Upon application of Kimbell Oil Company of Texas, this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 8690: (De Novo)

Application of Doyle Hartman for compulsory pooling, a non-standard proration unit, two unorthodox locations, and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks a finding that the drilling of two wells to be located at unorthodox well locations, the first of which is to be at least 1325 feet from the South line but not more than 1650 feet from the South line and at least 660 feet from the West line but not more than 850 feet from the West line of Section 22, and the second of which is to be at least 250 feet from the North line but not more than 990 feet from the North line and at least 660 feet from the West line but not more than 1980 feet from the West line of Section 27, all in Township 25 South, Range 37 East, Jalmat Gas Pool and Langlie Mattix Pool, is necessary to effectively and efficiently drain that portion of a 400-acre non-standard gas proration unit in the Jalmat Gas Pool only, comprising the W/2 SW/4 and W/2 SE/4 of Section 22 and the NW/4 and W/2 NE/4 of Section 27, Township 25 South, Range 37 East, which cannot be so drained by the existing Jalmat wells. Applicant further seeks approval for the simultaneous dedication of said 400-acre non-standard Jalmat proration unit to the subject wells and the currently producing Carlson-Harrison Federal Com Well Nos. 1, 2, and 3. Applicant further seeks an order pooling all mineral interests from the surface to the base of the Jalmat Gas Pool underlying the above non-standard proration unit. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well.

Upon application of Doyle Hartman, this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 8219: (De Novo)

Application of Dinero Operating Company for HARSHIP GAS WELL CLASSIFICATION, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a determination that its Little Squaw Comm. Well No. 1 located in Unit F of Section 27, Township 22 South, Range 28 East, Dublin Ranch-Morrow Gas Pool, is a hardship gas well which should be granted priority access to pipeline takes in order to avoid waste.

Upon application of Dinero Operating Company, this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 8220: (De Novo)

Application of Dinero Operating Company for HARSHIP GAS WELL CLASSIFICATION, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a determination that its Big Chief Comm. Well No. 4 located in Unit N of Section 15, Township 22 South, Range 28 East, Dublin Ranch-Morrow Gas Pool, is a hardship gas well which should be granted priority access to pipeline takes in order to avoid waste.

Upon application of Dinero Operating Company, this case will be heard De Novo pursuant to the provisions of Rule 1220.

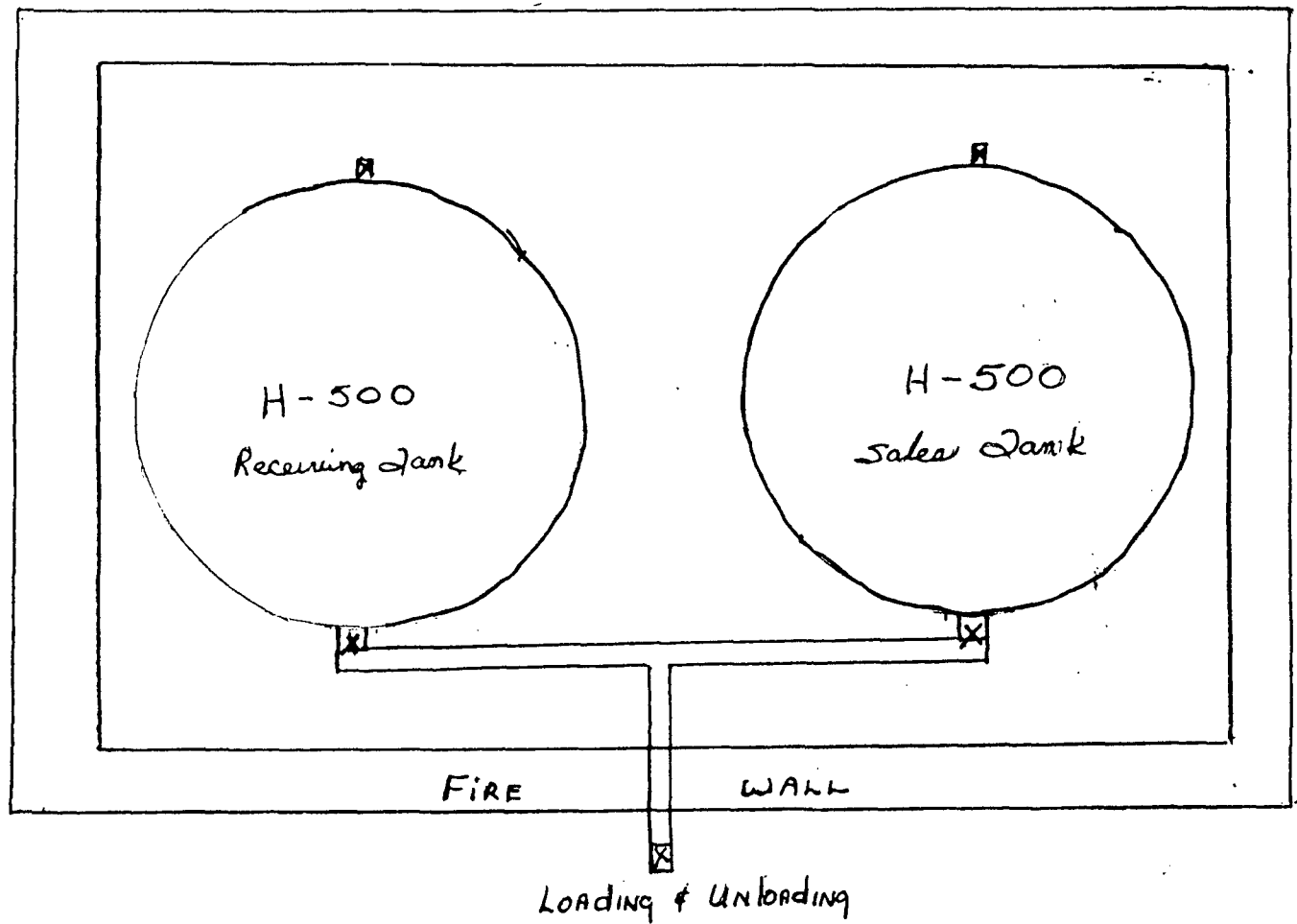
CASE 8755: (De Novo)

Application of TXO Production Corp. for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause seeks an order pooling all mineral interests in all formations from 4,825 feet beneath the surface to the base of the Bone Spring formation underlying the SW/4 NW/4 of Section 26, Township 18 South, Range 32 East, forming a standard 40-acre oil spacing and proration unit to be dedicated to a well to be drilled at a standard oil well location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well.

Upon application of TXO Production Corp. this case will be heard De Novo pursuant to the provisions of Rule 1220.

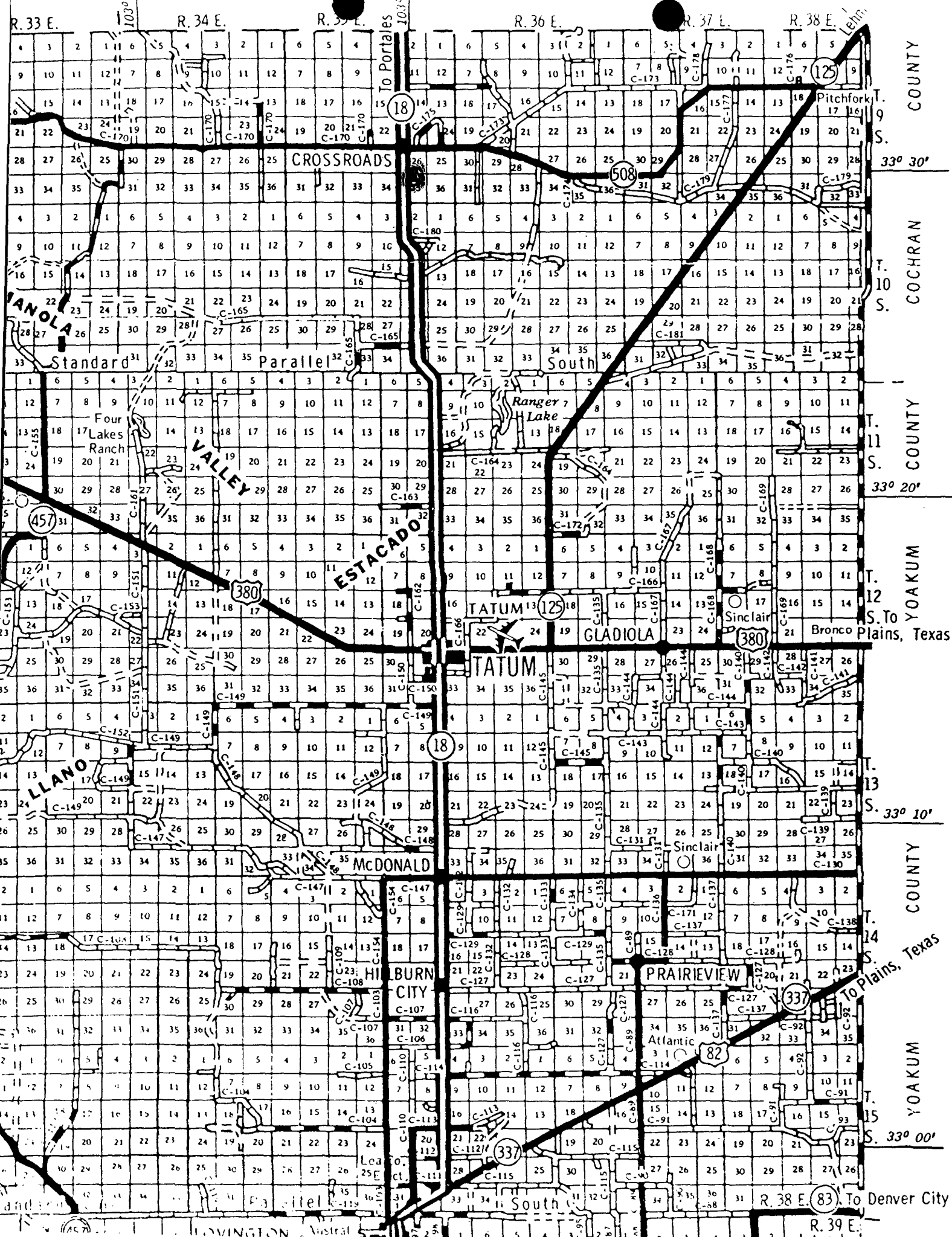


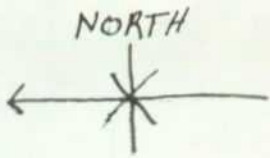
C. K. KINSOLVING
dba: KENNETH TANK SERVICE
STORAGE FACILITY



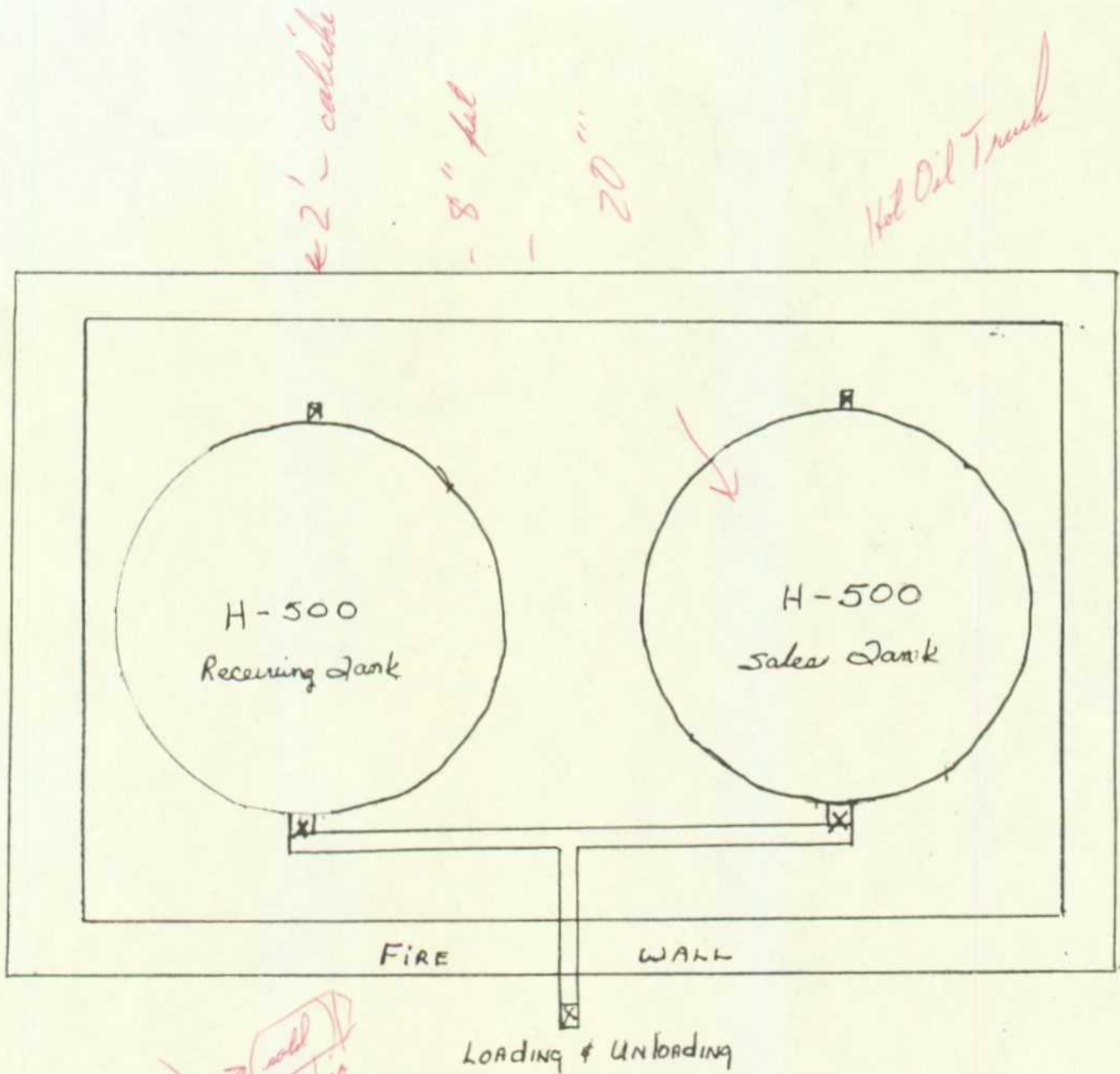
capacity - 500 bbl/day

Exhibit I
Facility Diagram





C. K. KINSOLVING
dba KENNETH TANK SERVICE
STORAGE FACILITY



(drilling site)
- Pollution Control
SWD - Water
solid waste

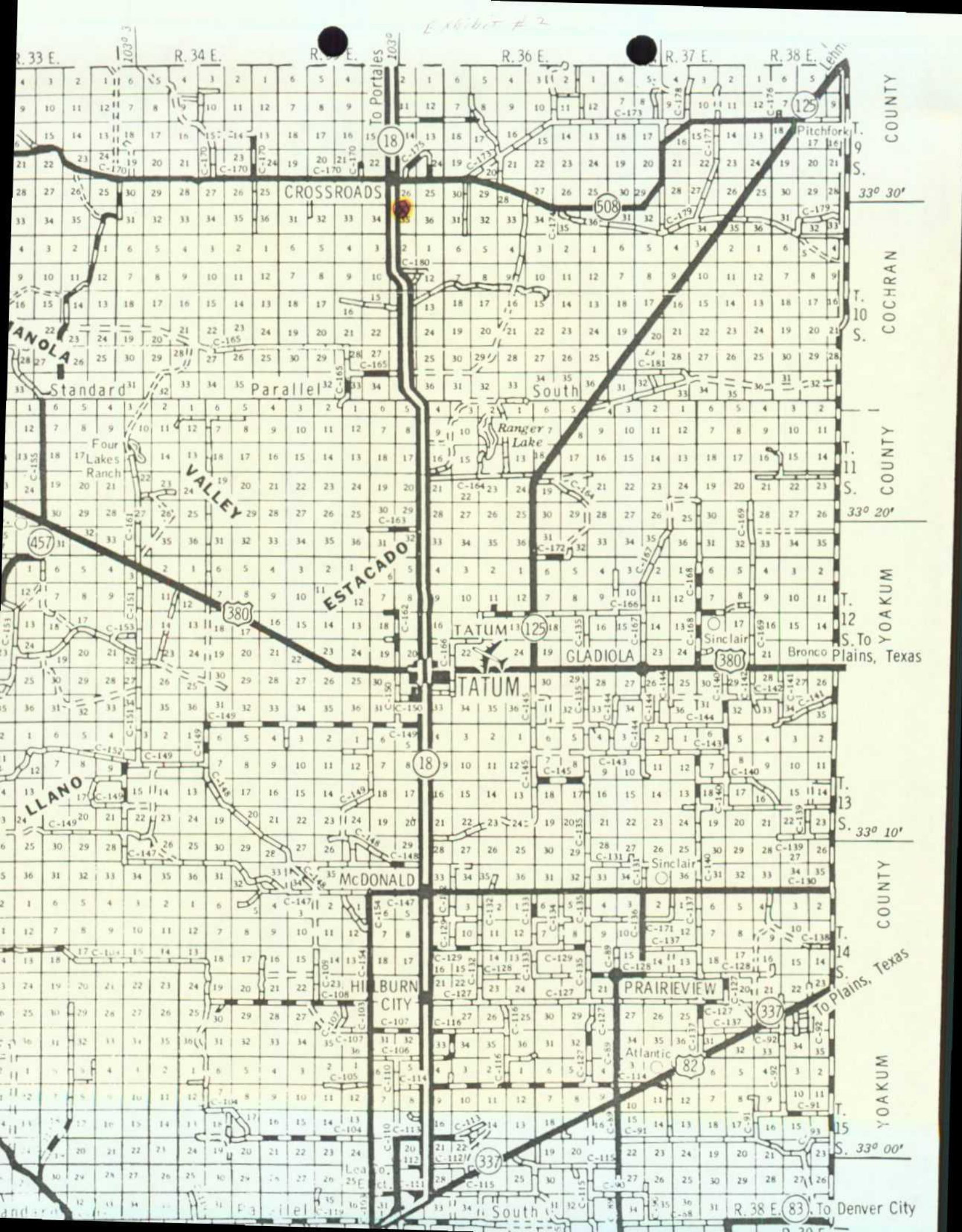
- bond is being processed -

caliche

200'

the

exhibit I





STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

TONY ANAYA
GOVERNOR

March 10, 1986

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-5800

Mr. R. W. Gallini
Heidel, Samberson, Gallini
& Williams
Attorneys at Law
Post Office Drawer 1599
Lovington, New Mexico 87504

Re: CASE NO. 8825
ORDER NO. R-3167

Applicant:

V. K. Kinsolving d/b/a Kenneth Tank
Service

Dear Sir:

Enclosed herewith are two copies of the above-referenced Division order recently entered in the subject case.

Sincerely,

B. L. Hunt

R. L. STAMETS
Director

RLS / fd

Copy of order also sent to:

Hobbs OCD	<u>x</u>
Artesia OCD	<u>x</u>
Aztec OCD	

Other _____

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

Kenneth T.S.
Crossroads

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

CASE NO. 8825
Order No. R-8167

APPLICATION OF C. K. KINSOLVING d/b/a/
KENNETH TANK SERVICE FOR AN OIL TREATING
PLANT PERMIT, LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on February 19 1986, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 7th day of March, 1986, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

(1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) The applicant, C. K. Kinsolving d/b/a/ Kenneth Tank Service, seeks authority to construct and operate a chemical and heat-treatment type oil treating plant at its salt water disposal site in the NW/4 of Section 35, Township 9 South, Range 35 East, NMPM, Lea County, New Mexico, for the processing of approximately 500 barrels of sediment oil per day to be obtained from tank bottoms, disposal water, and waste pits.

(3) Dikes, dams and/or emergency pits should be constructed around the plant capable of holding the entire capacity of all tanks and vessels at the plant location in order that sediment oil, reclaimed oil, or waste oil cannot escape from the immediate vicinity of such plant.

(4) 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.

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

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

IT IS THEREFORE ORDERED THAT:

(1) The applicant, C.K. Kinsolving d/b/a/ Kenneth Tank Service, is hereby authorized to install and operate a chemical and heat-treatment type oil treating plant on a two acre tract of land in the NW/4 of Section 35, Township 9 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) 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) 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) 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) 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) 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



R. L. STAMETS,
Director

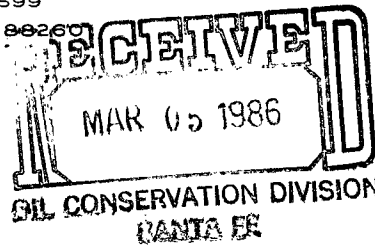
S E A L

C. GENE SAMBERSON
R. W. GALLINI
JERRY L. WILLIAMS

LAW OFFICES
HEIDEL, SAMBERSON, GALLINI & WILLIAMS
311 NORTH FIRST STREET
POST OFFICE DRAWER 1599
LOVINGTON, NEW MEXICO 88260
(505) 396-5303

F. L. HEIDEL
~~XXXXXXXXXX~~
(1913-1985)

March 4, 1986



CERTIFIED MAIL - RETURN RECEIPT
REQUESTED #P 183 171 949

Mr. Michael E. Stogner
Hearing Examiner
Energy & Minerals Department
Oil Conservation Division
P. O. Box 2088
State Land Office Building
Santa Fe, New Mexico 87501

Re: Application of C. K. Kinsolving dba
Kenneth Tank Service, for a Treating
Plant Permit, Case No. 8825

Dear Mr. Stogner:

A Hearing was held on Wednesday, February 19, 1986 in the above referenced case to consider the application of C. K. Kinsolving, dba Kenneth Tank Service, for an oil treating plant permit, Lea County, New Mexico. The applicant, in the above-styled cause, sought authority for the construction and operation of an oil treating plant for the purpose of treating and reclaiming sediment oil at a site in the Northwest Quarter (NW/4) of Section 35, Township 9 South, Range 35 East.

The witness for the applicant, John Bob Stearns, testified that sediment oil collected at the proposed plant will be treated by the use of chemicals and heat induced by hot oil unit. You requested that the applicant provide information to you regarding the chemical that will be used to treat the oil. Pursuant to that request, we enclose a document prepared by Petrolite Corporation entitled, "Material Safety Data Sheet" dated March 19, 1984, which identifies the product as Formula No. PD-10, trade name: Parid, which is a paraffin dispersant. The instrument gives a complete chemical description of PD-10 and outlines the hazardous ingredients contained therein. It provides physical data, fire and explosion hazard data, health hazard data, reactivity data, spill or leak procedures, special protection information, and special precautions to be taken in handling and storing.

Mr. Michael E. Stogner
March 4, 1986
Page 2

We assume that with the submission of this additional data that you requested at the hearing that all other procedures and requirements pertaining to the issuance of a treating plant permit have been satisfied. However, if we are wrong in our assumption, we would appreciate your letting us know immediately.

With best regards, I am

Very truly yours,

HEIDEL, SAMBERSON, GALLINI & WILLIAMS

By R. W. Gallini
R. W. GALLINI *rt*

RWG/rt
enclosure

Copy: Kenneth Tank Service

PETROLITE**MATERIAL SAFETY DATA SHEET**Date 3/19/84

(Approved by U.S. Department of Labor as "Essentially Similar" to Form OSHA-20)

I — PRODUCT IDENTIFICATIONPETROLITE
369 Marshall Avenue, St. Louis, Missouri 63119 U.S.A.EMERGENCY TELEPHONE NO.
(314) 961-3500

FORMULA # PD-10 TRADE NAME: PARID

IF HAZARDOUS PER D.O.T. CFR TITLE 49:

PROPER SHIPPING NAME Flammable Liquid, N.O.S.HAZARD CLASS Flammable Liquid ID# UN 1993**CHEMICAL DESCRIPTION:**

A solution of oxyalkylated alkyl phenol formaldehyde resins and acylated polyamines in aromatic hydrocarbons and methanol.

II — HAZARDOUS INGREDIENTS

CAS NUMBER	MATERIAL	%	TLV (UNITS)
64742-95-6	Light Aromatic Naphtha		25 ppm
63-56-1	Methanol		200 ppm (skin)

Although the information and recommendations set forth herein are believed to be correct as of the date hereof, Petrolite makes no representation as to the accuracy of such information and recommendations. It is the user's responsibility to determine the suitability and completeness of such information and recommendation for its own particular use. Petrolite shall not be responsible for any direct, indirect, incidental or consequential damages of whatsoever nature resulting from the publication, use of, or reliance upon such information and recommendations.

PETROLITE EXPRESSLY DISCLAIMS ANY AND ALL WARRANTIES OF EVERY KIND AND NATURE INCLUDING THOSE OF MERCHANTABILITY AND OF FITNESS FOR A PARTICULAR PURPOSE WITH RESPECT TO THE PRODUCT, THE INFORMATION AND RECOMMENDATIONS CONTAINED HEREIN, OR ANY USE OR RELIANCE THEREON.

VI — REACTIVITY DATA

STABILITY		CONDITIONS TO AVOID	
UNSTABLE	STABLE		
	X		
INCOMPATIBILITY (MATERIALS TO AVOID)		Strong oxidizing agents.	
HAZARDOUS DECOMPOSITION PRODUCTS		Oxides of nitrogen.	
HAZARDOUS POLYMERIZATION		CONDITIONS TO AVOID	
MAY OCCUR	WILL NOT OCCUR		
	X		

VII — SPILL OR LEAK PROCEDURES

STEPS TO BE TAKEN IF MATERIAL IS RELEASED OR SPILLED	DIKE TO PREVENT ENTERING ANY WATERWAY. COVER WITH SAND, DIRT OR SUITABLE CHEMICAL ADSORBENT.
WASTE DISPOSAL METHOD	AFTER MATERIAL IS ADSORBED, PICK UP SAND, DIRT OR CHEMICAL ADSORBENT AND TAKE TO AN APPROVED WASTE DISPOSAL SITE. DISPOSE OF RESIDUE IN ACCORDANCE WITH APPLICABLE WASTE MANAGEMENT REGULATIONS.
DECONTAMINATION PROCEDURE	NOT APPROPRIATE.

VIII — SPECIAL PROTECTION INFORMATION

RESPIRATORY PROTECTION (SPECIFY TYPE)		When exposure exceeds the TLV, the use of a chemical respirator with an organic cartridge is recommended.		
VENTILATION	LOCAL EXHAUST	Recommended	SPECIAL	
	MECHANICAL (GENERAL)		OTHER	
PROTECTIVE GLOVES		Synthetic	EYE PROTECTION	Chemical Goggles
OTHER PROTECTIVE EQUIPMENT				

IX — SPECIAL PRECAUTIONS

PRECAUTIONS TO BE TAKEN IN HANDLING AND STORING	Flammable Liquid. Avoid heat, sparks and open flames. Avoid breathing of vapors and contact with skin and eyes.
OTHER PRECAUTIONS	Hazardous product residue may remain after product has been removed from its container. Do not reuse empty container without commercial cleaning or reconditioning.

C. GENE SAMBERSON
R. W. GALLINI
JERRY L. WILLIAMS

LAW OFFICES
HEIDEL, SAMBERSON, GALLINI & WILLIAMS
311 NORTH FIRST STREET
POST OFFICE DRAWER 1599
LOVINGTON, NEW MEXICO 88260
(505) 396-5303

F. L. HEIDEL
~~XXXXXXXXXX~~
(1913-1985)

January 15, 1986

Case 8825

PUROLATOR COURIER

RECEIVED

JAN 16 1986

OIL CONSERVATION DIVISION

Mr. David Catanach
Oil Conservation Division
State Land Office Building
Room 206
310 Old Santa Fe Road
Santa Fe, New Mexico 87504

Re: In the Matter of the Application of
C. K. Kinsolving, d/b/a Kenneth Tank
Service For a Treating Plant Permit
Pursuant to Rule 312

Dear David:

Enclosed herewith, please find duplicate copies of the application of C. K. Kinsolving, dba Kenneth Tank Service, for a Treating Plant Permit pursuant to Rule 312 authorizing him to process, treat and reclaim sediment oil.

As we discussed on the telephone, the hearing on this application has been scheduled for Wednesday, February 19, 1986 at 8:15 A.M. at the Hearing Room at the OCD, State Land Office Building.

We appreciate your cooperation and assistance in this matter. Please call us if anything additional is required in connection with this application.

Very truly yours,

HEIDEL, SAMBERSON, GALLINI & WILLIAMS

By *R. W. Gallini*
R. W. GALLINI

RWG/rt
enclosures

Copy: Kenneth Tank Service

APPLICATION FOR TREATING PLANT PERMIT
PURSUANT TO RULE 312 BEFORE THE OIL
CONSERVATION DIVISION OF THE NEW
MEXICO ENERGY AND MINERALS DEPARTMENT

IN THE MATTER OF THE)
APPLICATION OF C.K. KINSOLVING)
dba: KENNETH TANK SERVICE,)
FOR A TREATING PLANT PERMIT)
AUTHORIZING APPLICANT TO PROCESS,)
TREAT AND RECLAIM SEDIMENT OIL)

Case 8825

Applicant respectfully requests the New Mexico Oil
Conservation Division to issue a treating plant permit author-
izing him to construct such a plant to be located upon the
following described real property situated in Lea County, New
Mexico, to-wit:


Approximately a 2 acre tract of land situated
in the Northwest Quarter (NW/4) of Section 35,
Township 9 South, Range 35 East, N.M.P.M.,
Lea County, New Mexico.

Said plant will consist of a minimum of two (2) stock tanks
surrounded by a two (2) feet fire wall. Applicant contemplates
said plant will have a capacity of 500 barrels per day.

Applicant affirmatively states he will comply with all
rules and regulations required by the Oil Conservation Division
of the New Mexico Energy and Minerals Department, Including,
but not limited to, the filing of a \$10,000.00 performance bond
and preparing and filing required reports.

Dated at Lovington, Lea County, New Mexico this 15th day
of January, 1986.

HEIDEL, SAMBERSON, GALLINI & WILLIAMS

By 
R. W. GALLINI, Attorneys for
Applicant, C. K. Kinsolving, dba
Kenneth Tank Service
Post Office Drawer 1599
Lovington, New Mexico 88260
(505) 396-5303

C.K. Kinsolving
dba: Kenneth Tank Service
November 20, 1985

As the owner of Kenneth Tank Service, I propose to construct a treating plant in the Northwest Quarter (NW/4) of Section 35, Township 9 South, Range 35 East, N.M.P.M. Lea County, New Mexico.

Currently, Kenneth Tank Service operates a vacuum truck and eight transports. This facility will provide for the reclamation of merchantable crude oil from sediment oil transported by the above mentioned units. Sediment oil will come from (1) Tank bottoms pulled off after treating tanks, (2) Emptying heater treaters for repairs, (3) Cleaning of crude oil stock tanks, and (4) emptying tanks. Sediment oil collected in these tanks at the plant will be treated by the use of chemicals and heat induced by a hot oil unit. Water and solid waste will be removed by Kenneth Tank Service transports and disposed of at an appropriate facility.

The operation of such a facility has been discussed with Mr. J.T. Sexton, Supervisor of Oil Conservation Commission, District I, Hobbs, New Mexico. Mr. Sexton explained the necessity of an orderly operation with all reports to be filed properly and timely.

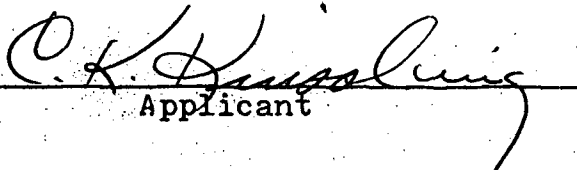
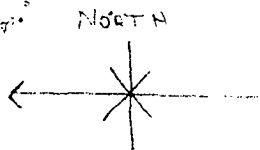

Applicant

Exhibit I - Facility Diagram



C. R. HINSBURY
dba: KENNETH Tank Service
Storage Facility

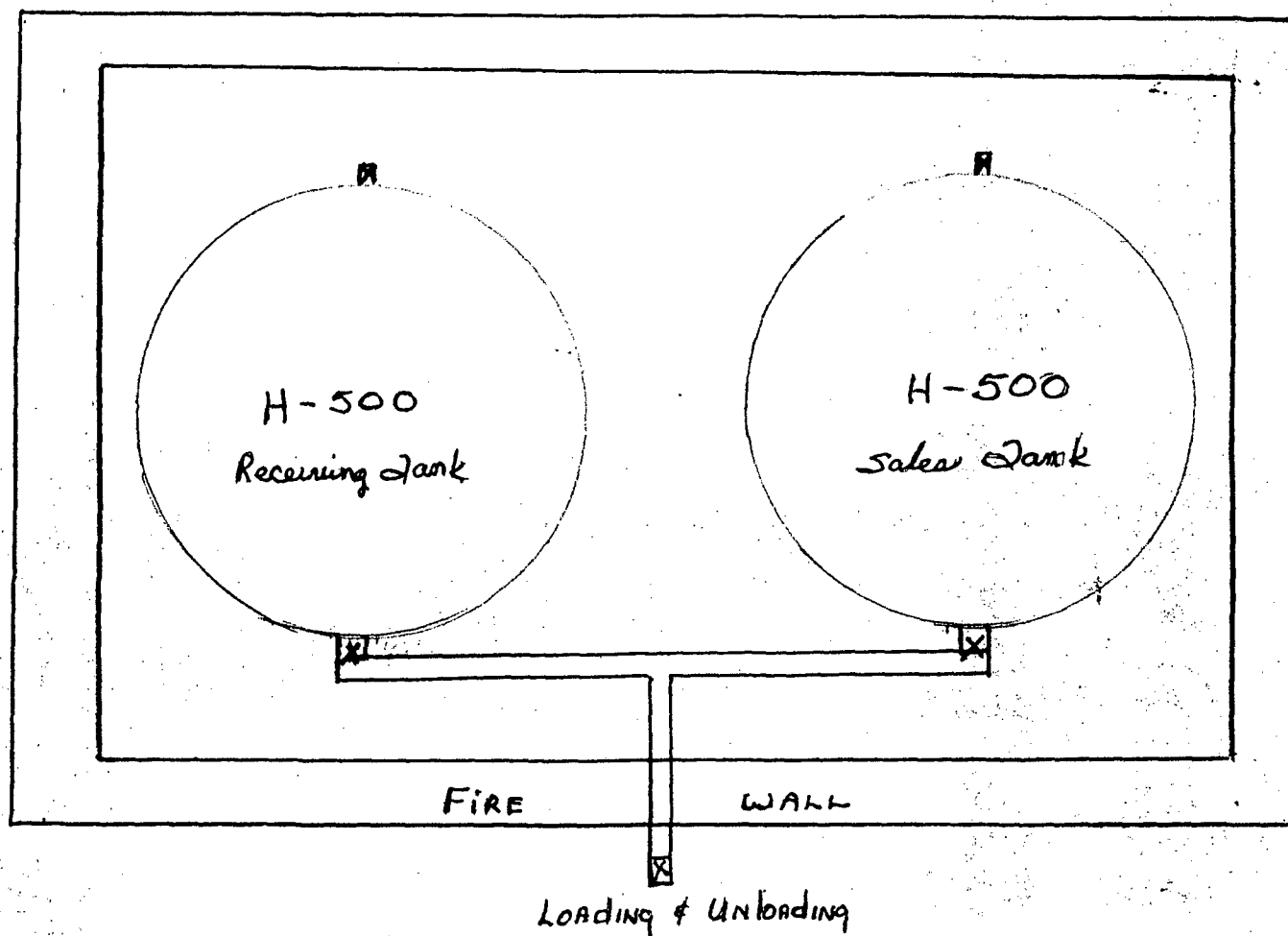


Exhibit I
Facility Diagram

APPLICATION FOR TREATING PLANT PERMIT
PURSUANT TO RULE 312 BEFORE THE OIL
CONSERVATION DIVISION OF THE NEW
MEXICO ENERGY AND MINERALS DEPARTMENT

IN THE MATTER OF THE)
APPLICATION OF C.K. KINSOLVING)
dba: KENNETH TANK SERVICE,)
FOR A TREATING PLANT PERMIT)
AUTHORIZING APPLICANT TO PROCESS,)
TREAT AND RECLAIM SEDIMENT OIL)

Case 8825

Applicant respectfully requests the New Mexico Oil
Conservation Division to issue a treating plant permit author-
izing him to construct such a plant to be located upon the
following described real property situated in Lea County, New
Mexico, to-wit:


Approximately a 2 acre tract of land situated
in the Northwest Quarter (NW/4) of Section 35,
Township 9 South, Range 35 East, N.M.P.M.,
Lea County, New Mexico.

Said plant will consist of a minimum of two (2) stock tanks
surrounded by a two (2) feet fire wall. Applicant contemplates
said plant will have a capacity of 500 barrels per day.

Applicant affirmatively states he will comply with all
rules and regulations required by the Oil Conservation Division
of the New Mexico Energy and Minerals Department, Including,
but not limited to, the filing of a \$10,000.00 performance bond
and preparing and filing required reports.

Dated at Lovington, Lea County, New Mexico this 15th day
of January, 1986.

HEIDEL, SAMBERSON, GALLINI & WILLIAMS

By 
R. W. GALLINI, Attorneys for
Applicant, C. K. Kinsolving, dba
Kenneth Tank Service
Post Office Drawer 1599
Lovington, New Mexico 88260
(505) 396-5303

C.K. Kinsolving
dba: Kenneth Tank Service
November 20, 1985

As the owner of Kenneth Tank Service, I propose to construct a treating plant in the Northwest Quarter (NW/4) of Section 35, Township 9 South, Range 35 East, N.M.P.M. Lea County, New Mexico.

Currently, Kenneth Tank Service operates a vacuum truck and eight transports. This facility will provide for the reclamation of merchantable crude oil from sediment oil transported by the above mentioned units. Sediment oil will come from (1) Tank bottoms pulled off after treating tanks, (2) Emptying heater treaters for repairs, (3) Cleaning of crude oil stock tanks, and (4) emptying tanks. Sediment oil collected in these tanks at the plant will be treated by the use of chemicals and heat induced by a hot oil unit. Water and solid waste will be removed by Kenneth Tank Service transports and disposed of at an appropriate facility.

The operation of such a facility has been discussed with Mr. J.T. Sexton, Supervisor of Oil Conservation Commission, District I, Hobbs, New Mexico. Mr. Sexton explained the necessity of an orderly operation with all reports to be filed properly and timely.

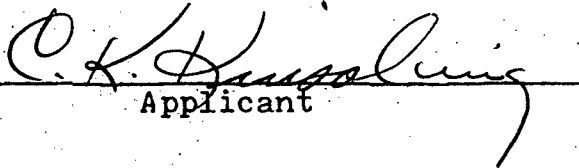

Applicant

Exhibit I - Facility Diagram

NORTH



do: KENNETH Tank Service
Storage Facility

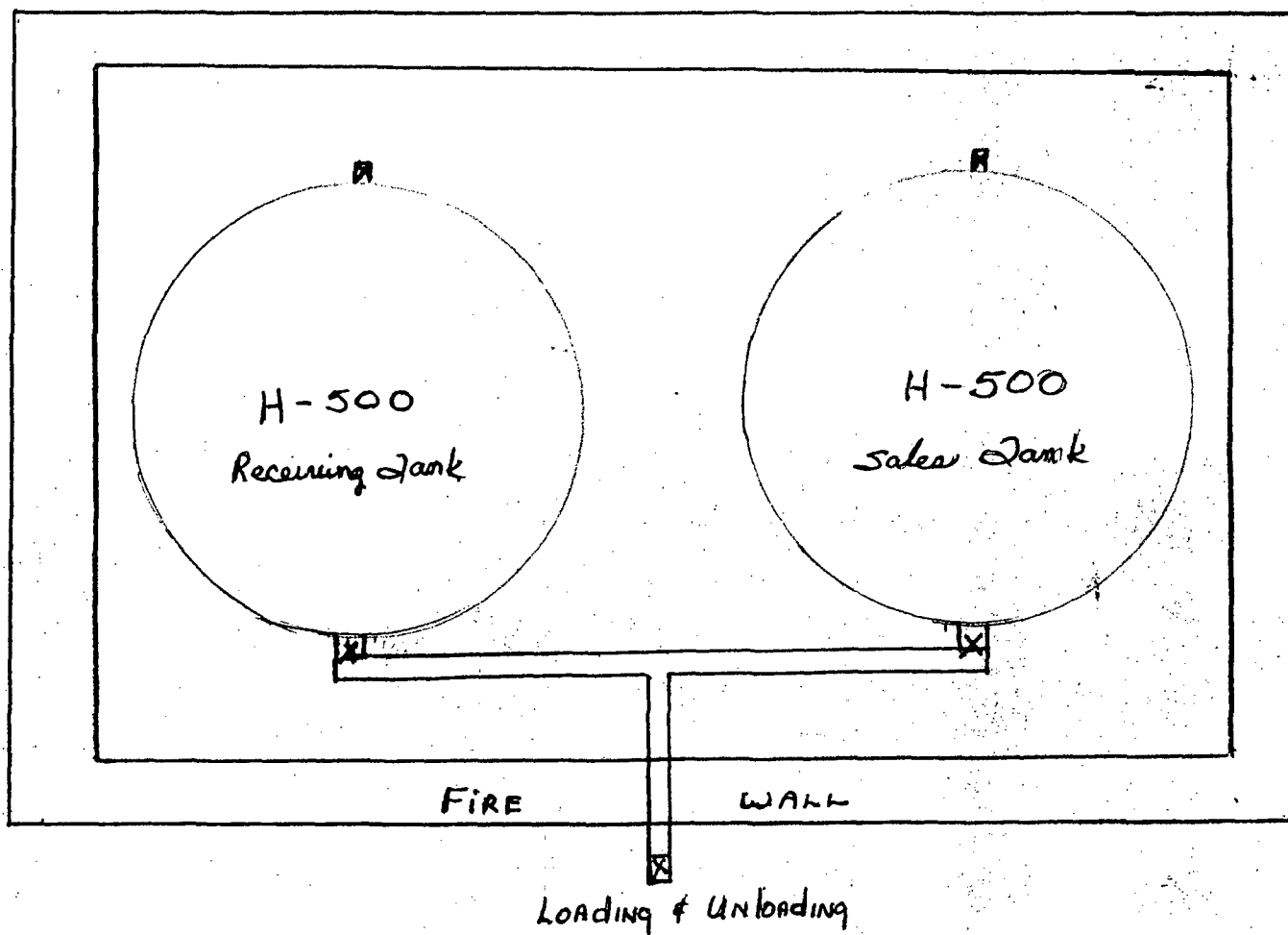


Exhibit I
Facility Diagram