

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. 8618
Order No. R-7970

APPLICATION OF ORTHELL
KINNIBRUGH, DBA OLD LOCO
OIL, FOR THE RELOCATION OF
AN OIL TREATING PLANT
AUTHORIZED BY DIVISION ORDER
NO. R-7532, EDDY COUNTY, NEW
MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8 a.m. on June 5, 1985, at Santa Fe, New Mexico, before Examiner Gilbert P. Quintana.

NOW, on this 2nd day of July, 1985, 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) Division Order No. R-7532 authorized Bill Scott, dba Cedar Lake Oil, on May 9, 1984, to construct and operate a chemical, catalytic, and heat-treatment type oil treating plant at its treatment facility located in the SW/4 of Section 19, Township 17 South, Range 31 East, NMPM, Eddy County, New Mexico, for the processing of raw material from tank bottoms and waste pits.

(3) The applicant, Orthell Kinnibrugh, dba Old Loco Oil, seeks the relocation of said oil treatment plant to a more central location in the NW/4 of Section 29, Township 17 South, Range 29 East, NMPM, Eddy County, New Mexico.

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(4) The applicant further seeks an order reflecting a change in ownership from Bill Scott, dba Cedar Lake Oil to Orthell Kinnibrugh, dba Old Loco Oil.

(5) The applicant intends to operate said plant utilizing the same processes and equipment authorized in Division Order No. R-7532.

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

(7) A fire wall 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, waste oil, or water cannot escape from the immediate vicinity of such plant.

(8) The applicant should not retain any unprocessed or processed oil, wastes, or water in any earthen pit on the location.

(9) 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.

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

IT IS THEREFORE ORDERED THAT:

(1) The applicant, Orthell Kinnibrugh, dba Old Loco Oil, is hereby authorized to relocate and operate a chemical, catalytic, and heat-treatment type oil treating plant at his treatment facility located in the NW/4 of Section 29, Township 17 South, Range 29 East, NMPM, Eddy 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

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\$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) A fire wall 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.

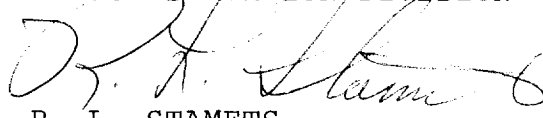
(4) The storage of any oil or the disposal of waste water or any other waste accumulated in conjunction with the operation of the above-described plant on the surface of the ground, or in any pit, pond, lake, depression, draw, streambed, or arroyo, or in any watercourse, or in any other place or in any 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

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