

CASE 5009: Application of WENDELL
C. WELCH FOR AN OIL TREATING
PLANT PERMIT, EDDY COUNTY, N.M.

CASE No.

5009

Application,

Transcripts,

Small Exhibits

ETC.

dearnley, meier & mc cormick

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BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
OIL CONSERVATION COMMISSION CONFERENCE ROOM
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO
Wednesday, June 27, 1973

EXAMINER HEARING

IN THE MATTER OF:

Application of Wendell C. Welch for an
oil treating plant permit, Eddy County,
New Mexico.

Case No. 5009

BEFORE: Elvis A. Utz,
Examiner

TRANSCRIPT OF HEARING

1 MR. UTZ: Call Case 5009.

2 MR. CARR: Case 5009, application of Wendell C.
3 Welch for an oil treating plant permit, Eddy County, New
4 Mexico.

5 MR. LOSEE: A. J. Losee, Losee & Carson, Artesia,
6 New Mexico, appearing on behalf of the applicant, and he
7 is present to testify.

8 MR. UTZ: Are there other appearances in this case?

9 (No response.)

10 MR. UTZ: You may proceed.

11 WENDELL C. WELCH,

12 a witness, having been first duly sworn according to law, upon
13 his oath, testified as follows:

14 DIRECT EXAMINATION

15 BY MR. LOSEE:

16 Q State your name and residence, please?

17 A Wendell C. Welch, Artesia, New Mexico.

18 Q What is your occupation?

19 A I am a tool pusher for Cortez Drilling Company.

20 Q Mr. Welch, you do not have a degree in either geology or
21 engineering, do you?

22 A No.

23 Q How long have you been engaged in the oil and gas business?

24 A Since I was 20 years old. Now, I'm 47.

25 Q As a drilling contractor, as a pumper, completing wells?

1 A Right.

2 Q All right. What is the purpose of your application to
3 the Commission?

4 A We want to pick up oil that's been dumped into tank
5 batteries, pick it up and put it into a tank, let it
6 settle, run it through a treater, catch it in another
7 tank and make pipeline oil out of it.

8 Q I think that's complete enough. Where is the proposed
9 location of your treating plant?

10 A It's in the southeast quarter of Section 35,
11 South, Township 17 South, Range 25 East.

12 Q Now, is that adjoining Navajos pipeline in Eddy County?

13 A That is right.

14 Q Is that State or fee land?

15 A It's on Federal land.

16 Q And would you propose to obtain a lease from the Federal
17 Government on that plant site?

18 A That's right, yes.

19 Q You partially alluded earlier to how you propose to treat
20 this sediment oil. Would you elaborate on that a little
21 bit, please?

22 A I was going to use the Malone-Crawford LB-823-A

23 Atmospheric Treater. It's 8 feet wide by 22 feet high.

24 It has a capacity of 500 to 800 barrels, which is much

25 larger than we think it needs to be; but I have one

- 1 available. It's rated at 700,000 BTU.
- 2 Q Per hour?
- 3 A No, per day -- no, per hour, you are right. Per hour.
- 4 Q What is the efficiency, the furnace efficiency?
- 5 A 80 percent.
- 6 Q Now, this is the manufacturer's specifications, is it not?
- 7 A That's right.
- 8 Q And you would set a 250-barrel tank prior to running it
- 9 through this treater?
- 10 A That's right, and then run it through the treater and
- 11 catch it in another 250-barrel tank, where it would be
- 12 ready for pipeline.
- 13 Q You have really testified from the specifications on
- 14 what's been marked as Exhibit 1, have you not? That is,
- 15 the Malone-Crawford LB-823-A Unit?
- 16 A That's right.
- 17 Q Please refer to what has been marked as Exhibit 2, being
- 18 the diagram of a Sandler T-100 Atmospheric Treater and
- 19 explain why that is offered in this case.
- 20 A I was unable to secure a cut-a-way drawing of the treater
- 21 we intend to use. They are all very similar. I do have
- 22 this one which shows, in a cut-a-way form, how it works.
- 23 It's very simple.
- 24 Q Is that diagram of that cut-a-way of that Sandler T-100
- 25 very similar to the one that you propose to use?

1 A Very similar. All atmospheric treaters are very
2 similar.

3 Q Do you believe that this plant and proposed method with
4 efficiently process, treat, and reclaim sediment oil?

5 A Yes, it will.

6 Q Now, Mr. Welch, do you understand that before you
7 commence operations, you are required to furnish a bond
8 on the form approved by the Commission in the amount of
9 \$10,000?

10 A Yes, sir.

11 Q Now, are you going to initially take only oil from pits,
12 sediment from pits, or are you going to use out of tank
13 bottoms?

14 A To begin with, at least, we only want sediments from
15 pits, or oil from pits. I don't believe, at this time,
16 anyway, we are interested in oil from tanks.

17 Q You understand, Mr. Welch, that if you take oil from
18 tanks, you are required to keep a record of it and
19 notify the operator of the amount of reclaimed oil?

20 A Yes, I understand.

21 Q And file the Commission form in connection with that?

22 A Yes.

23 MR. LOSEE: I have no further questions. I move
24 the introduction of Exhibits 1 and 2.

25 MR. UTZ: Without objection, Exhibits 1 and 2 will

1 be entered into the record of this case.

2 CROSS-EXAMINATION

3 BY MR. UTZ:

4 Q Mr. Welch, what kind of fire control facilities do you
5 intend to use around this plant, such as trenches or
6 dikes?

7 A Yes, it will look like a standard tank battery location
8 with the heater treater. It will have all of the
9 requirements; we will make it safe and operable. It
10 won't be close to any other tank battery, I mean it will
11 be off by itself. In other words, we won't endanger --

12 Q Will it be close to any other wells?

13 A There are wells in the area, but not too close. Well,
14 let's see, 500 feet away, maybe.

15 MR. UTZ: Are there other questions of the witness?

16 (No response.)

17 MR. UTZ: The witness may be excused. The case
18 will be taken under advisement.
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24
25

dearnley, meier & mc cormick

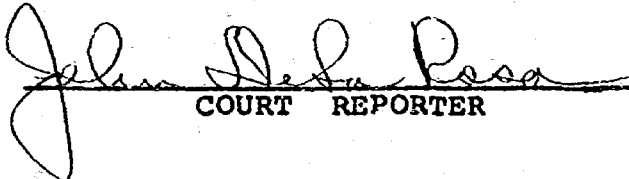
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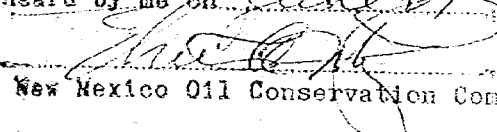
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REPORTER'S CERTIFICATE

I, JOHN DE LA ROSA, a Court Reporter, do hereby certify that the foregoing and attached Transcript of Hearing before the New Mexico Oil Conservation Commission was reported by me; and that the same is a true and correct record of the said proceedings to the best of my knowledge, skill and ability.


COURT REPORTER

I do hereby certify that the foregoing is a complete record of the proceedings at the Examiner hearing of Case No. 57669 heard by me on June 27, 1973.


Examiner
New Mexico Oil Conservation Commission

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EXHIBITS

	<u>OFFERED</u>	<u>ADMITTED</u>
Exhibits 1 and 2	6	6 & 7



OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO
P. O. BOX 1088 - SANTA FE
87501

July 16, 1973

GOVERNOR
BRUCE KING
CHAIRMAN

LAND COMMISSIONER
ALEX J. ARMJO
MEMBER

STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY - DIRECTOR

Mr. A. J. Losee
Losee & Carson
Attorneys at Law
Post Office Drawer 239
Artesia, New Mexico 88210

Re: Case No. 5009
Order No. R-4585
Applicant:
WENDELL C. WELCH

Dear Sir:

Enclosed herewith are two copies of the above-referenced Commission order recently entered in the subject case.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

ALP/ir

Copy of order also sent to:

Hobbs OCC X
Artesia OCC X
Aztec OCC _____
Other _____

BEFORE THE OIL CONSERVATION COMMISSION
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. 5009
Order No. R-4585

APPLICATION OF WENDELL C. WELCH FOR
AN OIL TREATING PLANT PERMIT, EDDY
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on June 27, 1973,
at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 13th day of July, 1973, 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, Wendell C. Welch, seeks authority
to install and operate a water-bath and heat-treatment type oil
treating plant in the SE/4 of Section 35, Township 17 South,
Range 27 East, NMPM, Eddy County, New Mexico, for the reclamation
of 500 to 800 barrels of sediment oil per day to be obtained
from tank bottoms and waste pits.

(3) That dikes or dams should be erected around the plant
capable of holding the entire capacity of all tanks and vessels
at the plant location.

(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 waste.

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

IT IS THEREFORE ORDERED:

(1) That the applicant, Wendell C. Welch, is hereby
authorized to install and operate a water-bath and heat-treatment

-2-

Case No. 5009

Order No. R-4585

type oil treating plant in the SE/4 of Section 35, Township 17 South, Range 27 East, NMPM, Eddy 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 tract upon which the plant is located.

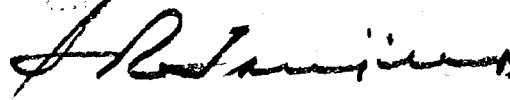
(3) That dikes and dams be erected around the plant capable of holding the entire capacity of all tanks and vessels at the plant location.

(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.

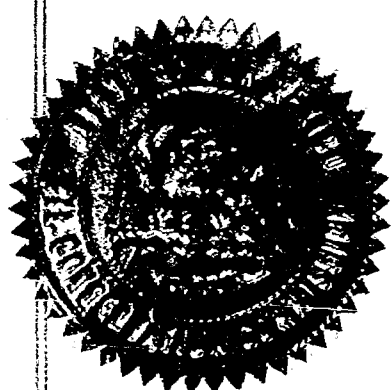
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


I. R. TRUJILLO, Chairman


ALEX J. ARMIJO, Member


A. L. PORTER, Jr., Member & Secretary


S E A L

dr/

Case 5009

Rec'd 6-27-73

Rec. 6-27-73

Grant Mendall which per-
mission to build & operate
a treating plant at a location
in the 654-35-175-275.

Capacity to be from 500-800
bbls. day

Dikes or dunn to be made
to hold the capacity of all
tanks or vessels of the Plant.
Oil to be treated to be put
in the Ore.

— J. M. D.

Docket No. 17-73

DOCKET: EXAMINER HEARING - WEDNESDAY - JUNE 27, 1973

9 A.M. - OIL CONSERVATION COMMISSION CONFERENCE ROOM,
STATE LAND OFFICE BUILDING - SANTA FE, NEW MEXICO

The following cases will be heard before Elvis A. Utz, Examiner, or Daniel S. Nutter, Alternate Examiner:

CASE 4983: (Continued from the June 6, 1973, Examiner Hearing)

Application of Gulf Oil Corporation for simultaneous well dedication and non-standard locations, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the simultaneous dedication of two wells to a standard 640-acre gas proration unit comprising all of Section 35, Township 21 South, Range 36 East, Eumont Gas Pool, Lea County, New Mexico, said wells being the W. A. Ramsay (NCT-A) Wells Nos. 20 and 7 at non-standard locations in the center of Units E and N, respectively, of said Section 35.

CASE 4966: (Continued from the June 6, 1973, Examiner Hearing)

Application of Read & Stevens, Inc. for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests underlying the N/2 of Section 36, Township 12 South, Range 30 East, Chaves County, New Mexico, to be dedicated to a well to be drilled to the Queen formation in Unit B of said Section 36, in the Southeast Chaves Queen Gas Area. Also to be considered will be the cost of drilling and completing said well and the allocation of such costs as well as actual operating costs and charges for supervision. Also to be considered is the designation of applicant as operator of the well and a 200 percent charge for risk involved in drilling said well.

CASE 5008: Application of Hondo Drilling Company for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Delaware formation in the perforated interval from 5034 feet to 5038 feet, or in the alternative, from 5128 feet to 5134 feet in its Gulf "NW" State Well No. 2 located in Lot 6 of Section 6, Township 24 South, Range 33 East, Triple "X" Delaware Pool, Lea County, New Mexico.

CASE 5009: Application of Wendell C. Welch for an oil treating plant permit, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority for the construction and operation of an oil treating plant for the purpose of treating and reclaiming sediment oil at a site in the SE/4 of Section 35, Township 17 South, Range 27 East, Eddy County, New Mexico.

- CASE 5010: Application of Yates Petroleum Corporation for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests down to and including the Pennsylvanian formation underlying the N/2 of Section 18, Township 18 South, Range 26 East adjacent to the West Atoka Morrow Gas Pool, Eddy County, New Mexico, to be dedicated to a well to be drilled 1650 feet from the North line and 660 feet from the West line of said Section 18, the unorthodox location of which was previously approved by Commission Order No. R-4508. Also to be considered will be the cost of drilling and completing said well and the allocation of such costs as well as actual operating costs and charges for supervision. Also to be considered is the designation of applicant as operator of the well and up to 200 percent charge for risk involved in drilling said well.
- CASE 5011: Application of El Paso Natural Gas Company for extension of Order No. R-4342, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks the extension of the provisions of Order No. R-4342, which order authorized the applicant to produce certain non-marginal wells in the San Juan 32-9 Unit Area, Blanco Mesaverde Pool, San Juan County, New Mexico, at full capacity while conducting tests, making up said overproduction by underproducing other non-marginal wells within the participating area.
- CASE 5012: Application of Gandy Construction for an oil treating plant permit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority for the construction and operation of an oil treating plant for the purpose of treating and reclaiming sediment oil at a site in the SE/4 of Section 11, or the SW/4 of Section 12, Township 10 South, Range 35 East, Lea County, New Mexico.
- CASE 5013: Application of Phillips Petroleum Company for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project by the injection of water into the Grayburg-San Andres formation through its Lea Wells Nos. 4 and 6 located in Units I and O, respectively, of Section 29, Township 17 South, Range 34 East, Vacuum Grayburg-San Andres Pool, Lea County, New Mexico.
- Applicant further seeks an administrative procedure for the drilling of additional injection and producing wells at orthodox and unorthodox locations without further notice and hearing.
- CASE 5014: Application of Cities Service Oil Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests underlying the W/2 of Section 26, Township 25 South, Range 24 East, adjacent to the Washington Ranch-Morrow Gas Pool, Eddy County, New Mexico, to be dedicated to a well to be drilled at an orthodox location for said unit.

(Case 5014 continued from page 2)

Also to be considered will be the cost of drilling and completing said well and the allocation of such costs as well as actual operating costs and charges for supervision. Also to be considered is the designation of applicant as operator of the well and up to 200 percent charge for risk involved in drilling said well.

CASE 5015: Application of Michael P. Grace II and Corinne Grace for compulsory pooling, Eddy County, New Mexico. Applicants, in the above-styled cause, seek an order pooling all mineral interests down to and including the Morrow formation underlying the S/2 of Section 16, Township 24 South, Range 26 East, adjacent to the White City-Pennsylvanian Gas Pool, Eddy County, New Mexico, to be dedicated to a well to be drilled at an orthodox location for said unit. Also to be considered will be the cost of drilling and completing said well and the allocation of such costs as well as actual operating costs and charges for supervision. Also to be considered is the designation of applicant as operator of the well and up to 200 percent charge for risk involved in drilling said well.

CASE 4988: (Continued and Readvertised)

Application of Texaco Inc. for down-hole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle production from the Blinebry, Tubb, and Drinkard Oil Pools in the wellbore of its A. H. Blinebry Well No. 28 located in Unit A of Section 29, Township 22 South, Range 38 East, Lea County, New Mexico.

CASE 5016: Application of Atlantic Richfield Company for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Seven Rivers-Queen Unit Area comprising 2262 acres, more or less, of State and Fee lands in Townships 22 and 23 South, Range 36 East, Lea County, New Mexico.

CASE 5017: Application of Atlantic Richfield Company for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in its Seven Rivers-Queen Unit Area by the injection of water into the Seven Rivers and Queen formations through 28 wells located in Sections 27, 34, and 35, Township 22 South, Range 36 East, and Sections 2 and 3, Township 23 South, Range 36 East, Lea County, New Mexico.

CASE 5018: Southeastern nomenclature case calling for an order for the creation, extension and contraction of certain pools, and the assignment of an oil discovery allowable, Lea and Roosevelt Counties, New Mexico.
(a) Create a new pool in Lea County, New Mexico, classified as an oil pool for Wolfcamp production and designated as the Humble City-Wolfcamp Pool. The discovery well is the Pubco Petroleum Corporation

(Case 5018 continued from page 3)

Shipp No. 4 located in Unit L of Section 11, Township 17 South, Range 37 East, NMPM. Said pool would comprise:

TOWNSHIP 17 SOUTH, RANGE 37 EAST, NMPM
Section 11: SW/4

Also the assignment of an oil discovery allowable of approximately 47,970 barrels of oil to the aforesaid Shipp Well No. 4.

(b) Create a new pool in Lea County, New Mexico, classified as an oil pool for Queen production and designated as the Shinnery-Queen Pool. The discovery well is the Burleson & Huff Cinco de Mayo Federal No. 1 located in Unit C of Section 24, Township 18 South, Range 32 East, NMPM. Said pool would comprise:

TOWNSHIP 18 SOUTH, RANGE 32 EAST, NMPM
Section 24: NW/4

(c) Contract the Bagley-Pennsylvanian Pool in Lea County, New Mexico, by the deletion of the following described area:

TOWNSHIP 11 SOUTH, RANGE 33 EAST, NMPM
Section 34: S/2 NE/4

(d) Extend the North Bagley-Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 11 SOUTH, RANGE 33 EAST, NMPM
Section 34: S/2 NE/4

(e) Contract the South Prairie-Cisco Pool in Roosevelt County, New Mexico, by the deletion of the following described area:

TOWNSHIP 8 SOUTH, RANGE 36 EAST, NMPM
Section 28: NW/4

(f) Extend the East Brunson-Granite Wash Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM
Section 13: NW/4

(g) Extend the Drinkard Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 36 EAST, NMPM
Section 1: NE/4

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM
Section 6: N/2

(h) Extend the Flying "M"-San Andres Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 9 SOUTH, RANGE 33 EAST, NMPM
Section 7: NE/4

(i) Extend the Justis Tubb-Drinkard Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 25 SOUTH, RANGE 37 EAST, NMPM
Section 12: NW/4

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(Case 5014 continued from page 2)

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CASE 5015: Application of Michael P. Grace II and Corinne Grace for compulsory pooling, Eddy County, New Mexico. Applicants, in the above-styled cause, seek an order pooling all mineral interests down to and including the Morrow formation underlying the S/2 of Section 16, Township 24 South, Range 26 East, adjacent to the White City-Pennsylvanian Gas Pool, Eddy County, New Mexico, to be dedicated to a well to be drilled at an orthodox location for said unit. Also to be considered will be the cost of drilling and completing said well and the allocation of such costs as well as actual operating costs and charges for supervision. Also to be considered is the designation of applicant as operator of the well and up to 200 percent charge for risk involved in drilling said well.

CASE 4988: (Continued and Readvertised)

Application of Texaco Inc. for down-hole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle production from the Blinebry, Tubb, and Drinkard Oil Pools in the wellbore of its A. H. Blinebry Well No. 28 located in Unit A of Section 29, Township 22 South, Range 38 East, Lea County, New Mexico.

CASE 5016: Application of Atlantic Richfield Company for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Seven Rivers-Queen Unit Area comprising 2262 acres, more or less, of State and Fee lands in Townships 22 and 23 South, Range 36 East, Lea County, New Mexico.

CASE 5017: Application of Atlantic Richfield Company for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in its Seven Rivers-Queen Unit Area by the injection of water into the Seven Rivers and Queen formations through 28 wells located in Sections 27, 34, and 35, Township 22 South, Range 36 East, and Sections 2 and 3, Township 23 South, Range 36 East, Lea County, New Mexico.

CASE 5018: Southeastern nomenclature case calling for an order for the creation, extension and contraction of certain pools, and the assignment of an oil discovery allowable, Lea and Roosevelt Counties, New Mexico.

(a) Create a new pool in Lea County, New Mexico, classified as an oil pool for Wolfcamp production and designated as the Humble City-Wolfcamp Pool. The discovery well is the Pubco Petroleum Corporation

(Case 5018 continued from page 3)

Shipp No. 4 located in Unit I of Section 11, Township 17 South, Range 37 East, NMPM. Said pool would comprise:

TOWNSHIP 17 SOUTH, RANGE 37 EAST, NMPM
Section 11: SW/4

Also the assignment of an oil discovery allowable of approximately 47,970 barrels of oil to the aforesaid Shipp Well No. 4.

(b) Create a new pool in Lea County, New Mexico, classified as an oil pool for Queen production and designated as the Shinnery-Queen Pool. The discovery well is the Burleson & Huff Cinco de Mayo Federal No. 1 located in Unit C of Section 24, Township 18 South, Range 32 East, NMPM. Said pool would comprise:

TOWNSHIP 18 SOUTH, RANGE 32 EAST, NMPM
Section 24: NW/4

(c) Contract the Bagley-Pennsylvanian Pool in Lea County, New Mexico, by the deletion of the following described area:

TOWNSHIP 11 SOUTH, RANGE 33 EAST, NMPM
Section 34: S/2 NE/4

(d) Extend the North Bagley-Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 11 SOUTH, RANGE 33 EAST, NMPM
Section 34: S/2 NE/4

(e) Contract the South Prairie-Cisco Pool in Roosevelt County, New Mexico, by the deletion of the following described area:

TOWNSHIP 8 SOUTH, RANGE 36 EAST, NMPM
Section 28: NW/4

(f) Extend the East Brunson-Granite Wash Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM
Section 13: NW/4

(g) Extend the Drinkard Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 36 EAST, NMPM
Section 1: NE/4

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM
Section 6: N/2

(h) Extend the Flying "M"-San Andres Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 9 SOUTH, RANGE 33 EAST, NMPM
Section 7: NE/4

(i) Extend the Justis Tubb-Drinkard Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 25 SOUTH, RANGE 37 EAST, NMPM
Section 12: NW/4

MALONEY-CRAWFORD TANK & MANUFACTURING CO.

TUISA, OKLAHOMA

TYPE "LB" VERTICAL HEATER SETTLING TANKS

Atmosphere

Type	LB-423-A	LB-623-A	LB-823-A	LB-1023-A
Size, Diameter x Shell Length	4' x 22'6"	6' x 22'6"	8' x 22'6"	10' x 22'6"
W.P. with pressure fittings	0-4#	0-3#	0-2#	0-2#
Capacities per 24 hours:				
Oil, Bbls.	150-300	300-500	500-800	700-1100
Free Water, Bbls.	300+	400+	600+	800+
Furnace Rating, B.T.U./Hour	350,000	500,000	700,000	1,000,000
Heating Surface, Sq. Ft.	38	54	71	100
Water Wash Footage, Ft.	12	12	12	12
Furnace Efficiency, Percent	80	80	80	80
Shell Thickness	3/16"	1/4"	1/4"	1/4"
Head Thickness	1/4"	1/4"	1/4"	1/4"
Weight, Complete	4750#	7800#	10600#	12125#
List Price	1401.00	1774.00	2099.00	2583.00

Standard deduction for thermostat (all trade areas)

NET \$65.00

BEFORE EXAMINER UTZ	
OIL CONSERVATION COMMISSION	
EXHIBIT NO.	1
CASE NO.	5009
Submitted By	
Received By	

Above prices include stack, ladder, burner and pilot light, thermostat manifold, thermostat, thermometer, gauge cocks and glasses, and relief valves.

PRESSURE FITTINGS

Gross extras to be added to list price of type "LB" heater settling tanks to convert atmospheric tanks to operate at working pressures stated above:

Fittings with 1" regulator, 400,000 cubic feet/24 hours	75.38
Fittings with 2" regulator, 900,000 cubic feet/24 hours	113.98
Fittings with 3" regulator, 1,500,000 cubic feet/24 hours	127.07

Effective March 12, 1956

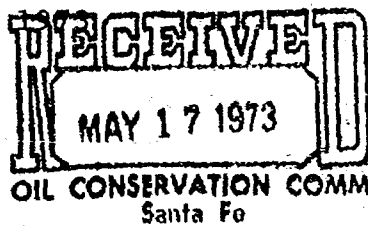
Page 631

A. J. LOSEE
JOEL M. CARSON

LAW OFFICES
LOSEE & CARSON, P. A.
300 AMERICAN HOME BUILDING
P. O. DRAWER 239
ARTESIA, NEW MEXICO 88210

AREA CODE 505
746-3508

16 May



Case 5009

Mr. Bill Carr
Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: In the Matter of the Application of Wendell C.
Welch for a Treating Plant Permit

Dear Mr. Carr:

We are enclosing for filing in the above styled cause the Application of Wendell C. Welch for a Treating Plant Permit in triplicate. Please set this matter for hearing and advise us of the same.

Yours truly,

LOSEE & CARSON, P. A.


Joel M. Carson

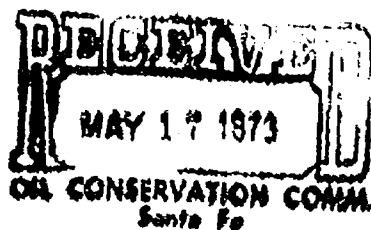
JMC/sff
Enclosures

P. S. I have misplaced your note on the insurance company that wrote the policy for Tank Service Company. Would you let me know the name of that company.

Joel

DOCKET MAILED

Date 6-12-73



Before The
OIL CONSERVATION COMMISSION
Of The
STATE OF NEW MEXICO.

IN THE MATTER OF THE APPLICA-)
TION OF WENDELL C. WELCH FOR)
A TREATING PLANT PERMIT)

No. 5009

COMES NOW Wendell C. Welch, applicant herein, and
states:

1. That his principal place of business is located
at Artesia, New Mexico.
2. That this application is made pursuant to the
provisions of Rule 312 of the rules and regulations of the
New Mexico Oil Conservation Commission.
3. That the proposed location of the treating plant
is in the SE/4 of Section 35, Township 17 South, Range 27 East,
N.M.P.M., Eddy County, New Mexico.
4. Type and capacity of the plant are as follows:
 - a) 500 barrels of storage.
 - b) 700,000 BTU per hour stationary Maloney
Crawford Tank & Manufacturing Company, type LB 823-A heater,
size 8' x 22'6" with a 500 to 800 barrel per 24-hour day
capacity.
 - c) The efficiency of this proposed unit is
80%. The method used in treating the oil would be to place
product to be treated in a settling tank, then transfer the
product through the Maloney Crawford heater, then into
separate storage for transmission into pipeline.

d) The capacity of this plant is dependent upon the amount of incoming product.

WHEREFORE, applicant prays the orders of the Commission as follows:

A. That this matter be set for hearing before an examiner duly appointed by the Commission, and that due notice thereof be given as required by law.

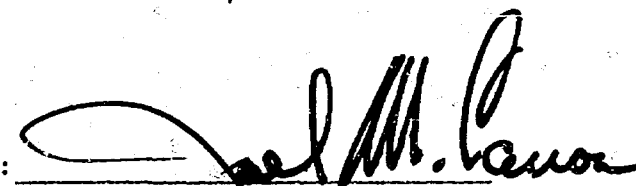
B. That after such hearing an order be entered granting applicant a treating plant permit.

C. And for such other and further relief as may be just in the premises.


Wendell C. Welch

LOSEE & CARSON, P. A.

By:



Joel M. Carson
P. O. Drawer 239
Artesia, New Mexico 88210

Attorneys for Applicant

W
W
W
DRAFT
ac/

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

CASE NO. 5009

Order No. R-4585

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

APPLICATION OF WENDELL C. WELCH FOR AN OIL
TREATING PLANT PERMIT, EDDY COUNTY, NEW
MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on June 27, 1973, at
Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 27 day of July 1973, 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, Wendell C. Welch, seeks authority
to install and operate a water-bath and heat-treatment type oil
treating plant in the SE/4 ~~of Section 35~~ ^{close} of Section 35,
Township 17 South, Range 27 East, NMPM, Eddy County, New Mexico,
for the reclamation of sediment oil ^{500 to 800 barrels of} to be obtained from tank
bottoms and waste pits. _{per day}

insert finding (3) → (3) 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 waste.

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

IT IS THEREFORE ORDERED:

(1) That the applicant, Wendell C. Welch, is hereby
authorized to install and operate a water-bath and heat-treatment
type oil treating plant in the SE/4 of Section 35, Township 17

-2-

Case No. 5009

Order No. R-

South, Range 27 East, NMPM, Eddy 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 tract upon which the plant is located.

insert finding order (3) → (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.

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

finding

(3) That dikes or dams ~~should~~ should be erected around the plant capable of holding the entire capacity of all tanks and vessels at the plant location.

order

(3) That dikes and dams be erected around the plant capable of holding the entire capacity of all tanks and vessels at the plant location.