

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. 13026
ORDER NO. R-5411-A

APPLICATION OF THE NEW MEXICO OIL CONSERVATION DIVISION
THROUGH THE ENVIRONMENTAL BUREAU CHIEF TO REVOKE THE
PERMIT OF AM-BETT OIL COMPANY, INC. TO OPERATE AN OIL
TREATING PLANT, LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This case came on for hearing at 8:15 a.m. on May 22 and June 19, 2003, at Santa Fe, New Mexico, before Examiners David R. Catanach and William V. Jones, respectively.

NOW, on this 29th day of August, 2003, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner,

FINDS THAT:

- (1) Due public notice has been given, and the Division has jurisdiction of this case and its subject matter.
- (2) By Order No. R-5411 issued in Case No. 5883 on April 12, 1977, the Division authorized Am-Bett Oil Company, Inc. ("Am-Bett") to construct and operate a chemical and heat-treatment type oil treating plant to be located in Lot 6 of Section 3, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico, for the reclamation of up to 500 barrels of sediment oil per day to be obtained from tank bottoms and waste pits.
- (3) In accordance with the provisions of Order No. R-5411, Am-Bett obtained and posted with the Division on May 9, 1977, a \$10,000 treating plant bond (Bond No. 1-925-821-5), the Ohio Casualty and Insurance Company being the surety for this oil treating plant bond.

- (4) The Oil Conservation Division ("Division") seeks an order:
 - (a) rescinding Am-Bett's oil treating plant permit;
 - (b) requiring Am-Bett to clean up and reclaim the site of its oil treating plant in Section 3, Township 21 South, Range 37 East, NMPM; and
 - (c) in the event Am-Bett fails to comply with Division directives, authorizing the Division to take such action as may be necessary to clean up and reclaim the site and authorizing the forfeiture of Am-Bett's treating plant bond.

- (5) A representative of the Division's Santa Fe Environmental Bureau and a representative of the Division's Hobbs District Office appeared at the hearing in person, and via conference phone, respectively, to present evidence in this case.

- (6) Neither Am-Bett nor Ohio Casualty Insurance Company appeared at the hearing.

- (7) The evidence presented demonstrates that:
 - (a) Division personnel inspected the ground surface of Lot 6 of Section 3, which is the legal location of the oil treating plant as permitted by Order No. R-5411, and found no evidence that Am-Bett's treating plant was ever situated on that site;
 - (b) based upon its belief that Am-Bett's treating plant may have actually been situated elsewhere, the Division inspected an additional site located in Unit N of Section 3; and
 - (c) although the Division found some evidence of prior oil and gas related activity in Unit N of Section 3 (the presence of a pit, asphaltines, barrels, trash, etc.), there is no evidence to demonstrate that Am-Bett operated its treating plant at this site.

(8) Due to the absence of evidence demonstrating that clean up or environmental reclamation is necessary, the Division requested that the portion of its application seeking to require Am-Bett to clean up and reclaim the site of its oil treating plant and, in the event of failure to comply, authorizing the Division to clean up and reclaim the site and authorizing the forfeiture of Am-Bett's oil treating plant bond be dismissed.

(9) At this time, the Division seeks only to revoke Am-Bett's oil treating plant permit.

(10) The Division attempted to provide notice of its application to Am-Bett at its last known address in Hobbs, New Mexico; however, this notice was returned to the Division undelivered.

(11) The Division's request to revoke Am-Bett's oil treating plant permit is reasonable and should be approved.

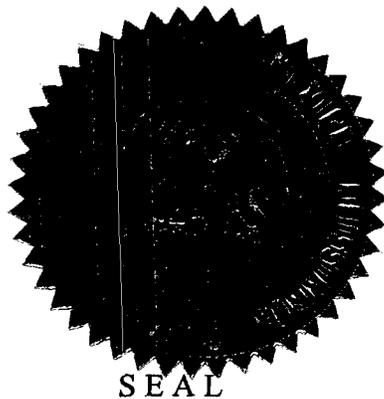
IT IS THEREFORE ORDERED THAT:

(1) Pursuant to the application of the Oil Conservation Division, Am-Bett Oil Company, Inc.'s authority to operate an oil treating plant in Lot 6 of Section 3, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico, as initially authorized by Division Order No. R-5411 dated April 12, 1977, is hereby revoked.

(2) The portion of the Division's application seeking to require Am-Bett Oil Company, Inc. to clean up and reclaim the site of its oil treating plant and, in the event of failure to comply, authorizing the Division to clean up and reclaim the site and authorizing the forfeiture of Am-Bett's oil treating plant bond is hereby dismissed.

(3) Jurisdiction is hereby 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

LORI WROTENBERY
Director

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