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ORDER

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STATE OF NEW MEXICO ENERGY AND MINERALS DEPARTMENT OIL CONSERVATION DIVISION

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

CASE NO. 7508 Order No. R-6591-A

APPLICATION OF P & O OIL FIELD 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 9 a.m. on March 16, 1982, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 9th day of April, 1982, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

- (1) That due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.
- (2) That the applicant, P & O Oil Field Service, seeks authority to construct and operate a chemical and heat-treatment type oil treating plant in the SW/4 NE/4 of Section 10, Township 25 South, Range 36 East, NMPM, Lea County, New Mexico, for the reclamation of up to approximately 30 barrels of sediment oil per operating hour to be obtained from tank bottoms, disposal water, and waste pits.
- (3) That the evidence presented in this case revealed that the application is not for a new facility but rather represents a change in location of a facility approved by Division Order No. R-6591 dated February 12, 1981.
- (4) That the applicant proposes to change the location of such plant from the SW/4 NW/4 of Section 25, Township 25 South, Range 36 East, NMPM, Lea County, New Mexico, to the location described in Finding No. (1) above.

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- (5) That no reclamation activity was conducted at the previously approved site.
- (6) That the first paragraph of Order (1) of Division Order No. R-6591 should be amended to read in its entirety as follows:
 - "(1) That the applicant, P & O Oil Field Service, is hereby authorized to install and operate a chemical and heat-treatment type oil treating plant in the SW/4 NE/4 of Section 10, Township 25 South, Range 36 East, NMPM, Lea County, New Mexico, for the purpose of treating and reclaiming sediment oil to be obtained from tank bottoms and waste pits;"

IT IS THEREFORE ORDERED:

- (1) That the first paragraph of Order No. (1) of Division Order No. R-6591 entered February 12, 1981, is hereby amended to read in its entirety as follows:
 - "(1) That the applicant, P & O Oil Field Service, is hereby authorized to install and operate a chemical and heat-treatment type oil treating plant in the SW/4 NE/4 of Section 10, Township 25 South, Range 36 East, NMPM, Lea County, New Mexico, for the purpose of treating and reclaiming sediment oil to be obtained from tank bottoms and waste pits;"
- (2) That jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year herein-above designated.

STATE OF NEW MEXICO DIL CONSERVATION DIVISION

JÓE D. RÁMEY

Director

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

CASE NO. 7141 Order No. R-6591

APPLICATION OF P & O OIL FIELD 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 9 a.m. on January 28, 1981, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 12th day of February, 1981, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

- (1) That due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.
- (2) That the applicant, P & O Oil Field Service, seeks authority to construct and operate a chemical and heat-treatment type oil treating plant in the SW/4 NW/4 of Section 25, Township 25 South, Range 36 East, NMPM, Lea County, New Mexico, for the reclamation of up to approximately 30 barrels of sediment oil per operating hour to be obtained from tank bottoms, disposal water, and waste pits.
- (3) That dikes, dams and/or emergency pits should be constructed around the plant capable of holding the entire capacity of all tanks and vessels at the plant location in order that sediment oil, reclaimed oil, or waste oil cannot escape from the immediate vicinity of such plant.
- (4) That the proposed plant and method of processing will efficiently process, treat, and reclaim the aforementioned waste oil, thereby salvaging oil which would otherwise be wasted.

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

IT IS THEREFORE ORDERED:

(1) That the applicant, P & O Oil Field Service, is hereby authorized to install and operate a chemical and heat-treatment type oil treating plant in the SW/4 NW/4 of Section 25, Township 25 South, Range 36 East, NMPM, Lea County, New Mexico, for the purpose of treating and reclaiming sediment oil to be obtained from tank bottoms and waste pits;

PROVIDED HOWEVER, that the continuation of the authorization granted by this order shall be conditioned upon compliance with the laws of the State of New Mexico and the rules and regulations of the New Mexico Oil Conservation Division;

PROVIDED FURTHER, that prior to commencing operation of said plant, the applicant shall file with the Division and obtain approval of a performance bond in the amount of \$10,000.00 conditioned upon substantial compliance with applicable statutes of the State of New Mexico and all rules, regulations and orders of the Oil Conservation Division.

- (2) That the operator of the above-described oil treating plant shall clear and maintain in a condition clear of all debris and vegetation a fireline at least 15 feet in width and encircling the site upon which the plant is located.
- (3) That dikes, dams and/or emergency pits shall be constructed aroung the plant capable of holding the entire capacity of all tanks and vessels at the plant location and capable of preventing the escape of any sediment oil, reclaimed oil, or waste oil from the immediate vicinity of said plant.
- (4) That the disposal of waste water accumulated in conjunction with the operation of the above-described plant on the surface of the ground, or in any pit, pond, lake, depression, draw, streambed, or arroyo, or in any watercourse, or in any other place or in any manner which will constitute a hazard to any fresh water supplies is hereby prohibited.
- (5) That jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

-3-Case No. 7141 Order No. R-6591 DONE at Santa Fe, New Mexico, on the day and year hereinabove designated. STATE OF NEW MEXICO OIL CONSERVATION DIVISION JOE D. RAMEY Director SEAL fd/