

NM

-

47

ORDER

**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.

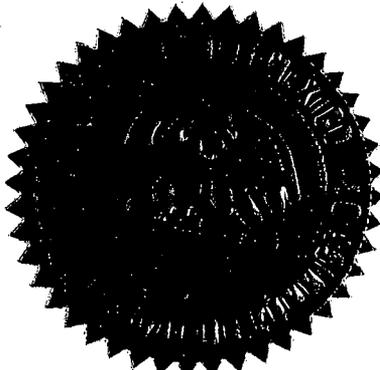
IT IS THEREFORE ORDERED THAT:

(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.



SEAL

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

A handwritten signature in cursive script that reads "Lori Wrottenbery".

LORI WROTENBERY
Director

AM - BETT OIL CO

BEFORE THE OIL CONSERVATION COMMISSION 5 mi. N. of Eunice
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE NO. 5883
Order No. R-5411

APPLICATION OF AM-BETT OIL COMPANY,
INC. FOR AN OIL TREATING PLANT PERMIT,
LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on March 23, 1977,
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 12th day of April, 1977, the Commission,
a quorum being present, 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 Commission has jurisdiction of this cause and the
subject matter thereof.

(2) That the applicant, Am-Bett Oil Company, Inc., seeks
authority to construct and operate a chemical and heat-treatment
type oil treating plant in Lot 6 of Section 3, Township 21
South, Range 37 East, NMPM, Lea County, New Mexico, for the
reclamation of up to approximately 500 barrels of sediment oil
per day to be obtained from tank bottoms and waste pits.

(3) That dikes, dams and/or emergency pits 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, 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, Am-Bett Oil Company, Inc., is hereby authorized to install and operate a chemical and heat-treatment type oil treating plant in Lot 6 of Section 3, Township 21 South, Range 37 East, NMPM, Lea 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 Commission;

PROVIDED FURTHER, that prior to commencing operation of said plant, the applicant shall file with the Commission 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 Commission.

(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.

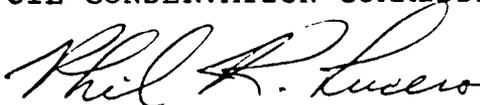
(5) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

-3-

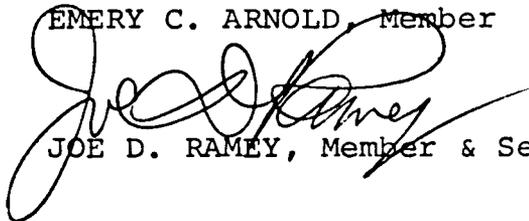
Case No. 5883
Order No. R-5411

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


PHIL R. LUCERO, Chairman

EMERY C. ARNOLD, Member


JOE D. RAMEY, Member & Secretary

S E A L

dr/

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

MEMORANDUM OF MEETING OR CONVERSATION

Telephone Personal Time 2:30 Date 4-20-03

Originating Party Martyn Kveling Other Parties Douglas Fribbe

Subject Address For Cecil Strasner

Discussion Cecil Strasner
2701 N. Jefferson St.
Hobbs, NM 88240
505-392-5085

Conclusions or Agreements _____

Distribution _____ Signed _____

State of New Mexico

ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

2040 South Pacheco

P.O. Box 6429

Santa Fe, New Mexico 87505-5472

treating
Plant

AM-Bett

4-2-97



Am Bet + Treating Plant

4-2-97

SE, SW, 3, 21 S, 37 E



Am-Bett Treating Plant

SE, SW, 3, 21 S, 31 E

4-2-97

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE NO. 5883
Order No. R-5411

APPLICATION OF AM-BETT OIL COMPANY,
INC. FOR AN OIL TREATING PLANT PERMIT,
LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on March 23, 1977,
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 12th day of April, 1977, the Commission,
a quorum being present, 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 Commission has jurisdiction of this cause and the
subject matter thereof.

(2) That the applicant, Am-Bett Oil Company, Inc., seeks
authority to construct and operate a chemical and heat-treatment
type oil treating plant in Lot 6 of Section 3, Township 21
South, Range 37 East, NMPM, Lea County, New Mexico, for the
reclamation of up to approximately 500 barrels of sediment oil
per day to be obtained from tank bottoms and waste pits.

(3) That dikes, dams and/or emergency pits 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, 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, Am-Bett Oil Company, Inc., is hereby authorized to install and operate a chemical and heat-treatment type oil treating plant in Lot 6 of Section 3, Township 21 South, Range 37 East, NMPM, Lea 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 Commission;

PROVIDED FURTHER, that prior to commencing operation of said plant, the applicant shall file with the Commission 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 Commission.

(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 Commission may deem necessary.

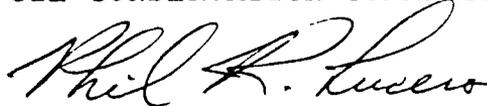
-3-

Case No. 5883

Order No. R-5411

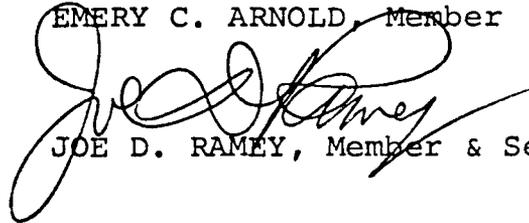
DONE at Santa Fe, New Mexico, on the day and year herein-
above designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



PHIL R. LUCERO, Chairman

EMERY C. ARNOLD, Member



JOE D. RAMEY, Member & Secretary

S E A L

dr/