

NM -

28

**GENERAL
CORRESPONDENCE**

YEAR(S):

2000-1982

Public Regulation Commission**3/7/2000****SONNY'S OIL FIELD SERVICES, INC.****MAILING ADDRESS****P.O. BOX 1438 HOBBS NEW MEXICO 88240**

SCC Number: 0350744**Tax & Revenue Number: 01099128005****INCORPORATED ON FEBURARY 01, 1957 , IN NEW MEXICO.****CORPORATION IS A DOMESTIC PROFIT****CORPORATION IN THE PROCESS OF REVOCATION****PURPOSE OF THE CORPORATION****OILFIELD TRUCKING****CORPORATION DATES****Taxable Year End Date: 12/31/98****Filing Date: //****Corporate Existence Expiration Date: 02/01/2007****SUPPLEMENTAL POST MARK DATES****Supplemental: 09/22/95****Name Change:****Purpose Change:****PRINCIPAL ADDRESS****816 NW COUNTY RD. HOBBS NEW MEXICO 88240****PRINCIPAL ADDRESS(Outside New Mexico)**

REGISTERED AGENT**JACK CLARK****816 NW COUNTY RD, PO BOX 1438 HOBBS NEW MEXICO 88240****Designation date: 01/27/98****Agent Post Mark Date:****Resignation date:****COOP LICENSE INFORMATION****Number:****Type:****Expiration Year:****INCORPORATOR(S)****CLARK, DARLA CLARK, JACK****CLARK, JACK CLARK, JACK**

DIRECTORS

Date Election of Directors: 12/31/97

CLARK , DARLA

1528 ROSE RD HOBBS , NM 88240

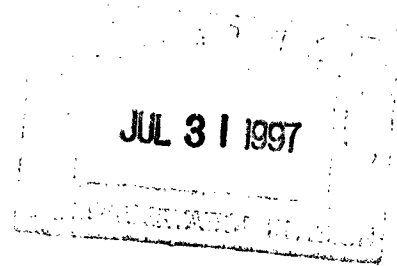
CLARK , JACK

1528 ROSE RD. HOBBS , NM 88240

New Search Inquiry Page

Wayne Price

From: Wayne Price
Sent: Wednesday, July 30, 1997 1:42 PM
To: Martyne Kieling
Cc: Chris Williams
Subject: Sonnys Treating Plant



Per your request I am putting in the mail today a copy of the Hobbs file.



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
HOBBS DISTRICT OFFICE

February 23, 1988

GARREY CARRUTHERS
GOVERNOR

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

Sonnys Oilfield Service
P. O. Box 1438
Hobbs, New Mexico 88241-1438

Re: Treating Plant Bond

Gentlemen:

We have received notice that you are requesting cancellation of your treating plant bond.

Without the treating plant bond, you are not permitted to clean tanks or to haul tank bottoms to your disposal facility. The only material that can be disposed of at your location is produced water. You may wish to reconsider cancelling your bond due to these circumstances.

We request that you keep an inventory of all materials brought into your facility and the source of these materials. Any material which leaves your site must go to an approved treating plant facility.

Very truly yours

OIL CONSERVATION DIVISION

A handwritten signature in cursive script, appearing to read "Jerry Sexton".

Jerry Sexton
Supervisor, District I

JS:bp

File



ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

GARREY CARRUTHERS
GOVERNOR

January 13, 1988

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

Sonny's Oilfield Services, Inc.
P. O. Box 1438
Hobbs, New Mexico 88240

Re: \$10,000 Treating Plant Bond
Employers' Casualty Co., Surety
Bond No. B-364514

Gentlemen:

In checking our records, I note that you have a \$10,000 Treating Plant Bond on file in this office. I am enclosing a copy of our Order No. R-8284 which states that all treating plant bonds must be replaced with \$25,000 bonds by January 1, 1988. To date, we have not received your replacement bond.

Since this is a violation of the Oil Conservation Division Rules and Regulations, we would appreciate your taking care of this matter immediately. Please advise me no later than January 28th as to when I may expect to receive your replacement bond.

Thank you.

Sincerely,

DIANA RICHARDSON
Administrator
Bonding Department

enclosure

cc: OCD - Hobbs



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
HOBBS DISTRICT OFFICE

April 4, 1988

Y CARRUTHERS
GOVERNOR

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

180
141-1980

Sonny's Oilfield Services, Inc.
P O Box 1438
Hobbs, New Mexico 88241-1438

Re: Form C-118

Form C-118, the Monthly Treating Plant Operator's Report has
not been received in this office for the month/months of
February, 1988 as of this date.

Rule 1118 of The Oil Conservation Division Rules and Regula-
tions requires that Form C-118 be filed not later than the
25th day of each succeeding month.

If you have not been receiving, transporting or selling any
product, you still need to file Form C-118 indicating this.

Please bring your records up-to-date by submitting these
reports as soon as possible.

Yours very truly
OIL CONSERVATION DIVISION

Jerry Sexton
Supervisor, District I

JS/jm



EMPLOYERS CASUALTY COMPANY

POST OFFICE BOX 2759 | DALLAS, TEXAS 75221



*Evelyn - Pls. let me
know regarding this
location.*

February 17, 1988

Energy Mineral and Natural
Resources Department
P. O. Box 2088
State Land Office Building
Santa Fe, New Mexico 87504

Thanks

8

Re: Sonny's Oilfield Services, Inc.
Bond No. B-364514
Account No. 34-027802
Identification No. 19560

Dear Sir:

The treating plant bond, number B-364514, is being cancelled by our insured since it is no longer needed. Please accept this letter as cancellation notice effective sixty (60) days from receipt thereof.

Please release Employers Casualty Company from any and all liability to the State of New Mexico.

Sincerely,

Dee Allmon

Dee Allmon

/da

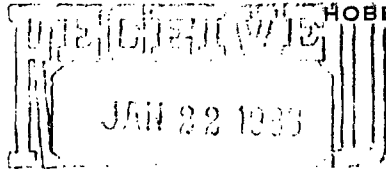
cc: Sonny's Oilfield Services, Inc.
Ron Drake - Midland District

SONNY'S OIL FIELD SERVICE, INC.

PHONE 505 393-4521

P.O. BOX 1438

HOBBS, NEW MEXICO 88241



January 21, 1988
OIL CONSERVATION DIVISION
SANTA FE

State Of New Mexico
Energy, Minerals & Natural Resources Dept.
Oil Conservation Division
P.O. Box 2088
State Land Office Building
Santa Fe, New Mexico 87504

ATTENTION: DIANA RICHARDSON

Dear Ms. Richardson,

At the present date Sonny's has decided not to build a Treating Plant. Sonny's has notified Employers Casualty Company of our decision. You will receive notification of our cancellation of our bond

If you have any questions please feel free to call me at (505) 393.6527.

Sincerely,

A handwritten signature in cursive script, reading "L. D. Clark". The signature is written in dark ink and is positioned above the printed name and title.

L.D. Clark
President

LDC/djc

cc:file

11-0-0-1 August 1988

HOBBS

27

28240

PLANT NAME

LOCATIONS

BARRERAS

HOBBS STATE #3

B 29 185 38 E

484.C

- 0 -

— 0 —

TOTAL SHORTS PIPELINE OIL CO OF HOUST

Journal of Management Studies

L.C. 57154

ENCLOSURE

YOBBS ATE #3

B 29 185 38 E

484.0

Marilyn E. BORN
2444 9th

Sonny's Oil Field Services, Inc

Month of June 1988

PO Box 1438
(Street)

HOBBS NM
(City)

88340
(State)

43

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

PLANT NAME	LOCATION	BARRELS
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Hobbs State #3	B 29 185 38E	204.0
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PLANT NAME	LOCATION	BARRELS
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Hobbs State #3	B 29 185 38E	280.0
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I NEED FORMS

THANK YOU
MARILYN

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

PLANT NAME	LOCATION	BARRELS
------------	----------	---------

Hobbs State #3	B 29 185 38E	484.0
----------------	--------------	-------

Marilyn Colborn
B/KP. 7/5/88

B

Sonny's Oil Field Services Inc

Month of May 1988

PO Box 1438
(Office)

Hobbs
(City)

NM
(State)

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

PLANT NAME	LOCATION	BARRELS
HOBBS State #3	B 29 185 38 E	230.0

PLANT NAME	LOCATION	BARRELS
HOBBS State #3	B 29 185 38 E	74.0

PLANT NAME	LOCATION	BARRELS
HOBBS State #3	TEXACO PRODUCING - STATE P #13	50.0
HOBBS State #3	TEXACO PRODUCING - STATE P #13	50.0

PLANT NAME	LOCATION	BARRELS
HOBBS State #3	B 29 185 38 E	204.0

Marilyn Colborn

LLP

6/2/1

SANTA FE, NEW MEXICO 875

PERMIT NUMBER	LEASE OPERATOR	LEASE NAME	GROSS VOLUME SEDIMENT OIL	NET BBLs. P.L. OIL RECOVERED
H-10551	HOBBS STATE #3	TEXACO PRODUCING - ST. P #13	50.0	
H-10562	HOBBS STATE #3	TEXACO PRODUCING - ST. P #13	50.0	

TREATING PLANT OPERATOR'S MONTHLY REPORT

Sonny's Oil Field Services Inc

Month of *April 1988*

PO Box 1438
(Street)

HOBBS, NM
(City)

88240
(State)

B

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

PLANT NAME	LOCATION	BARRELS
------------	----------	---------

HOBBS State #3

B 29 185 38 E

580.0

PLANT NAME

LOCATION

BARRELS

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

PLANT NAME	LOCATION	BARRELS
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HOBBS State #3

B 29 185 38 E

350.0

PLANT NAME

LOCATION

BARRELS

HOBBS State #3

B 29 185 38 E

230.0

Martha Colleen
BK
4/3/88

PIPELINE QUALITY OIL RECOVERED BY TREATING PLANTS

PERMIT NUMBER	LEASE OPERATOR	LEASE NAME	GROSS VOLUME SEDIMENT OIL	NET BBLs. P.L. OIL RECOVERED
	HOBBS STATE #3	TADCO PURCHASING CO.	350.0	

TREATING PLANT OPERATOR'S MONTHLY REPORT

SONNY'S OIL FIELD SERVICES, Inc

Month of MARCH 1988 ^B

PO Box 1438
(Street)

HOBBS, NM
(City)

88240
(State)

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

PLANT NAME	LOCATION	BARRELS
HOBBS State #3	B 29 185 38 E	214.50

PLANT NAME

LOCATION

BARRELS

HOBBS State #3

B 29 185 38 E

365.50

TOTAL PLANTS

DELIVERIES PIPELINE OIL (Attach additional sheets if necessary)

PLANT NAME	LOCATION	BARRELS
		-0-

TOTAL PLANTS

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

PLANT NAME	LOCATION	BARRELS
HOBBS State #3	B 29 185 38 E	580.00

Marilyn Colborn
Bookkeeper 4/25/88

IRREGULAR PLANT OPERATOR'S MONTHLY REPORT

SONNY'S OIL FIELD SERVICES, INC.

Month of FEBRUARY 1988

P.O. BOX 1438

HOBBS,

N.M. 88240

(Street)

(City)

(State)

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

PLANT NAME	LOCATION	BARRELS
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HOBBS STATE #3

B 29 18S 38E

159

PLANT NAME

LOCATION

BARRELS

HOBBS STATE #3

B 29 18S 38E

185.50

TOTAL PLANTS

DELIVERIES PIPELINE OIL (Attach additional sheets if necessary)

PLANT NAME	TO	BARRELS
------------	----	---------

HOBBS STATE #3

YATES - KATHLEEN "AFE #1"

80

HOBBS STATE #3

YATES - KATHLEEN "AFE #1"

50

TOTAL PLANTS

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

PLANT NAME	LOCATION	BARRELS
------------	----------	---------

HOBBS STATE #3

B 29 18S 38E

214.50

Maile Colborn

John

PIPELINE QUALITY OIL RECOVERED BY TREATING PLANTS

PERMIT NUMBER	LEASE OPERATOR	LEASE NAME	GROSS VOLUME SEDIMENT OIL	NET BBLs. P.L. OIL RECOVERED
H-10219	HOBBS STATE #3	YATES-KATHLEEN AFE #1	80	
H-10230	HOBBS STATE #3	YATES-KATHLEEN AFE #1	<u>50</u>	

TREXING PLANT OPERATOR'S MONTHLY REPORT

JB

Sonny's Oilfield Services, Incorporated

Month of January 1988

P.O. Box 1438

(Street)

Hobbs

(City)

New Mexico 88240

(State)

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

PLANT NAME	LOCATION	BARRELS
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Hobbs State #3

B-29 18S 38E

509

TOTAL PLANTS

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

PLANT NAME	LOCATION	BARRELS
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TOTAL PLANTS

DELIVERIES PIPELINE OIL (Attach additional sheets if necessary)

FROM	TO	BARRELS
------	----	---------

Hobbs State #3

Yates Petroleum - Lazy Tree State
Unit #1

75

Hobbs State #3

Yates Petroleum - Lee Ranch State
"AEZ" #1

100

Hobbs State #3

Marathon Oil Co. - State 15 #1

75

Hobbs State #3

C.W. Trainer - Getty State #1

100

TOTAL PLANTS

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

PLANT NAME	LOCATION	BARRELS
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Hobbs State #3

B-29 18S 38 E

159

TOTAL PLANTS

Sonny's Oil Field Services, Inc.

Darla Clark

Secretary

02/24/88

PERMIT NUMBER	LEASE OPERATOR	LEASE NAME	GROSS VOLUME SEDIMENT OIL	NET BBLs. P.L. OIL RECOVERED
H-10066	Yates Petroleum	Lazy Tree State Unit #1	75	
H-10067	Yates Petroleum	Lee Ranch State "AEZ" #1	100	
H-10068	Marathon Oil Company	State 15 #1	75	
H-10100	C.W. Trainer	Getty State #1	100	



STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

Bonn

GARREY CARRUTHERS
GOVERNOR

February 22, 1988

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

Employers Casualty Company
P. O. Box 2759
Dallas, Texas 75221

Attention: Dee Allmon

Re: \$10,000 Treating Plant Bond
Sonny's Oilfield Services, Inc., Principal
Bond No. B-364514

Dear Ms. Allmon:

Receipt of your request for cancellation of the above-captioned bond is hereby acknowledged. The bond executed by your company is cancelled as to future liability as of April 17, 1988, as to the operation of the treating plant.

It should be noted, however, that the subject bond will remain in effect as to any property or wells acquired, started or drilled, or any equipment and treating plant operations prior to April 17, 1988.

Sincerely,

Victor T. Lyon

VICTOR T. LYON,
Acting Director

dr/

cc: Oil Conservation Division
Hobbs, New Mexico

Sonny's Oilfield Services, Inc.



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

July 30, 1997

CERTIFIED MAIL
RETURN RECEIPT NO. P-326-936-320

Mr. Jack Clark
Sonny's Oilfield Services, Inc.
P.O. Box 1438
Hobbs, NM 88241

RE: Treating Plant Inspection
Sonny's Oilfield Services, Inc.
NW/4, NE/4, Section 29, Township 18 South, Range 38 East, NMPM
Lea County, New Mexico

Dear Mr. Clark:

The New Mexico Oil Conservation Division (OCD), inspected Sonny's Oilfield Services, Inc. (Sonny's) treating plant located in the NW/4, NE/4, Section 29, Township 18 South, Range 38 East, NMPM, Lea County, New Mexico, on April 4, 1997.

The OCD inspection and current file review of Sonny's indicates some permit deficiencies. Attachment 1 lists the permit deficiencies found at Sonny's during the inspection and the new Rule 711 requirements that are not on file. Attachment 2 contains photographs taken during the inspection on April 4, 1997. Sonny's shall provide the OCD with a detailed description of how the corrections will be made and a time table of when each of the corrections will be completed. A response is required by Sonny's to these deficiencies by September 30, 1997.

Pursuant to Order R-10411-B the OCD General Rule 711 has been revised. The OCD is currently in the process of re-permitting all surface waste management facilities under the new Rule 711. Sonny's treating plant is included under the new Rule 711. A copy of Order R-10411-B along with the new bond forms are included with this report. A permit application, Form C-137 (attachment 3), shall be filed with the OCD according to the instructions in Attachment 1, Section 14.

Please be advised that the bonding requirements have changed under the new Rule 711. Sonny's current surety bond (bond No. B-364514) for \$10,000 will need to be replaced. The new bonded amount will be based upon the estimated closure costs that the State of New Mexico would incur

Mr. Jack Clark

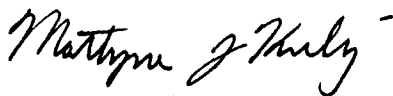
July 30, 1997

Page 2

if a third party contractor were to remediate the facility (see Rule 711.B.1.i). Sonny's must have a new bond in place for the approved estimated closure amount prior to receiving a new waste management facility permit.

If you have any questions please do not hesitate to contact me at (505) 827-7153.

Sincerely,

A handwritten signature in cursive script, appearing to read "Martyne J. Kieling".

Martyne J. Kieling

Environmental Geologist

Attachments

xc: Hobbs OCD Office

ATTACHMENT 1
INSPECTION REPORT
APRIL 4, 1997
SONNY'S OILFIELD SERVICES, INC.
(NW/4, NE/4, Section 29, Township 18 South, Range 38 East, NMPM)
LEA COUNTY, NEW MEXICO

1. **Drum Storage:** All drums containing materials other than fresh water must be stored on an impermeable pad with curbing. All empty drums should be stored on their sides with the bungs in and lined up on a horizontal plane. Chemicals in other containers such as sacks or buckets should also be stored on an impermeable pad and curb type containment. All drums and chemical containers should be clearly labeled to identify their contents and other emergency information necessary if they were to rupture, spill or ignite.

N/A There are no drums located at this facility.

2. **Process Area:** All process and maintenance areas which show evidence that leaks and spills are reaching the ground surface must be either paved and curbed or have some type of spill collection device incorporated into the design.

There was stained soil around the small above ground tank (see picture 1).

3. **Above Ground Tanks:** All above ground tanks which contain fluids other than fresh water must be bermed to contain a volume of one-third more than the total volume of the largest tank or of all interconnected tanks. All new facilities or modifications to existing facilities must place the tank on an impermeable type pad within the berm so that leaks can be identified.

The berms around the above ground tanks are of adequate volume (see pictures 1 and 2).

4. **Open Top Tanks and Pits:** To protect migratory birds, all tanks exceeding 16 feet in diameter, and exposed pits and ponds shall be screened, netted or covered unless rendered non hazardous.

N/A There are no open top tanks, pits, or ponds located at this facility.

5. **Above Ground Saddle Tanks:** Above ground saddle tanks must have impermeable pad and curb type containment unless they contain fresh water or fluids that are gases at atmospheric temperature and pressure.

N/A There are no above ground saddle tanks located at this facility.

6. Tank Labeling: All tanks, drums and containers should be clearly labeled to identify their contents and other emergency information necessary if the tank were to rupture, spill or ignite.

The tanks are not labeled as to their contents and hazards (see pictures 1, 2, and 3).

7. Below Grade Tanks/Sumps: All below grade tanks, sumps, and pits must be approved by the OCD prior to installation or upon modification and must incorporate secondary containment and leak-detection into the design. All pre-existing sumps and below grade tanks must demonstrate integrity on an annual basis. Integrity tests include pressure testing and/or visual inspection of cleaned out tanks or sumps, or other OCD approved methods.

N/A There are no below grade tanks/sumps located at this facility.

8. Underground Process/Wastewater Lines: All underground process/wastewater pipelines must be tested to demonstrate their mechanical integrity at present and then every 5 years thereafter. Companies may propose various methods for testing such as pressure testing or other OCD approved methods.

Any underground process/wastewater lines must have a mechanical integrity testing proposal.

9. Housekeeping: All systems designed for spill collection/prevention should be inspected frequently to ensure proper operation and to prevent overtopping or system failure.

The stained soil around the base of some of the tanks along with stains down the sides of the tanks indicate leaks, spills or overtopping (see picture 1, and 2).

10. Spill Reporting: All spills/releases shall be reported pursuant to OCD Rule 116.

At the time of inspection there were no spills evident at this facility.

11. Trash and Potentially Hazardous Materials: All trash and potentially hazardous materials should be properly disposed of.

N/A

12. Security: The facility shall be secured when no attendant is present, to prevent any unauthorized dumping. Securing the facility may include locks on tank valves, a perimeter fence and locked gate or other similar security measures.

The facility was not fenced or gated and did not have locks on the tank valves (see pictures 1, 2, and 3).

13. **Signs:** The facility shall have a sign in a conspicuous place at the facility. The sign shall be maintained in legible condition and shall be legible from at least fifty (50) feet and contain the following information : a) name of facility, b) location by quarter-quarter section, township and range, and c) emergency phone number.

The facility is lacking a sign at the entrance that includes all of the above information.

14. **Application Requirements for Permit Under the New Rule 711:** An application, Form C-137, for a permit renewal shall be filed in DUPLICATE with the Santa Fe Office of the Division and ONE COPY with the Hobbs OCD district office. The application shall comply with Division guidelines and shall include:

- (a) The names and addresses of the applicant and all principal officers of the business if different from the applicant;

Please submit with C-137 application.

- (b) A plat and topographic map showing the location of the facility in relation to governmental surveys (1/4 1/4 section , township, and range), highways or roads giving access to the facility site, watercourses, water sources, and dwellings within one (1) mile of the site;

Please submit with C-137 application.

- (c) The names and addresses of the surface owners of the real property on which the management facility is sited and surface owners of the real property of record within one mile of the site;

Please submit with C-137 application.

- (d) A description of the facility with a diagram indicating location of fences and cattle guards, and detailed construction/installation diagrams of any pits, liner, dikes, piping, sprayers, and tanks on the facility;

Attached is a copy of what is currently on file with the OCD. Please submit an updated facility maps that reflects any changes that have been made.

- (e) A plan for management of approved wastes;

Please submit with C-137 application.

- (f) A contingency plan for reporting a cleanup of spills or releases;

Please submit with C-137 application.

- (g) A routine inspection and maintenance plan to ensure permit compliance;

Please submit with C-137 application.

- (h) A Hydrogen Sulfide (H₂S) Prevention and Contingency Plan to protect public health;

Please submit with C-137 application.

- (i) A closure Plan including a cost estimate sufficient to close the facility to protect public health and the environment; said estimate to be based upon the use of equipment normally available to a third party contractor;

Please submit with C-137 application.

- (j) Geological/hydrological evidence, including depth to and quality of groundwater beneath the site, demonstrating that disposal of oil field wastes will not adversely impact fresh water;

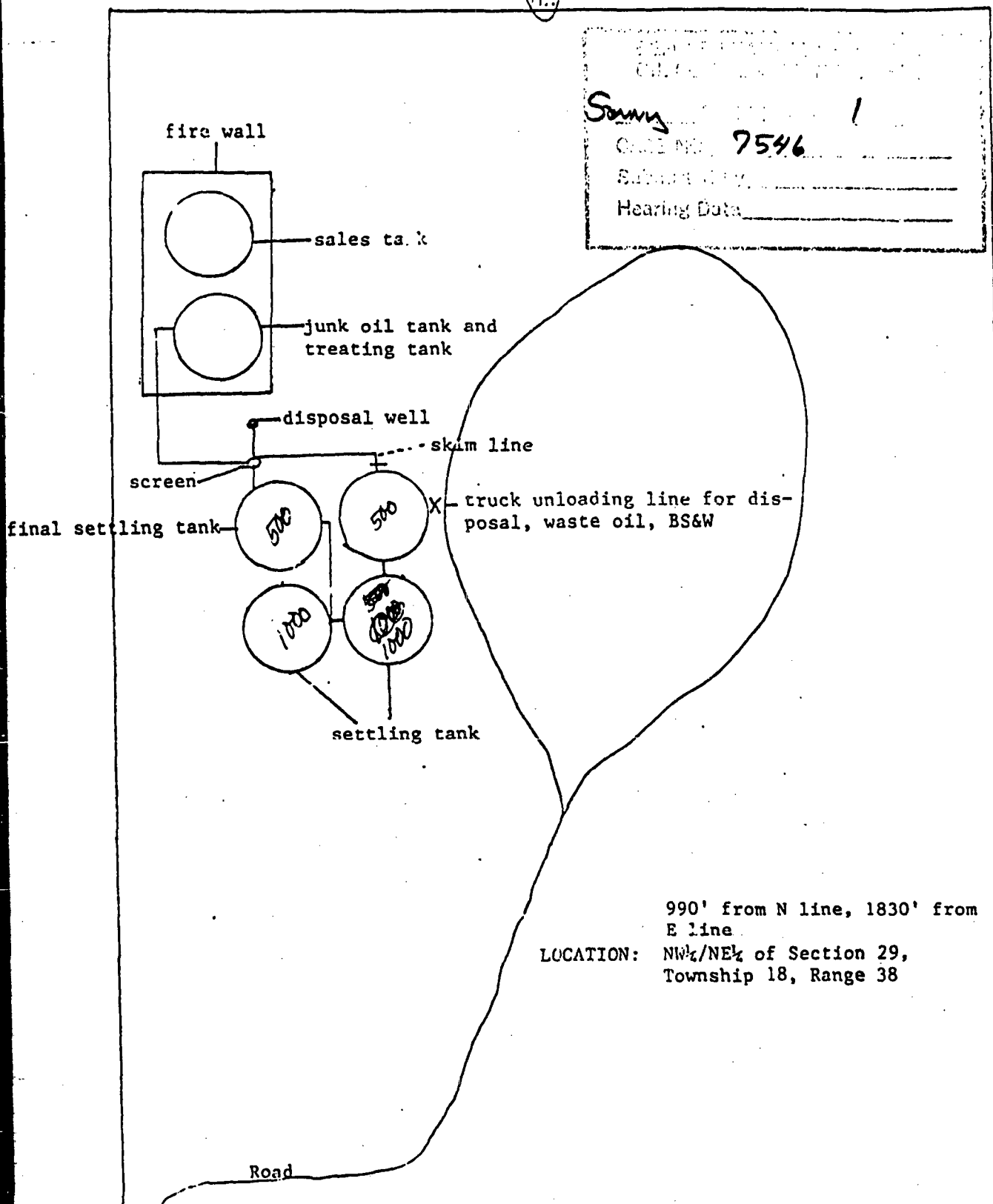
Please submit with C-137 application.

- (l) Certification by an authorized representative of the applicant that information submitted in the application is true, accurate and complete to the best of the applicant's knowledge.

Please submit with C-137 application.

ROBERT'S OILFIELD SERVICE, INC.
Hobbs State #3 Disposal Site

(E.)



Sunny

Case No. 7546

Subject:

Hearing Date:

We propose to salvage BS&W and waste oil from tank cleanings, run it through settling tanks into a 500 bbl. tank and treat oil out of junk tank into sales tank with a hot oil truck.

SONNY'S OILFIELD SERVICES, INC. TREATING PLANT INSPECTION (PHOTOS BY OCD)



PHOTO NO. 1

DATE: 04/4/97



PHOTO NO. 2

DATE: 04/4/97



PHOTO NO. 3 DATE: 04/4/97

MEMORANDUM OF MEETING OR CONVERSATION

<input checked="" type="checkbox"/> Telephone <input type="checkbox"/> Personal	Time 11:30	Date 7/30/97
<u>Originating Party</u> Martyne Kieling		<u>Other Parties</u> Jack Clark Sonny's Oilfield Services Phone 393.4521
<u>Subject</u> Treating Plant order / case # / Bond. (West County Rd. Pain + Bullman) (Scotty Grealy was the man we met on site) Jack will return call ...		
<u>Discussion</u> Scotty Grealy Return call They Do not Have a Hearing order in their File : I Since Foundone Case 7546 Order R69.58 And will send them a copy.		
<u>Conclusions or Agreements</u>		
<u>Distribution</u>	Signed Martyne Kieling	



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-918-402-428

Sonny's Oilfield Services, Inc.
P. O. Box 1438
West County Road
Hobbs, New Mexico 88240

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.


Sonny's Oilfield Services, Inc.
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



STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

GARREY CARRUTHERS
GOVERNOR

January 13, 1988

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

Sonny's Oilfield Services, Inc.
P. O. Box 1438
Hobbs, New Mexico 88240

Re: \$10,000 Treating Plant Bond
Employers' Casualty Co., Surety
Bond No. B-364514

Gentlemen:

In checking our records, I note that you have a \$10,000 Treating Plant Bond on file in this office. I am enclosing a copy of our Order No. R-8284 which states that all treating plant bonds must be replaced with \$25,000 bonds by January 1, 1988. To date, we have not received your replacement bond.

Since this is a violation of the Oil Conservation Division Rules and Regulations, we would appreciate your taking care of this matter immediately. Please advise me no later than January 28th as to when I may expect to receive your replacement bond.

Thank you.

Sincerely,

[Handwritten signature]
DIANA RICHARDSON
Administrator
Bonding Department

enclosure

cc: OCD - Hobbs

CASE 7546: SONNY'S OIL FIELD SERVICES, *co, l...*
INC. FOR AN OIL TREATING PLANT PERMIT,
LINCOLN COUNTY, NEW MEXICO

CASE NO.

7546

APPLICATION,
TRANSCRIPTS,
SMALL EXHIBITS,
ETC.

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
STATE LAND OFFICE BLDG.
SANTA FE, NEW MEXICO

14 April 1982

EXAMINER HEARING

IN THE MATTER OF:

Application of Sonny's Oil Field
Services, Inc., for an oil treating
plant permit, Lea County, New Mexico.

CASE
7546

BEFORE: Richard L. Stamets

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation
Division:

W. Perry Pearce, Esq.
Legal Counsel to the Division
State Land Office Bldg.
Santa Fe, New Mexico 87501

For the Applicant:

W. Thomas Kellahin, Esq.
KELLAHIN & KELLAHIN
500 Don Gaspar
Santa Fe, New Mexico 87501

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I N D E X

L. D. CLARK

Direct Examination by Mr. Kellahin

3

Cross Examination by Mr. Stamets

11

E X H I B I T S

Applicant Exhibit One, Schematic

4

MR. STAMETS: We'll call next Case 7546.

MR. PEARCE: That is the application of Sonny's Oilfield Services, Inc., for an oil treatment plant permit, Lea County, New Mexico.

MR. KELLAHIN: I'm Tom Kellahin of Santa Fe, New Mexico, appearing on behalf of the applicant, and I have one witness.

(Witness sworn.)

L. D. CLARK

being called as a witness and being duly sworn upon his oath, testified as follows, to-wit:

DIRECT EXAMINATION

BY MR. KELLAHIN:

Q Mr. Clark, would you please state your name and occupation?

A I'm L. D. Clark, President of Sonny's Oil Field Service, Inc., Hobbs, New Mexico.

Q Mr. Clark, have you previously testified before the Division?

A No, sir.

Q Would you identify for the Examiner what

1

2

your past experience has been with regards to oil treating
plants?

3

4

A. As far as a plant, none.

5

Q

All right, sir. What has caused you to
file an application on behalf of your company for a treating
plant permit?

6

7

A

To where we can handle tank bottoms and
within our own company. We have vacuum trucks and cleaning
tanks, and presently we're driving about 90 miles round trip
to dispose of the bottoms.

10

11

12

Q

And the purpose of the plant, then, would
be to treat the tank bottoms from the trucks?

13

14

A

Yes.

15

Q

All right, sir. Have you applied for the
necessary bonds for the permitting of this treating plant?

16

17

A

I have.

18

Q

And what is the status of your bonding?

19

A

It has been approved. Kemper Insurance
wrote it and it should be in here today.

20

21

Q

All right, sir. Mr. Clark, let me show
you what we've marked as Exhibit Number One, which is a
schematic, and would you identify first of all the approximate
location of the plant itself in terms of communities and loca-
tions within Eddy County -- I'm sorry, this is Lea County.

22

23

24

25

1

5

2

A. Yes.

3

Q. All right, sir.

4

A. It's in the northwest quarter of the north-

5

east quarter of Section 29, Township 18, Range 38.

6

Q. All right, within that 40-acre tract, then,

7

approximately what portion of the 40-acre tract would be oc-

8

cupied by the plant?

9

A. We have five acres.

10

Q. All right, so where is the northwest of

11

the northeast quarter of Section 29 in relation to any com-

12

munities?

13

A. It would be on the northwest corner of

14

Hobbs.

15

Q. Is it within the city limits of Hobbs?

16

A. No.

17

Q. What, if any, other structures or resi-

18

dences or other improvements are near or adjacent to the

19

proposed plant?

20

A. There's none within a quarter of a mile

21

or more.

22

Q. All right. Taking Exhibit Number One,

23

Mr. Clark, would you describe generally how you propose to

24

construct the plant?

25

A. Well, we have an existing disposal well,

1
2 which is the Hobbs State No. 3, at this site, and we propose
3 to go in with two 500 barrel tanks on the same location that
4 we will pump these tank bottoms in and we will not have any
5 on the premises, heating facilities. We own hot oil trucks
6 and we will treat this oil with the hot oil trucks.

7 Q All right, let's -- let's run through the
8 plant, then, in terms of the truck unloading into the disposal
9 line, and I assume that's the location you've marked "X" on
10 the plat?

11 A That's -- that's affirmative.

12 Q All right, sir, so what happens then?

13 A Well, we pump the bottoms into the salt
14 water system which in turn skims --

15 Q Does that go into this first tank there?

16 A That's correct.

17 Q And how large is that tank?

18 A It's 500.

19 Q All right, sir, then what happens?

20 A It goes into -- from there into 1000
21 barrel tank.

22 Q Which one is the 1000 barrel tank?

23 A It would be the lower lefthand corner
24 there; right there.

25 Q All right, sir.

1

2

MR. STAMETS: Let me get that. You've

3

got the 500.

4

A Yes, sir.

5

MR. STAMETS: And then immediately below

6

that is another tank.

7

A Yes, sir.

8

MR. STAMETS: That's 1000?

9

A Yes, sir.

10

MR. STAMETS: Okay.

11

Q All right, and going -- going counter-

12

clockwise, then, which direction does this fluid move?

13

A This fluid will move to the one to the

14

left of that into another 1000 barrel.

15

Q It goes from the 500 barrel to that 1000

16

barrel first?

17

A Yes.

18

Q Well, I don't see a line drawn to the tank.

19

A And then it -- well, it goes into this

20

1000, then it goes to this 1000, and back to 500 before it

21

goes --

22

Q All right, it goes --

23

A It goes through three tanks before it gets

24

to the final tank that separates the water from the oil that

25

goes into the disposal.

1
2 Q It goes counterclockwise, then, through
3 the series of the four tanks?

4 A Yes.

5 MR. STAMETS: Counterclockwise? Looks to
6 me like it goes clockwise.

7 A Clockwise.

8 Q I'm sorry. Yes, sir, okay.

9 MR. STAMETS: The two southernmost tanks
10 on this sheet of paper are 1000 barrels and the two northern-
11 most are 500. The final settling tank and the initial tank
12 are both 500's.

13 A No, sir, the two 500's are east and the
14 two 1000 barrels are west.

15 MR. STAMETS: Okay. Well, the two -- okay,
16 all right. I'm with you.

17 Q All right, sir, we go to the second 1000
18 barrel tank. What happens to the fluids at that point?

19 A Well, the fluids at that point will sep-
20 arate. The oil will go into these two 500's; the water will
21 go into the disposal well.

22 Q All right, sir. What is the tanks and
23 plant structures over here to the north and west of the four
24 tank battery?

25 A That's where the oil will be accumulated.

Q All right, what are you going to do then with the accumulated oil?

A We will treat it.

Q How do you treat it?

A With a hot oil truck.

Q Is it also chemically treated?

A Yes, there'll be chemical added when we treat it with a hot oil truck.

Q All right, sir. What then do you do with the sediments and residues that cannot be reclaimed?

A They will go to Pollution Control.

Q All right, sir, and then the farthest north tank is your sales tank of the --

A Or the two, yes, sir.

Q Of the reclaimed oil.

A Yes, sir.

Q All right, sir. I don't seen any kind of firedam, spillage banks, whatever. What do you propose to do about that?

A We're going to build a firewall.

Q And that's indicated here?

A Yes, sir.

Q All right, sir. When do you propose to have your plant in operation, Mr. Clark?

1
2 A Well, we're ready when we get approval.

3 Q All right, sir. Mr. Clark, was the
4 schematic drawn on Exhibit One prepared by you?

5 A Yes, sir.

6 Q Let me ask you this. Do you have an ap-
7 proximation of the volumes of untreated oil you're going to
8 bring to the plant?

9 A I imagine it will run 200 to 300 barrels
10 a month total.

11 MR. STAMETS: Is that barrels of good oil
12 or barrels of total input?

13 A It should be barrels of good oil.

14 MR. STAMETS: How much volume of oil -- of
15 sediment did you have to have to get that?

16 A Well, water and oil, I imagine around
17 80,000 barrels a month.

18 MR. STAMETS: 80,000?

19 A Yes, sir, water and oil.

20 MR. STAMETS: Okay.

21 A Total fluid.

22 MR. KELLAMIN: We move the introduction
23 of Exhibit Number One.

24 MR. STAMETS: Okay, this exhibit will be
25 admitted.

CROSS EXAMINATION

BY MR. STAMETS:

Q Mr. Clark, have you familiarized yourself with the Division's rules and regulations relative to the removal of sediment oil and operation of a treating plant?

A Fairly.

Q Okay.

A I'm not an expert, I guarantee you.

Q Have you received a copy of the recent memorandum issued by Jerry Sexton and Bill Gressom relative to --

A Yes, sir.

Q -- operating a plant? Okay.

MR. STAMETS: Are there any questions of the witness? He may be excused.

Anything further in this case?

MR. KELLAHIN: No, sir.

MR. STAMETS: The case will be taken under advisement.

(Hearing concluded.)

C E R T I F I C A T E

I, SALLY W. BOYD, C.S.R., DO HEREBY CERTIFY that the foregoing Transcript of Hearing before the Oil Conservation Division was reported by me; that the said transcript is a full, true, and correct record of the hearing, prepared by me to the best of my ability.

Sally W. Boyd CSR

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 7546, heard by me on 11-14 19-92.

Richard H. Clam, Examiner
Oil Conservation Division

SALLY W. BOYD, C.S.R.

Rt. 1 Box 195-B
Santa Fe, New Mexico 87501
Phone (505) 455-7409



POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-2434

April 28, 1982

Re: CASE NO. 7546
ORDER NO. R-6958

Applicant:

Sonny's Oil Field Services, Inc.

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

Yours very truly,

JOE D. RAMEY
Director

JDR/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

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

CASE NO. 7546
Order No. R-6958

APPLICATION OF SONNY'S OIL
FIELD SERVICES, INC. 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 April 14, 1982, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 28th 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, Sonny's Oil Field Services, Inc., 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 NE/4 of Section 29, Township 18 South, Range 38 East, NMPM, Lea County, New Mexico, for the processing of approximately 100 barrels per day of raw material 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 Director of the Division should be authorized to administratively grant approval for the expansion or modification of said plant.

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

IT IS THEREFORE ORDERED:

(1) That the applicant, Sonny's Oil Field Services, Inc., is hereby authorized to install and operate a chemical and heat-treatment type oil treating plant at its salt water disposal site in the NW/4 NE/4 of Section 29, Township 18 South, Range 38 East, NMPM, Lea County, New Mexico, for the purpose of treating and reclaiming sediment oil to be obtained from tank bottoms, waste pits and disposal water.

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

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

(2) That the operator of the above-described oil treating plant shall clear and maintain in a condition clear of all debris and vegetation a fireline at least 15 feet in width and encircling the site upon which the plant is located.

(3) That dikes, dams and/or emergency pits shall be constructed around the plant capable of holding the entire capacity of all tanks and vessels at the plant location and capable of preventing the escape of any sediment oil, reclaimed oil, or waste oil from the immediate vicinity of said plant.

(4) That the disposal of waste water accumulated in conjunction with the operation of the above-described plant on the surface of the ground, or in any pit, pond, lake, depression, draw, streambed, or arroyo, or in any watercourse, or in any other place or in any manner which will constitute a hazard to any fresh water supplies is hereby prohibited.

(5) That the Director of the Division may administratively grant authority for the expansion or modification of said plant

-3-

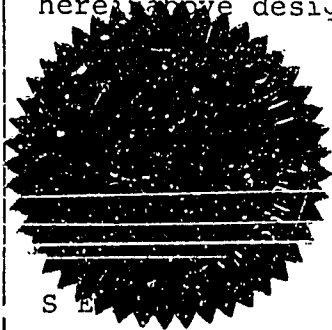
Case No. 7546

Order No. R-6958

upon request and a demonstration that such expansion or modification is upon contiguous acreage and is otherwise consistent with this order and Division Rules and Regulations.

(6) That jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinafter designated.



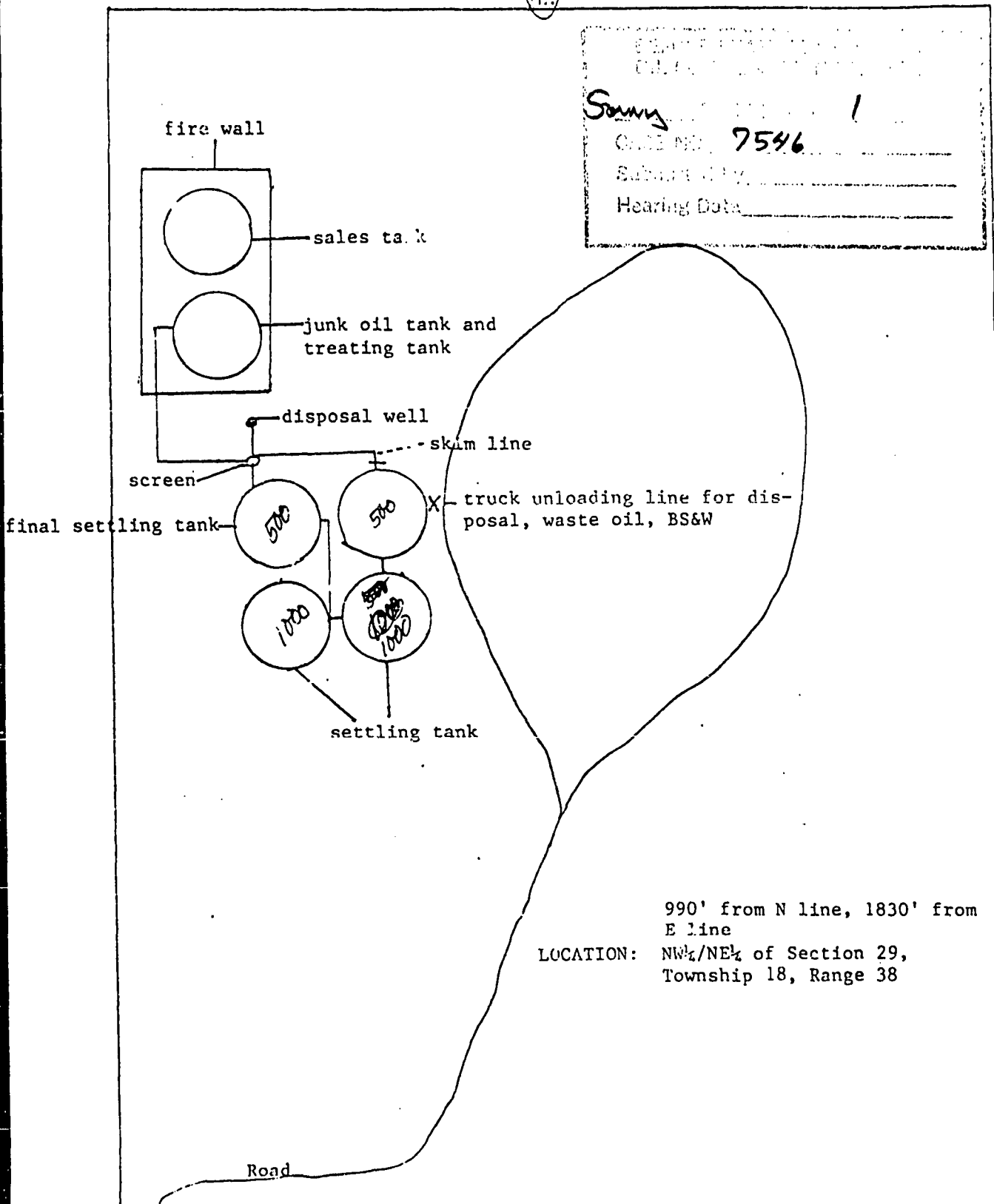
STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

Joe D. Ramey
JOE D. RAMEY,
Director

S E

SONNET'S OIL FIELD SERVICE, INC.
Hobbs State #3 Disposal Site

(1.)



We propose to salvage BS&W and waste oil from tank cleanings, run it through settling tanks into a 500 bbl. tank and treat oil out of junk tank into sales tank with a hot oil truck.

Dockets No. 11-82 and 12-82 are tentatively set for April 28 and May 12, 1982. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - APRIL 14, 1982

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

The following cases will be heard before Richard L. Stamets, Examiner, or Daniel S. Nutter, Alternate Examiner:

- ALLOWABLE: (1) Consideration of the allowable production of gas for May, 1982, from fifteen prorated pools in Lea, Eddy, and Chaves Counties, New Mexico.
- (2) Consideration of the allowable production of gas for May, 1982, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.

CASE 7536: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit A. H. Bernstein and all other interested parties to appear and show cause why the Allan Well No. 1 located in Unit F, Section 23, Township 29 North, Range 13 West, San Juan County, should not be re-entered and plugged and abandoned in accordance with a Division-approved plugging program.

CASE 7537: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit F. E. Umberger, Trustee and all other interested parties to appear and show cause why the Davis Pooled Unit Well No. 1, located in Unit I, Section 27, Township 29 North, Range 11 West, San Juan County, should not be re-entered and plugged and abandoned in accordance with a Division-approved plugging program.

CASE 7538: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Francis L. Harvey and all other interested parties to appear and show cause why the Pinkstaff Estate Well No. 1, located in Unit A, Section 29, Township 29 North, Range 10 West, San Juan County, should not be re-entered and plugged and abandoned in accordance with a Division-approved plugging program.

CASE 7539: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit B.M.N.S. Company, American Employers Insurance and all other interested parties to appear and show cause why the following wells: Waggoner No. 1, Brown No. 2, Wyper No. 2, located in Units K, M, and O, respectively, of Section 29, Township 30 North, Range 12 West, San Juan County, should not be plugged and abandoned in accordance with Division-approved plugging programs.

CASE 7540: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Fauly-Anderson-Pritchard and all other interested parties to appear and show cause why the Maloy Well No. 1, located in Unit P, Section 16, Township 29 North, Range 11 West, San Juan County, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 7541: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit E. J. Miley and all other interested parties to appear and show cause why the Hare (Ransom) Well No. 1, located in Unit N, Section 14, Township 29 North, Range 11 West, San Juan County, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 7542: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Benson-Montin-Greer Drilling Corporation, Hartford Accident and Indemnity Company, and all other interested parties to appear and show cause why the following wells: Dustin No. 1, located in Unit K, Section 6, and the Gallegos Canyon Unit No. 2, located in Unit K, Section 35, both in Township 29 North, Range 12 West, and the Segal No. 1, located in Unit K, Section 10, and the Price No. 1, located in Unit N, Section 15, both in Township 31 North, Range 13 West, San Juan County, should not be plugged and abandoned in accordance with Division-approved plugging programs.

CASE 7543: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Calvin Petroleum Corporation, United States Fidelity and Guaranty Co., and all other interested parties to appear and show cause why the Kaempf SWD Well No. 1, located in Unit N, Section 19, Township 30 North, Range 11 West, San Juan County, should not be plugged and abandoned in accordance with a Division-approved plugging program.

- CASE 7544: Application of Dinero Operating Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a well to be drilled 660 feet from the North and East lines of Section 20, Township 22 South, Range 28 East, Morrow formation, the N/2 of said Section 20, to be dedicated to the well.
- CASE 7545: Application of Baker Engineering for a non-standard gas proration unit, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 258.16-acre non-standard gas proration unit for the Morrow formation comprising all of partial Section 32, Township 26 South, Range 30 East.
- CASE 7546: Application of Sonny's Oil Field Services, Inc. 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 its salt water disposal site in the NW/4 NE/4 of Section 29, Township 18 South, Range 38 East.
- CASE 7547: Application of Anadarko Production Company for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox location 2550 feet from the North line and 1350 feet from the West line of Section 15, Township 22 South, Range 37 East, Penrose Skelly Pool, the SE/4 NW/4 of said Section 15 to be dedicated to the well.
- CASE 7517: (Continued from March 31, 1982, Examiner Hearing)
- Application of Anadarko Production Company for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox location 1450 feet from the South line and 1400 feet from the West line of Section 15, Township 22 South, Range 37 East, Penrose Skelly Pool, the NE/4 SW/4 of said Section 15 to be dedicated to the well.
- CASE 7548: Application of Tahoe Oil & Cattle Co. for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the San Andres formation in the perforated interval from 4932 feet to 4992 feet in its Schwalbe Well No. 1, located in Unit P of Section 21, Township 9 South, Range 37 East, West Sawyer-San Andres Pool.
- CASE 7549: Application of H. L. Brown for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox Pennsylvanian gas well location 609 feet from the South line and 1665 feet from the East line of Section 32, Township 15 South, Range 32 East, the S/2 of said Section 32 to be dedicated to the well, an existing well which is to be deepened.
- CASE 7550: Application of Harvey E. Yates Company for the Rescission of Order No. R-6918, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks the rescission of Order No. R-6918, which compulsorily pooled the Atoka-Morrow formation underlying the N/2 of Section 19, Township 8 South, Range 30 East, Chaves County, New Mexico, to be dedicated to a well to be drilled at a standard location thereon. Applicant now seeks the rededication of the E/2 of said Section 19 to the aforesaid well without compulsory pooling.
- CASE 7551: Application of Harvey E. Yates Company for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp through Mississippian formations underlying the E/2 of Section 21, Township 11 South, Range 31 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 7552: Application of Merriam Oil & Gas Company for compulsory pooling, Sandoval County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests down through and including the Gallup formation underlying the S/2 SE/4 of Section 20, Township 23 North, Range 6 West, 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 7553: Application of Fred Pool Drilling Company for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface down through the Abo formation, underlying the SW/4 of Section 17, Township 6 South, Range 25 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.

KELLAHIN and KELLAHIN

Attorneys at Law

Jason Kellahin
W. Thomas Kellahin
Karen Aubrey

500 Don Gaspar Avenue
Post Office Box 1769
Santa Fe, New Mexico 87501

Telephone 982-4285
Area Code 505

March 16, 1982

Mr. Joe D. Ramey
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Case 7546

MAR 18 1982

Re: Sonny's Oil Field Services, Inc.

Dear Mr. Ramey:

Please set the enclosed application for hearing on
the April 14, 1982 examiner's docket.

Very truly yours,

KELLAHIN & KELLAHIN


W. Thomas Kellahin

WTK:rb

Enclosure

cc: Mr. L. D. Clark

MAR 17 1982

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION
DEPARTMENT OF ENERGY AND MINERALS
SANTA FE
OIL CONSERVATION DIVISION
MAR 18 1982

IN THE MATTER OF THE APPLICATION OF
SONNY'S OIL FIELD SERVICES, INC.,
FOR AN OIL TREATING PLANT PERMIT,
LEA COUNTY, NEW MEXICO

Case 7546

A P P L I C A T I O N

Applicant, SONNY'S OIL FIELD SERVICES, INC., by and through its attorneys, Kellahin & Kellahin, hereby applies to the New Mexico Oil Conservation Division for a permit approving an oil treating plant in the NW/4NE/4 of Section 29, T18S, R38 E, Lea County, New Mexico and in support thereof would show:

1. Applicant is the lessee of certain fee acreage located in the NW/4NE/4 of Section 29, T18S, R38E, Lea County, New Mexico.
2. Applicant desires to locate an oil treating plant on a portion of the above described acreage as shown on Exhibit (1) attached hereto and incorporated by reference herein.
3. Applicant is the operator of the Hobbs State #3 Well, an approved salt water disposal well at the above location and desires to establish a treating plant to chemically treat and reclaim waste oil from tank clearings.
4. That the proposed plant and method of processing will efficiently process, treat, and reclaim sediment oil, thereby salvaging oil which would otherwise be wasted.

WHEREFORE, Applicant requests orders of the Oil Conservation Division as follows:

- A. That this matter be set for hearing before an examiner duly appointed by the Oil Conservation Division and

that due notice thereof be given as required by law; and

B. That after hearing, an order be entered granting Applicant a sediment oil treating plant permit pursuant to Rule 312 of the Oil Conservation Division, Energy and Minerals Department, State of New Mexico.

KELLAHIN & KELLAHIN

By 

W. Thomas Kellahin
P. O. Box 1769
Santa Fe, New Mexico 87501
505-982-4285

SONNY'S OILFIELD SERVICE, INC.
Hobbs State #3 Disposal Site

E.

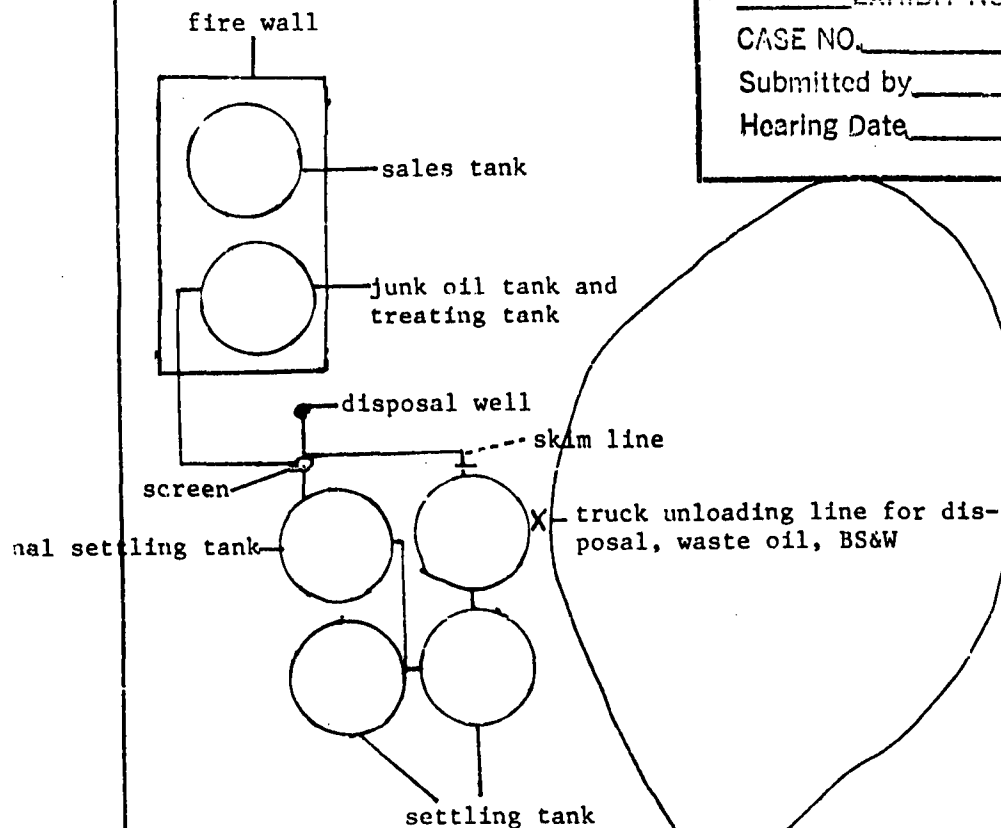
BEFORE EXAMINER STAMETS
OIL CONSERVATION DIVISION

EXHIBIT NO. _____

CASE NO. _____

Submitted by _____

Hearing Date _____



LOCATION: NW $\frac{1}{4}$ /NE $\frac{1}{4}$ of Section 29,
Township 3, Range 38E

We propose to salvage BS&W and waste oil from tank cleanings, run it through settling tanks into a 500 bbl. tank and treat oil out of junk tank into sales tank with a hot oil truck.

CASE NO.

7507

APPLICATION,
TRANSCRIPTS,
SMALL EXHIBITS,

ETC.

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
STATE LAND OFFICE BLDG.
SANTA FE, NEW MEXICO
16 March 1982

EXAMINER HEARING

IN THE MATTER OF:

Application of Sonny's Oilfield
Service, Inc., for an oil treating CASE
plant permit, Lea County, New Mexico. 7507

BEFORE: Richard L. Stamets

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation
Division:

W. Perry Pearce, Esq.
Legal Counsel to the Division
State Land Office Bldg.
Santa Fe, New Mexico 87501

For the Applicant:

MR. STAMETS: We'll call next Case 7507.

MR. PEARCE: Application of Sonny's
Oilfield Service, Inc., for an oil treating plant permit,
Lea County, New Mexico.

MR. STAMETS: In that the Division did
not receive the written application within the ten days pro-
vided by rule, this case will be dismissed.

(Hearing concluded.)

C E R T I F I C A T E

I, SALLY W. BOYD, C.S.R., DO HEREBY CERTIFY that
the foregoing Transcript of Hearing Before the Oil Conserva-
tion Division was reported by me; that the said transcript
is a full, true, and correct record of the hearing, prepared
by me to the best of my ability.

Sally W. Boyd CSR

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 7507,
heard by me on 3-16, 1982.

Richard L. Lian, Examiner
Oil Conservation Division

SALLY W. BOYD, C.S.R.

Rt. 1 Box 193-B
Santa Fe, New Mexico 87501
Phone (505) 455-7409



POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-2434

April 9, 1982

Mr. Thomas Kellahin
Kellahin & Kellahin
Attorneys at Law
Post Office Box 1769
Santa Fe, New Mexico

Re: CASE NO. 7507
ORDER NO. R-6936

Applicant:

Sonny's Oilfield Service, Inc.

Dear Sir:

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

Yours very truly,

JOE D. RAMEY
Director

JDR/fd

Copy of order also sent to:

Hobbs OCD _____
Artesia OCD _____
Aztec OCD _____

Other _____

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

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

CASE NO. 7507
Order No. R-6936

APPLICATION OF SONNY'S OILFIELD
SERVICE, INC. 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 record and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

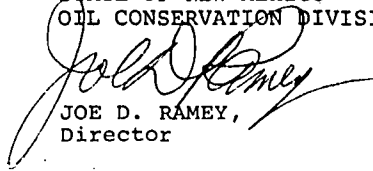
That a written application not having been received within the time period required by Division Rule 1203, the application must be dismissed.

IT IS THEREFORE ORDERED:

That Case No. 7507 is hereby dismissed.

DONE at Santa Fe, New Mexico, on the day and year hereinafter designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


JOE D. RAMEY,
Director


S E A L

Dockets Nos. 9-82 and 10-82 are tentatively set for March 31, and April 14, 1982. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - TUESDAY - MARCH 16, 1982

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

The following cases will be heard before Richard L. Stamets, Examiner, or Daniel S. Nutter, Alternate Examiner:

- ALLOWABLE:**
- (1) Consideration of the allowable production of gas for April, 1982, from fifteen prorated pools in Lea, Eddy, and Chaves Counties, New Mexico.
 - (2) Consideration of the allowable production of gas for April, 1982, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.

CASE 7502: Application of Sun Oil Company for an unorthodox gas well location and non-standard gas proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a well to be drilled 760 feet from the South line and 960 feet from the East line of Section 6, Township 24 South, Range 37 East, Jalmat Gas Pool, and a 160-acre non-standard proration unit comprising the SE/4 of said Section 6.

CASE 7503: Application of Sun Oil Company for an unorthodox gas well location and non-standard gas proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a well to be drilled 1980 feet from the North line and 1400 feet from the East line of Section 22, Township 22 South, Range 36 East, Jalmat Gas Pool, and a 120-acre non-standard proration unit comprising the W/2 NE/4 and SE/4 NE/4 of said Section 22.

CASE 7504: Application of Cities Service Company for the extension of vertical limits of the Langlie Mattix Pool, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the contraction of the vertical limits of the Jalmat Pool and the upward extension of the vertical limits of the Langlie Mattix Pool to a subsurface depth of 3416 feet underlying the NW/4 of Section 19, Township 24 South, Range 37 East.

CASE 7505: Application of BCO, Inc. for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Lybrook-Gallup and Basin-Dakota production in the wellbores of wells drilled and to be drilled in Section 2, 3, 4, 9 and 10, Township 23 North, Range 7 West.

CASE 7506: Application of Getty Oil Company for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of salt water into the Abo formation in the perforated interval from 8900 feet to 9300 feet in its State "P" Well No. 1, located in Unit P, Section 32, Township 16 South, Range 37 East, Lovington-Abo Pool.

CASE 7507: Application of Sonny's Oilfield Service, Inc. 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 NE/4 of Section 29, Township 18 South, Range 38 East.

CASE 7508: Application of P & O Oilfield Services, Inc. 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 SW/4 NE/4 of Section 10, Township 25 South, Range 36 East.

CASE 7459: (Continued from February 17, 1982, Examiner Hearing)

Application of Red Mountain Associates for the Amendment of Order No. R-6538, McKinley County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-6538, which authorized applicant to conduct waterflood operations in the Chaco Wash-Mesa Verde Oil Pool. Applicant seeks approval for the injection of water through various other wells than those originally approved, seeks deletion of the requirement for packers in injection wells, and seeks an increase in the previously authorized 68-pound limitation on injection pressure.

CASE 7457: (Continued from February 17, 1982, Examiner Hearing)
(This Case will be continued to April 28, 1982)

Application of E. T. Ross for nine non-standard gas proration units, Harding County, New Mexico. Applicant, in the above-styled cause, seeks approval for nine 40-acre non-standard gas proration units in the Bravo Dome Carbon Dioxide Area. In Township 19 North, Range 30 East: Section 12, the NW/4 NE/4 and NE/4 NW/4; Section 14, the NW/4 NE/4, SW/4 NE/4, and SE/4 NE/4. In Township 20 North, Range 30 East: Section 11, the NE/4 SW/4, SW/4 SE/4, SE/4 SW/4, and NW/4 SE/4.

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Examiner Hearing
TUESDAY - MARCH 16, 1982

CASE 7509: Application of Supron Energy Corporation for a non-standard proration unit or compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 160-acre non-standard proration unit for the Dakota and Mesaverde formations comprising the SW/4 of Section 2, Township 21 North, Range 8 West, or in the alternative, an order pooling all mineral interests from the surface down through the Dakota formation underlying the S/2 of said Section 2, 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 7510: Application of Union Oil Company of California for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp and Penn formations underlying the N/2 of Section 10, Township 22 South, Range 32 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 7511: (This Case will be continued to March 31, 1982)
Application of Buffton Oil & Gas Inc. for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp through Devonian formations underlying the W/2 of Section 35, Township 16 South, Range 35 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 7496: (Continued from March 3, 1982, Examiner Hearing)
Application of Viking Petroleum, Inc. for an unorthodox location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of an Abo gas well to be drilled 62 feet from the South line and 1984 feet from the East line of Section 29, Township 5 South, Range 24 East, the SE/4 of said Section to be dedicated to the well.

CASE 7512: Application of Viking Petroleum, Inc. for an unorthodox location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a well located in Unit H of Section 31, Township 13 South, Range 34 East, Nonombre-Penn Pool, said well being a recompleted Morrow test and located in the SE/4 of the quarter section whereas the pool rules require wells to be located in the NE/4 or SW/4 of the quarter section.

CASE 7476: (Continued from March 3, 1982, Examiner Hearing)
Application of Jack J. Grynberg for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests down through and including the Abo formation, underlying two 160-acre gas spacing units, being the NE/4 and SE/4, respectively, of Section 12, Township 5 South, Range 24 East, each 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 wells and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells and a charge for risk involved in drilling said wells.

CASE 7513: Application of Mesa Petroleum Company for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Abo formation underlying the SE/4 of Section 12, Township 5 South, Range 24 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 7514: Application of Santa Fe Exploration Co. for compulsory pooling, or in the alternative a non-standard proration unit, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Permo-Penn, Strawn, Atoka and Morrow formations underlying the W/2 of Section 2, Township 20 South, Range 25 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 200 percent charge for risk involved in drilling said well. In the event said 200 percent risk factor is not approved, applicant seeks a non-standard unit excluding the lands of owners not participating in the well.

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EXAMINER HEARING - TUESDAY - MARCH 16, 1982

CASE 7515: Application of Four Corners Gas Producers Association for designation of a tight formation, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks the designation of the Dakota formation underlying all or portions of Townships 26 and 27 North, Ranges 12, and 13 West, Township 29 North, Ranges 13 through 15 West, and Township 30 North, Ranges 14 and 15 West, containing 164,120 acres, more or less, as a tight formation pursuant to Section 107 of the Natural Gas Policy Act and 18 CFR Section 271. 701-705.

CASE 7445: (Continued from February 17, 1982, Examiner Hearing)
(This Case will be continued to April 28, 1982)

Application of Harvey E. Yates Company for an NGPA determination, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a new onshore reservoir determination in the San Andres formation for its Fulton Collier Well No. 1 in Unit G of Section 1, Township 18 South, Range 28 East.

CASE 7492: (Continued and Readvertised)

Application of Harvey E. Yates Company for a tight formation, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks the designation of the Atoka-Morrow formation underlying all or portions of Townships 7, 8, and 9 South, Ranges 28, 29, 30 and 31 East, containing 161,280 acres, more or less, as a tight formation pursuant to Section 107 of the Natural Gas Policy Act and 18 CFR Section 271. 701-705.

CASE 7500: (Continued from March 3, 1982, Examiner Hearing)

Application of Read & Stevens, Inc. for an exception to the maximum allowable base price provisions of the New Mexico Natural Gas Pricing Act, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order of the Division prescribing the price allowed for production enhancement gas under Section 107 of the Natural Gas Policy Act as the maximum allowable base price if production enhancement work which qualifies under the NGPA is performed on its Hackberry Hills Unit Well No. 4 located in Section 22, Township 22 South, Range 26 East, Eddy County, New Mexico.

Memo

From

FLORENE DAVIDSON
ADMINISTRATIVE SECRETARY

To Called in by Larry Squires
2/25/82

Oil Treating Plant Permit
Sonny's Oil Field Services, Inc.

NW1/4 NE1/4

Section 29 - T18S - R38E

Lea County

OIL CONSERVATION COMMISSION-SANTA FE

Barber
Anderson

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

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

CASE NO. 7507
Order No. R-6936

RSL

APPLICATION OF SONNY'S OILFIELD
SERVICE, INC. FOR AN OIL TREATING
PLANT PERMIT, LEA COUNTY, NEW MEXICO.

MS.

[Signature]

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 _____ day of March, 1982, the Division
Director, having considered the record and the
recommendations of the Examiner, and being fully advised in
the premises,

FINDS:

a written application not having been received within
That ~~the applicant's request for dismissal should be~~
~~granted~~ *the time period required by Division Rule 1203 the application*
must be dismissed.

IT IS THEREFORE ORDERED:

That Case No. 7507 is hereby dismissed.

DONE at Santa Fe, New Mexico, on the day and year
hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

JOE D. RAMEY,
Director

S E A L