

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.8855
Order No. R-6811-C

APPLICATION OF LOCO HILLS WATER DISPOSAL
COMPANY FOR AN OIL TREATING PLANT PERMIT,
EDDY COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on April 2, 1986, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 12th day of May, 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, Loco Hills Water Disposal Company, seeks authority to construct and operate an oil treating plant for the purpose of treating produced water at its salt water disposal facility authorized by Division Order No. R-6811-A, as amended, located in the SW/4 of Section 16, Township 17 South, Range 30 East, NMPM, Eddy County, New Mexico.

(3) Dikes, dams and/or emergency pits should be constructed around the treating 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 or into the salt water disposal facility.

(4) The proposed treating plant will have a 3,500 barrel capacity and will use chemicals, fresh water and heat for the processing of the materials received.

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(5) The proposed treating plant and method of processing will efficiently process, treat, and reclaim the aforementioned waste oil, thereby salvaging oil which would otherwise be wasted.

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

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

IT IS THEREFORE ORDERED THAT:

(1) The applicant, Loco Hills Water Disposal Company, is hereby authorized to install and operate a chemical, freshwater, and heat-treatment type oil treating plant at its salt water disposal site in the SW/4 of Section 16, Township 17 South, Range 30 East, NMPM, Eddy County, New Mexico, for the purpose of treating produced water being delivered to their salt water disposal facility authorized by Division Order No. R-6811-A, as amended.

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 treating plant is located.

(3) Dikes, dams and/or emergency pits 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 shall be constructed and maintained around the treating plant.

(4) The disposal of waste water accumulated in conjunction with the operation of the above-described plant on

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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

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