

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. 13025
ORDER NO. R-8219-A

APPLICATION OF THE NEW MEXICO OIL CONSERVATION DIVISION
THROUGH THE ENVIRONMENTAL BUREAU CHIEF TO REVOKE THE
PERMIT OF CRAWFORD TREATING COMPANY 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 July 10, 2003 at Santa Fe, New Mexico, before Examiner David R. Catanach.

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-8219 issued in Case No. 8880 on May 9, 1986, the Division authorized Dwight Crawford, d/b/a Crawford Treating Company ("Crawford"), to construct and operate a chemical and heat-treatment type oil treating plant to be located in the NW/4 SW/4 of Section 12, Township 20 South, Range 38 East, NMPM, Lea County, New Mexico, for the processing of approximately 500 barrels of sediment oil per day to be obtained from tank bottoms, disposal water and waste pits.

(3) In accordance with the provisions of Order No. R-8219, Crawford obtained and posted with the Division on May 19, 1986, a \$10,000 treating plant bond (Bond No. 3SE439154), the American Manufactures Mutual Insurance Company being the surety for this oil treating plant bond.

- (4) The Oil Conservation Division ("Division") seeks an order:
- (a) rescinding Crawford's oil treating plant permit;
 - (b) requiring Crawford to clean up and reclaim the site of its oil treating plant in Section 12, Township 20 South, Range 38 East, NMPM; and
 - (c) in the event Crawford 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 Crawford's treating plant bond.

(5) This case was originally heard on May 22, 2003. Subsequent to the hearing, it was discovered that the advertisement for the case incorrectly described the oil treating plant location to be within the NW/4 NW/4 of Section 12, Township 20 South, Range 38 East, NMPM. In order to correct the discrepancy in the advertisement, Case No. 13025 was re-opened and heard on July 10, 2003.

(6) A representative of the Division's Santa Fe Environmental Bureau and a representative of the Division's Hobbs District Office appeared at the May 22nd hearing in person, and via conference phone, respectively, to present evidence in this case.

(7) Neither Crawford nor American Manufactures Mutual Insurance Company appeared at either hearing.

- (8) The evidence presented demonstrates that:
- (a) Division personnel, beginning in 1997, have conducted one or more inspections of Crawford's oil treating plant;
 - (b) the facility appears to have been abandoned since at least 1997;
 - (c) there are at least five large-capacity steel tanks on location, it is not known whether these tanks contain fluid, however, it is evident from visual inspection that leakage from these tanks onto the ground has likely occurred;
 - (d) there is junk on location including a tanker trailer;

- (e) *there appear to be areas* within the facility in which hydrocarbons or some other types of fluids were discharged on the ground; and
- (f) depth to **groundwater** in this area is approximately 20 feet below the surface.

(9) The Division attempted to provide notice of its application to Crawford at its last known address in Hobbs, New Mexico, however; this notice was returned as **undeliverable**.

(10) The evidence presented demonstrates that unless Crawford or the Division takes immediate action to clean up and reclaim the oil treating plant site, environmental damage may occur, fresh water may be contaminated, livestock and other wildlife may be subject to harmful contaminants, and waste may occur.

(11) The application of the Division should be approved.

(12) The Division presented testimony to the effect that its records indicate that Crawford's oil treating plant bond may have been cancelled effective July 5, 1988.

(13) The Division has not consulted with American Manufactures Mutual Insurance Company or otherwise verified that the subject performance bond is still in effect for the subject property.

(14) American Manufactures Mutual Insurance Company was notified of this application but did not appear at the hearing.

(15) The Division should ascertain the current standing of Crawford's oil treating plant bond and, to the extent it may be necessary to aid in the clean up and reclamation of the subject property, file a claim with American Manufactures Mutual Insurance Company to secure these funds.

IT IS THEREFORE ORDERED THAT;

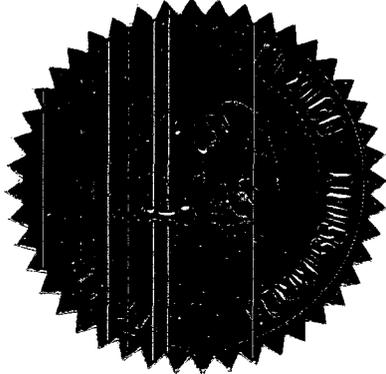
(1) Pursuant to the application of the Oil Conservation Division, the authority of **Dwight** Crawford, **d/b/a** Crawford Treating Company, to operate an oil treating plant in the NW/4 SW/4 of Section 12, Township 20 South, Range 38 East, NMPM, *Lea* County, New Mexico, as initially authorized by Division Order No. R-8219 dated May 9, 1986, is **hereby** revoked.

(2) Within 30 days from the issue date of this order, Crawford Treating Company is hereby ordered to initiate clean up and reclamation activities at the site of its oil treating plant in the NW/4 SW/4 of Section 12 in a manner acceptable to the Division's Santa Fe Environmental Bureau.

(3) In the event Crawford Treating Company fails or refuses to comply with this order, or in the event the Division is unable to locate and contact Crawford Treating Company, the Division may then take such actions as are necessary to: (i) clean up and reclaim the site of the oil treating plant, including remediating the site in accordance with Division rules; (ii) determine the current status of Crawford Treating Company's treating plant bond and, if still in effect, forfeit or otherwise make a claim on this bond and utilize these funds to clean up and reclaim the site; and (iii) recover from Crawford Treating Company additional costs the Division may incur to clean up and reclaim the site.

(4) 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.



SEAL

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

Lori Wrotenbery
LORI WROTENBERY
Director