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**PERMITS,  
RENEWALS, &  
MODS**



STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

GARREY CARRUTHERS  
GOVERNOR

POST OFFICE BOX 2088  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87504  
(505) 827-5800

February 17, 1988

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

Mr. Stan Watson  
Watson Treating Plant  
P. O. Box 75  
Tatum, New Mexico 88267

RE: Relocation of Treating Plant from Sec. 34, T8S, R35E, to  
Sec. 12, T8S, R34E, Roosevelt County.

Dear Mr. Watson:

Your application for the relocation of Watson Treating Plant from Sec. 34, T8S, R35E to Sec. 12, T8S, R34E, Roosevelt County, is hereby approved. The approved application consists of material submitted January 21 and February 17, 1988. Public notice was issued January 18 in the Portales News-Tribune; no comments were received by the Oil Conservation Division (OCD).

The application for relocation was submitted and approved pursuant to Rule 312 of the Oil Conservation Division Rules and Regulations. Please be advised that approval for the relocation of the treating plant does not relieve you of liability should your operation result in actual pollution of surface or ground waters which maybe actionable under other laws and/or regulations.

There will be no routine or reporting requirements other than those required by Rule 312.

Please note that the old location must be cleared and inspected by OCD Hobbs District personnel before the new \$25,000 bond can apply to the new location; operation cannot begin at the new location until the bond is in force.

Sincerely,

William J. LeMay  
Director

WJL:JB:sl

cc: OCD - Hobbs

COPY

WATSON TREATING PLANT, INC.

O.C.C. RECLAIMING PERMIT

# R-6095

P.O.BOX 75-(505)398-3490

Tatum, NM 88267



STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

COPY

GARREY CARRUTHERS  
GOVERNOR

October 26, 1987

POST OFFICE BOX 2088  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87504  
(505) 827-5800

Ms. Doris Watson  
Watson Incorporated  
P.O. Box 75  
Tatum, NM 88267

Re: Location Transfer of Treating Plant

Dear Ms. Watson:

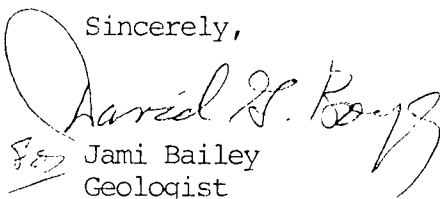
The Oil Conservation Division has received your request for transfer of the Watson treating plant from the SE/4 NW/4 of Section 34, Township 85, Range 35E, Roosevelt County, to the S/2 SE/4 of Section 5, Township 145, Range 36E, Lea County.

In order to approve the transfer, we require that all the information listed in Rule 312 be furnished to this office. This information includes a plat showing the location of the plant, a description of the plant along with a diagrammatic plan of the plant layout, location of water wells, notification of landowners within one half (1/2) mile, etc. A copy of Rule 312 is enclosed for your guidance.

After all the information is submitted and the Division Director gives written approval of the transfer of the location of the treating plant, the \$25,000 bond can be transferred to cover the new location prior to start-up of operation. This transfer of the bond will be approved only upon cleanup and restoration of the Roosevelt County site in accordance with Rule 312.

If you have any questions, feel free to contact me at 827-5884.

Sincerely,

  
Jami Bailey  
Geologist

Enclosure

cc: W. J. LeMay  
OCD - Hobbs

*4 insured  
w/ 1-15-97*



HOUSTON • DENVER  
8 GREENWAY PLAZA, SUITE 400  
HOUSTON, TEXAS 77046  
(713) 961-1300  
TELECOPIER: (713) 961-0285

## PREMIUM NOTICE - CONTINUOUS FORM BOND

BILLING DATE: January 7, 1997

### PRINCIPAL:

Watson Treating Plant, Inc.  
P. O. Box 75  
Tatum, New Mexico 88267

### GENERAL/AGENT PRODUCER:

Leavell Insurance & Real Estate  
P. O. Box 858  
Hobbs, New Mexico 88241

BOND NO: BO1148

PREMIUM PERIOD: 1/01/97 to 1/01/98

AMOUNT OF BOND:  
\$25,000

PREMIUM CHARGE:  
\$2,500

DESCRIPTION OF BOND: Treating Plant Bond

OBLIGEE: New Mexico Oil Conservation Division

The bond described above is continuous in form. The indicated premium for the next premium period will be charged to your account unless we are furnished with proper evidence of termination of our liability prior to the beginning of the premium term.

The premium notice does not create a new obligation. The company's liability under said bond is not cumulative and is aggregate liability under said bond on account of all defaults committed during the term of said bond shall not in any event exceed the amount of said bond.

NEW MEXICO OIL CONSERVATION DIVISION  
OF THE ENERGY & MINERALS DEPARTMENT

\$25,000.00 TREATING PLANT BOND

BOND NO. BO1148

(For Use of Surety Company)

File with Oil Conservation Division, P. O. Box 2088, Santa Fe, New Mexico 87504

KNOW ALL MEN BY THESE PRESENTS:

That WATSON TREATING PLANT, INC., ~~INCORPORATED~~ (a corporation organized in the State of New Mexico  
with its principal office in the City of Tatum, State of New  
Mexico, and authorized to do business in the State of New Mexico), as  
PRINCIPAL, and UNDERWRITERS INDEMNITY COMPANY, a corporation  
organized and existing under the laws of the State of Texas  
and authorized to do business in the State of New Mexico with duly appointed resident  
agent licensed in the State of New Mexico to execute this bond on behalf of the  
surety company, as SURETY, are held firmly bound unto the State of New Mexico, for  
the use and benefit of the Oil Conservation Division of the Energy & Minerals  
Department pursuant to Chapter 72, Laws of New Mexico, 1935, as amended, and to the  
State of New Mexico in the sum of Twenty Five Thousand (\$25,000.00) Dollars lawful  
money of the United States for the payment of which, well and truly to be made, said  
PRINCIPAL and SURETY hereby bind themselves, their successors and assigns, jointly  
and severally, firmly by these presents.

The conditions of this obligation are such that:

WHEREAS, The above principal has heretofore or may hereafter enter into the  
process of treating and reclaiming sediment oil in Section 34, Township 8  
~~Range~~ (South), Range 35 (East) ~~Range~~, N.M.P.M., Roosevelt County, New  
Mexico.

NOW, THEREFORE, This \$25,000 performance bond is conditioned upon substantial  
compliance with all applicable statutes of the State of New Mexico and all rules,  
regulations, and orders of the Oil Conservation Division of the Energy and Minerals  
Department, and upon clean-up of the plant site to standards of the Oil Conservation  
Division; otherwise the principal amount of the bond to be forfeited to the State of  
New Mexico.

PROVIDED, HOWEVER, That sixty (60) days after receipt by the Oil Conservation  
Division of written notice of cancellation from the Surety, the obligation of the  
Surety shall terminate as to activities or operations conducted by PRINCIPAL after  
said sixty (60) day period but shall continue in effect, notwithstanding said notice,  
as to such activities or operations conducted or commenced before the expiration of  
the sixty day period.

Signed and sealed this 1st day of January, 1987.

Watson Treating Plant, Inc.

PRINCIPAL

P.O. Box 5  
Tatum, NM 88267  
Mailing Address

By Dave Watson

Signature Title

UNDERWRITERS INDEMNITY COMPANY

SURETY

8 Greenway Plaza, Suite 1450  
Houston, Texas 77046

Mailing Address

By Roy O. O'Farrell

Attorney-in-Fact

Roy O. O'Farrell

(Note: Principal, if corporation  
Affix corporate seal here.)

(Note: Corporate surety affix corporate  
seal here.)


COPY

The plat and maps within this transfer request, illustrate our newly proposed site. Watson's will remain the owner/operator of the plant, and only want to relocate for distance and feasibility reasons.

The treating plant process of tank bottoms and unsalable crude oil will be carried on with our propane heater. The additional tanks will be used for sorting oil rather than capacity storage.

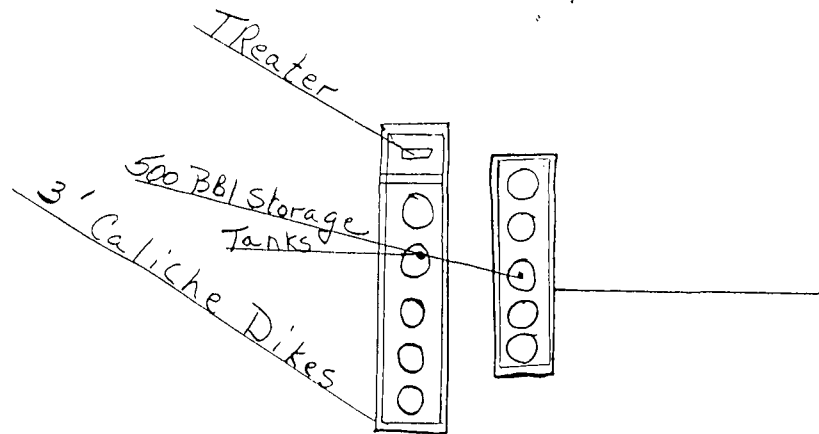
The unmerchantable fluids will be reported and taken to Parabo, Inc. at Eunice, NM.

Thank you,



Stan Watson

West



Watson Treating Plant

2 Acre Tract

S12 T8 R35

Milnesand NM



[illegible]

NOTICE OF PUBLICATION (FOR)

STATE OF New Mexico

Energy, Minerals and natural resources department

OIL CONSERVATION DIVISION

Notice is hereby given that pursuant to Oil Conservation Division regulations, the following treating plant application has been submitted for approval to Director of the Oil Conservation Division: .

State Land Office Building  
P.O. Box 2088  
Santa Fe, New Mexico 87504-2088  
(505) 827-5800

Watson Treating Plant proposes to move from Sec.34,8S,35E,Roosevelt Count  
to Sec.12 T8 R35 .

Any interested person may obtain further information from th Oil Conservation Division and may submit written comments to the Director of the Oil Conservation Division at the address given above. Prior to ruling on any proposed treating plant or its modification, the Director shall allow at least 20 days after the date of publication of this notice, during which time comments may be submitted to him and a public hearing may be requested by any interested person. Requests for a public hearing should set forth reasons why a hearing should be held. A public hearing will be held if the OCD Director determines there is sufficient public interest.

If no public hearing is held, the Director will approve or disapprove the application based on information available. If a public hearing is held, the Director will approve or disapprovethe application based on information in the plan and information submitted at the hearing.



STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

GARREY CARRUTHERS  
GOVERNOR

January 5, 1988

POST OFFICE BOX 2088  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87504  
(505) 827-5800

Leavell Insurance, Inc.  
P. O. Box 858  
Hobbs, New Mexico 88241

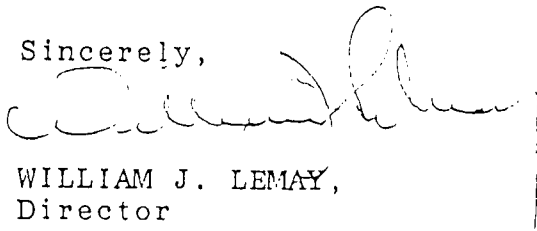
Attention: Kim Dyer

Re: \$25,000 Treating Plant Bond  
Watson Treating Plant, Inc., Principal  
Underwriters Indemnity Co., Surety  
Sec. 34, 8-S, 35-E, Roosevelt County  
Bond No. B01148

Dear Ms. Dyer:

The Oil Conservation Division hereby approves the above-captioned treating plant bond effective January 4, 1988.

Sincerely,



WILLIAM J. LEMAY,  
Director

dr/

cc: Oil Conservation Division  
Hobbs, New Mexico

Watson Treating Plant, Inc.  
P. O. Box 75  
Tatum, New Mexico 88267

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

WATSON

≈ 5 mi N. of Crossroads

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

CASE NO. 6616  
Order No. R-6095

APPLICATION OF WATSON TREATING  
PLANT FOR AN OIL TREATING PLANT  
PERMIT, ROOSEVELT COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on August 8, 1979,  
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 10th day of September, 1979, the Division  
Director, having considered the testimony, the record, and the  
recommendations of the Examiner, and being fully advised in the  
premises,

FINDS:

(1) That due public notice having been given as required  
by law, the Division has jurisdiction of this cause and the  
subject matter thereof.

(2) That the applicant, Watson Treating Plant, seeks  
authority to construct and operate a chemical and heat-treatment  
type oil treating plant in the SE/4 NW/4 of Section 34, Township  
8 South, Range 35 East, NMPM, Roosevelt County, New Mexico, for  
the reclamation of up to approximately 200 barrels of sediment  
oil per day to be obtained from tank bottoms, disposal water, and  
waste pits.

(3) That dikes, dams and/or emergency pits should be con-  
structed 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, or waste oil cannot escape from the  
immediate vicinity of such plant.

(4) That 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.

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

IT IS THEREFORE ORDERED:

(1) That the applicant, Watson Treating Plant, is hereby authorized to install and operate a chemical and heat-treatment type oil treating plant in the SE/4 NW/4 of Section 34, Township 8 South, Range 35 East, NMPM, Roosevelt 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 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) That 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) That dikes, dams and/or emergency pits 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) That the disposal of waste water 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.

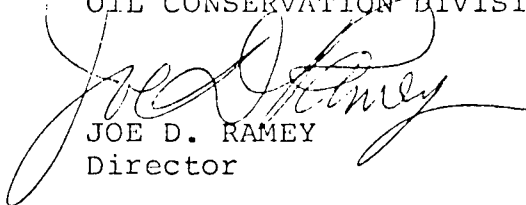
(5) That jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

-3-

Case No. 6616  
Order No. R-6095

DONE at Santa Fe, New Mexico, on the day and year herein-  
above designated.

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION



JOE D. RAMEY  
Director

S E A L

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