

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

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

CASE NO. 9199
Order No. R-8507

APPLICATION OF JAMAR, 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 8:15 a.m. on August 26, 1987, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 8th day of September, 1987, 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, Jamar, Inc., seeks authority to operate a chemical and heat-treatment type oil treating plant located in the NE/4 NE/4 (Unit A) of Section 8, Township 20 South, Range 37 East, NMPM, Lea County, New Mexico, for the processing of approximately 3000 barrels per month of raw materials from disposal water, tank bottoms, and waste pits.

(3) 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.

(4) The treating plant should be constructed, operated, and maintained in such a manner as to preclude spills and fires, protect persons and livestock, and prevent contamination of fresh waters.

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(5) Prior to initiation of operations, the facility should be inspected by the supervisor of the Hobbs district office of the Division in order to determine the adequacy of existing fences, gates, dikes, and berms needed to assure safe plant operation.

(6) All waste water and solid wastes obtained in the treatment process should be disposed of at a Division approved site.

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

(8) Authority for operation of the plant should be suspended or rescinded whenever such suspension or rescission should appear necessary to protect human health or property, to protect fresh water supplies from contamination, to prevent waste, or for non-compliance with the terms and conditions of this order or Division rules.

(9) Prior to initiation of operations, the applicant should be required to submit to the Santa Fe office of the Division a surety or cash bond in the amount of \$25,000 in a form approved by the Division.

(10) The treating plant permit should be non-transferable.

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

IT IS THEREFORE ORDERED THAT:

(1) The applicant, Jamar, Inc., is hereby authorized to install and operate a chemical and heat-treatment type oil treating plant located in the NE/4 NE/4 (Unit A) of Section 8, Township 20 South, Range 37 East, NMPM, Lea County, New Mexico, for the purpose of treating and reclaiming approximately 3000 barrels of sediment oil per month obtained from tank bottoms, waste pits, and disposal water.

PROVIDED HOWEVER THAT, prior to initiation of operations, the applicant shall file with the Santa Fe office of the Division a surety or cash bond in the amount of \$25,000 in a form approved by the Division.

(2) The facility shall have adequate fencing, gates, and cattle guards installed and maintained as protection for livestock and preclude entry by persons during periods when the facility is unattended.

(3) The facility shall be operated and maintained in such a manner that spills or leaks will be prevented and any spill or leak which should occur will be immediately cleaned up.

(4) The supervisor of the Hobbs district office of the Division may require the applicant, after inspection of the facility, to install additional fencing, or to construct additional dikes, dams, or fire walls in order to assure the safe operation of said plant.

(5) The disposal of waste fluids or solids accumulated in conjunction with the operation of the plant shall be at Division approved sites, and, further, any disposal of such fluids or solids 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 manner which may constitute a hazard to any fresh water supplies is hereby prohibited.

(6) 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.

(7) Authority for operations of the facility may be suspended or rescinded should such suspension or rescission appear necessary to protect human health or property, to protect fresh water supplies from contamination, to prevent waste or for non-compliance with the terms and conditions of this order or Division rules.

(8) The treating plant authorization is non-transferable to any other location or operator.

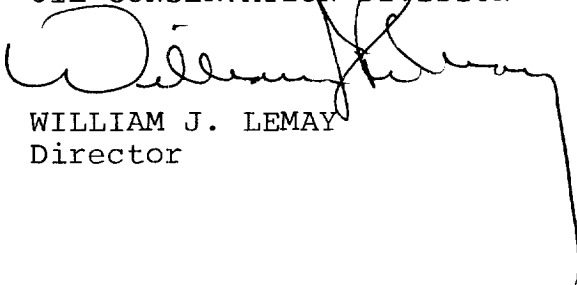
(9) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

A handwritten signature in dark ink, appearing to read 'William J. Lemay', is written over the typed name and title. The signature is fluid and cursive, with a long, sweeping tail that extends downwards and to the right.

WILLIAM J. LEMAY
Director

S E A L

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