

CASE 5724: YATES PET. CORP. FOR
AN OIL TREATING PLANT PERMIT,
EDDY COUNTY, NEW MEXICO

CASE NO.

5724

APPLICATION,
TRANSCRIPTS,
SMALL EXHIBITS,
ETC.

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
July 21, 1976

EXAMINER HEARING

IN THE MATTER OF:

Application of Yates Petroleum Corporation for an oil treating plant permit, Eddy County, New Mexico. CASE 5724

BEFORE: Richard L. Stamets, Examiner

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the New Mexico Oil Conservation Commission: William F. Carr, Esq.
Legal Counsel for the Commission
State Land Office Building
Santa Fe, New Mexico

For the Applicant: A. J. Losee, Esq.
LOSEE & CARSON, P.A.
Attorneys at Law
300 American Home Building
Artesia, New Mexico

sid morrish reporting service

General Court Reporting Service
825 Calle Mejia, No. 122, Santa Fe, New Mexico 87501
Phone (505) 982-9212

I N D E X

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

Page

EDDIE MAHFOOD

| | |
|----------------------------------|---|
| Direct Examination by Mr. Losee | 3 |
| Cross Examination by Mr. Stamets | 6 |

EXHIBIT INDEX

Page

| | |
|--|---|
| Applicant's Exhibit One, Map | 6 |
| Applicant's Exhibit Two, Diagrammatic Sketch | 6 |

sid morrish reporting service
General Court Reporting Service
 825 Calle Mejia, No. 122, Santa Fe, New Mexico 87501
 Phone: (505) 982-9212

1 MR. STAMETS: We will call next Case 5724.

2 MR. CARR: Case 5724, application of Yates Petroleum
3 Corporation for an oil treating plant permit, Eddy County,
4 New Mexico.

5 MR. LOSEE: A. J. Losee, Losee and Carson, Artesia,
6 appearing on behalf of the applicant. I have one witness,
7 Mr. Mahfood.

8 (THEREUPON, the witness was duly sworn.)

9
10 EDDIE MAHFOOD

11 called as a witness, having been first duly sworn, was
12 examined and testified as follows:

13
14 DIRECT EXAMINATION

15 BY MR. LOSEE:

16 Q What is your name, please?

17 A Eddie Mahfood.

18 Q what is your residence and occupation?

19 A I'm a Petroleum Engineer in Artesia and I work
20 for Yates Petroleum Corporation.

21 Q Have you previously testified before the Commission
22 and had your qualifications accepted?

23 A Yes, I have.

24 Q What is the purpose of this application in Case
25 5724?

sid morrish reporting service
General Court Reporting Service
825 Calle Mejia, No. 122, Santa Fe, New Mexico 87501
Phone (505) 982-9212

sid morrish reporting service

General Court Reporting Service
825 Calle Mejia, No. 122, Santa Fe, New Mexico 87501
Phone (505) 982-9412

1 A Yates Petroleum is active in drilling and treating
2 their wells, as a result we have considerable tank bottoms
3 and waste which we have to dispose of and we feel with a
4 treating plant we can recover a large quantity of oil from
5 this waste.

6 Q Is this recovery of sediment oil from third parties
7 or solely Yates Petroleum Corporation?

8 A We propose to consider third parties also.

9 Q Please refer to what has been marked as Exhibit One
10 and explain what is portrayed by this exhibit?

11 A This is a lease map of the Penasco Draw and the
12 Deaton-San Andres areas and the arrow points to the area where
13 we propose to build this treating plant in Section 25.

14 Q What quarter section in Section 25?

15 A It's in the northwest of the southeast of Section 25,
16 in 18, 25. We have two injection wells in that area, they
17 are marked with an arrow through the wells.

18 Q And those injection wells have previously been
19 approved by the Commission?

20 A Yes.

21 Q Please refer to what has been marked as Exhibit
22 Two and explain what is shown by this exhibit?

23 A Exhibit Two is a diagrammatic sketch of the proposed
24 treating plant. On the left there we have a five-hundred
25 barrel tank in which we will truck or flow sediment from the

sid morrish reporting service
General Court Reporting Service
825 Calle Mejia, No. 122, Santa Fe, New Mexico 87501
Phone (505) 982-9212

1 various leases where there has been an accumulation of the
2 emulsion and sediment. From this five-hundred barrel tank
3 we will transfer this sediment or the emulsion to a heater-
4 treater for heating and at the same time we will add any
5 necessary subtractants or demulsifiers to break the emulsion.
6 The treater will separate the oil from the water and the oil
7 will be accumulated in an oil storage, a two-hundred-and-ten
8 barrel tank. The water will be accumulated in a water tank,
9 a two-hundred-and-ten barrel water tank. From this tank the
10 water will be disposed of into the appropriate disposal wells.

11 Any earned sulfide or trash from the five-hundred
12 barrel accumulator or from the heater-treater will be dumped
13 into a lined pit for further disposal.

14 Q Do you have an opinion, Mr. Mahfood, as to whether
15 this plant so designed will efficiently process, treat and
16 reclaim sediment oil?

17 A Yes, I think it will.

18 Q And this sediment oil is oil that would otherwise
19 be wasted and lost?

20 A That is correct.

21 Q Will Yates Petroleum Corporation be willing to
22 post the ten thousand dollar bond that is required by
23 Rule 312?

24 A Yes, they will.

25 Q Does Yates Petroleum Corporation understand that it

sid morrish reporting service
General Court Reporting Service
 825 Calle Mejia, No. 122, Santa Fe, New Mexico 875
 Phone (505) 982-9212

1 is required to report pipeline oil reclaimed by this plant
 2 to each operator and the lease from which it came?

3 A Yes.

4 Q And does Yates Petroleum Corporation understand that
 5 if one or more leases are commingled prior to reclaiming the
 6 oil through this plant that they must by a standard centrifugal
 7 test measure the oil from each lease?

8 A Yes.

9 Q Were Exhibits One and Two prepared by you or under
 10 your direction?

11 A Yes.

12 MR. LOSEE: We move their introduction.

13 MR. STAMETS: Exhibits One and Two will be admitted.

14 (THEREUPON, Applicants Exhibits One
 15 and Two were admitted into evidence.)

16 MR. LOSEE: We have nothing further in this case.

17

18 CROSS EXAMINATION

19 BY MR. STAMETS:

20 Q How large a sludge pit do you propose at this
 21 location?

22 A I imagine about fifty by forty.

23 Q How deep?

24 A About three feet deep.

25 Q And how long would you estimate that it would take

1 to fill the plant with unprocessable residue, or fill the
2 pit, not the plant?

3 A I suspect once a year or once every two years we
4 might have to burn off the flammable parts of this sediment,
5 this sludge.

6 Q What type of material will it be lined with?

7 A I would suggest a plastic lining for the bottom and
8 sides and then we will cover the sides with concrete or some
9 other kind of grout.

10 Q So you won't burn up the plastic lining?

11 A Right.

12 Q Will any water be going into this sludge pit?

13 A There will more than likely be some water going
14 into this sludge pit, yes.

15 Q Have you examined the lined pit requirements of
16 the Commission's Order R-3221-C?

17 A Yes, sir.

18 Q Will this pit be constructed with the precautions
19 that are set out in there, the sumps and so on?

20 A Yes.

21 Q Of course, there would be no need for some of the
22 other protections in there such as the skimming devices and
23 so on since you are going to be putting a mixture of
24 materials in there?

25 A That is correct, it should not be necessary.

sid morrish reporting service

General Court Reporting Service
825 Calle Mejia, No. 122, Santa Fe, New Mexico 87501
Phone (505) 982-9212

sid morrish reporting service

General Court Reporting Service
325 Calle Mejia, N.O. 122, Santa Fe, New Mexico 87501
Phone (505) 982-9212

1 Q How long will it take, say, the average barrel of
2 oil from the time it enters this emulsion tank until it is
3 ready to go out as merchantable oil?

4 A We feel like we can treat five hundred barrels in
5 an eight-hour period.

6 Q At this time do you have a rough idea of what you
7 are going to be starting out with as to volume?

8 A No, sir, we do know that from reports filed with
9 the Oil Commission that some fifteen thousand barrels of
10 fluid was processed in the four-month period the first part
11 of this year from our leases alone.

12 Q This would be primarily for Yates leases?

13 A Primarily, yes. Yates, of course, owns an interest
14 in the Eumont water flood process and more than likely we will
15 process their sediments.

16 MR. STAMETS: Any other questions of the witness?
17 He may be excused.

18 (THEREUPON, the witness was excused.)

19 MR. STAMETS: Anything further in this case? We
20 will take the case under advisement.

21 (THEREUPON, a discussion was held off
22 the record.)

23 MR. STAMETS: We will take a recess until one-thirty.

24 (THEREUPON, the hearing was in
25 recess.)

REPORTER'S CERTIFICATE

I, SIDNEY F. MORRISH, a Certified Shorthand Reporter,
do hereby certify that the foregoing and attached Transcript
of Hearing before the New Mexico Oil Conservation Commission
was reported by me, and the same is a true and correct record
of the said proceedings to the best of my knowledge, skill and
ability.

Sidney F. Morrish
Sidney F. Morrish, C.S.R.

sid morrish reporting service
General Court Reporting Service
825 Calle Mojia, No. 122, Santa Fe, New Mexico 87501
Phone (505) 982-9212

do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 5724
heard by me on 7-26, 19 76
Richard J. [Signature], Examiner
New Mexico Oil Conservation Commission

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
August 18, 1976

EXAMINER HEARING

IN THE MATTER OF:

Application of Yates Petroleum Corpora-
tion for an oil treating plant permit,
Eddy County, New Mexico.

CASE
5724

BEFORE: Richard L. Stamets, Examiner

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the New Mexico Oil
Conservation Commission:

William F. Carr, Esq.
Legal Counsel for the Commission
State Land Office Building
Santa Fe, New Mexico

sid morrish reporting service

General Court Reporting Service
825 Calle Mejia, No. 122, Santa Fe, New Mexico 87501
Phone (505) 982-9212

1 MR. STAMETS: We will call next Case 5724.

2 MR. CARR: Case 5724, application of Yates Petroleum
3 Corporation for an oil treating plant permit, Eddy County,
4 New Mexico.

5 Mr. Examiner, this case was heard at the last
6 Examiner Hearing in July, 1976 and there was an error in the
7 advertisement. The case has been reopened and readvertised
8 to correct that error.

9 MR. STAMETS: Does anybody wish to offer anything
10 further in Case 5724 today?

11 The case will be taken under advisement.
12
13
14
15
16
17
18
19
20
21
22
23
24
25

sid morrish reporting service

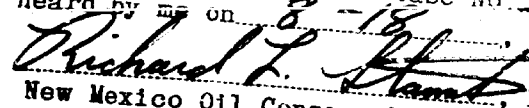
General Court Reporting Service
825 Calle Mejia, No. 122, Santa Fe, New Mexico 87501
Phone (505) 982-9212

REPORTER'S CERTIFICATE

I, SIDNEY F. MORRISH, a Certified Shorthand Reporter,
do hereby certify that the foregoing and attached Transcript
of Hearing before the New Mexico Oil Conservation Commission
was reported by me, and the same is a true and correct record
of the said proceedings to the best of my knowledge, skill and
ability.


Sidney F. Morrish, C.S.R.

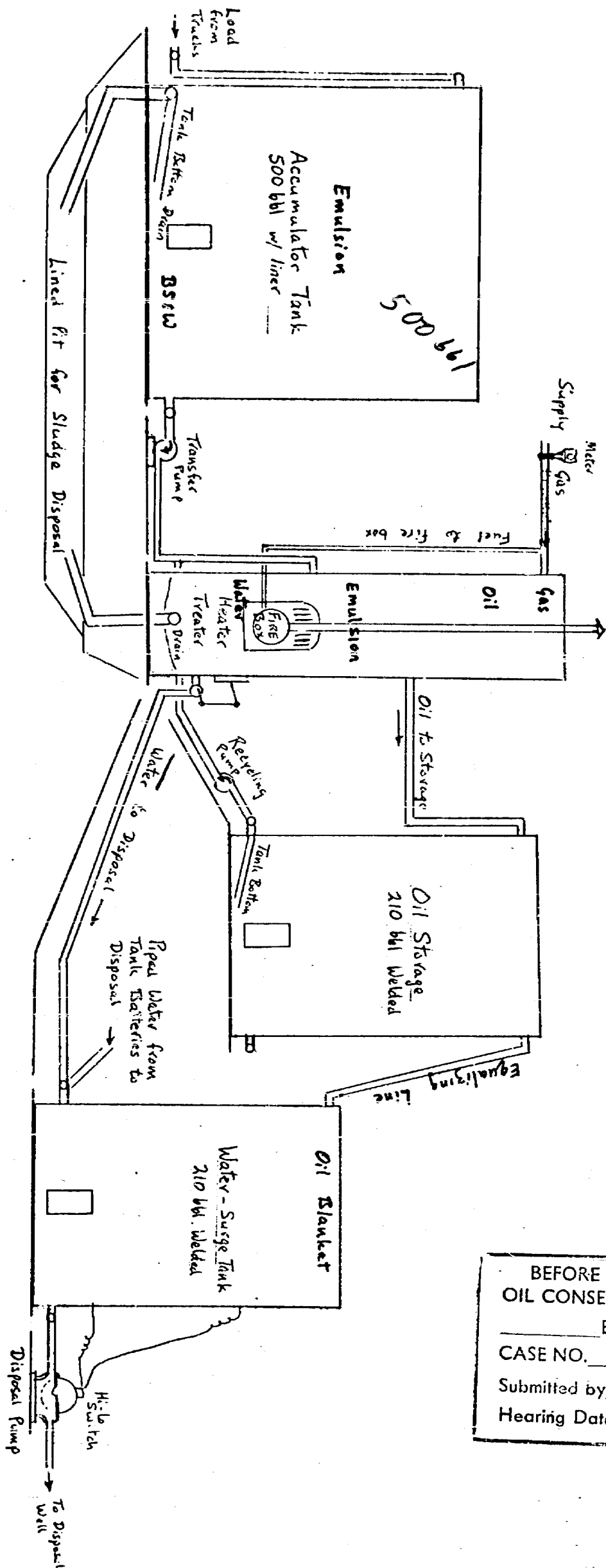
sid morish reporting service
General Court Reporting Service
825 Calle Mejia, No. 122, Santa Fe, New Mexico 87501
Phone (505) 982-9212

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 5724,
heard by me on 8-18-1976.

Richard L. Hunt, Examiner
New Mexico Oil Conservation Commission

| | |
|---|---|
| <p>1825</p> <p>1826</p> <p>1827</p> <p>1828</p> <p>1829</p> <p>1830</p> <p>1831</p> <p>1832</p> <p>1833</p> <p>1834</p> <p>1835</p> <p>1836</p> <p>1837</p> <p>1838</p> <p>1839</p> <p>1840</p> <p>1841</p> <p>1842</p> <p>1843</p> <p>1844</p> <p>1845</p> <p>1846</p> <p>1847</p> <p>1848</p> <p>1849</p> <p>1850</p> <p>1851</p> <p>1852</p> <p>1853</p> <p>1854</p> <p>1855</p> <p>1856</p> <p>1857</p> <p>1858</p> <p>1859</p> <p>1860</p> <p>1861</p> <p>1862</p> <p>1863</p> <p>1864</p> <p>1865</p> <p>1866</p> <p>1867</p> <p>1868</p> <p>1869</p> <p>1870</p> <p>1871</p> <p>1872</p> <p>1873</p> <p>1874</p> <p>1875</p> <p>1876</p> <p>1877</p> <p>1878</p> <p>1879</p> <p>1880</p> <p>1881</p> <p>1882</p> <p>1883</p> <p>1884</p> <p>1885</p> <p>1886</p> <p>1887</p> <p>1888</p> <p>1889</p> <p>1890</p> <p>1891</p> <p>1892</p> <p>1893</p> <p>1894</p> <p>1895</p> <p>1896</p> <p>1897</p> <p>1898</p> <p>1899</p> <p>1900</p> | <p>1901</p> <p>1902</p> <p>1903</p> <p>1904</p> <p>1905</p> <p>1906</p> <p>1907</p> <p>1908</p> <p>1909</p> <p>1910</p> <p>1911</p> <p>1912</p> <p>1913</p> <p>1914</p> <p>1915</p> <p>1916</p> <p>1917</p> <p>1918</p> <p>1919</p> <p>1920</p> <p>1921</p> <p>1922</p> <p>1923</p> <p>1924</p> <p>1925</p> <p>1926</p> <p>1927</p> <p>1928</p> <p>1929</p> <p>1930</p> <p>1931</p> <p>1932</p> <p>1933</p> <p>1934</p> <p>1935</p> <p>1936</p> <p>1937</p> <p>1938</p> <p>1939</p> <p>1940</p> <p>1941</p> <p>1942</p> <p>1943</p> <p>1944</p> <p>1945</p> <p>1946</p> <p>1947</p> <p>1948</p> <p>1949</p> <p>1950</p> <p>1951</p> <p>1952</p> <p>1953</p> <p>1954</p> <p>1955</p> <p>1956</p> <p>1957</p> <p>1958</p> <p>1959</p> <p>1960</p> <p>1961</p> <p>1962</p> <p>1963</p> <p>1964</p> <p>1965</p> <p>1966</p> <p>1967</p> <p>1968</p> <p>1969</p> <p>1970</p> <p>1971</p> <p>1972</p> <p>1973</p> <p>1974</p> <p>1975</p> <p>1976</p> <p>1977</p> <p>1978</p> <p>1979</p> <p>1980</p> <p>1981</p> <p>1982</p> <p>1983</p> <p>1984</p> <p>1985</p> <p>1986</p> <p>1987</p> <p>1988</p> <p>1989</p> <p>1990</p> <p>1991</p> <p>1992</p> <p>1993</p> <p>1994</p> <p>1995</p> <p>1996</p> <p>1997</p> <p>1998</p> <p>1999</p> <p>2000</p> |
|---|---|

Yates Petroleum Corp.

Diagrammatic Sketch of Treating Plant
to be located in Unit J, Section 25-18s-25E
Penasco Draw (Yaso, S.A.) Field, Eddy County, N.M.



| | |
|-----------------------------|------|
| BEFORE EXAMINER, STAMETS | |
| OIL CONSERVATION COMMISSION | |
| EXHIBIT NO. | 2 |
| CASE NO. | 5724 |
| Submitted by | |
| Hearing Date | |

7E AD
CASE 5724: Application of Yates Petroleum Corporation 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 purposes of treating and reclaiming sediment oil at a site in the SE/4 of Section 25, Township 17 South, Range 25 East, Eddy County, New Mexico.

CASE 5725: Application of General American Oil Company for extension of time for temporary abandonment, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks extension of time for temporary abandonment of certain wells in Eddy County, New Mexico. said wells being described as follows:

Township 16 South, Range 29 East:

Brewer Nos. 19 and 28 in Section 12; Brewer Nos. 11, 12, 14, 24, and 25 in Section 13; Brewer Nos. 3, 4, 5, 17, 18, 20, 21, 23, and 27 and Bosworth Nos. 1, 2, 3, and 4 in Section 14; and Nunlee Nos. 4, 5, and 6 in Section 35.

Township 16 South, Range 30 East:

Sivley No. 3 in Section 8.

Township 17 South, Range 29 East:

Keely "C" Nos. 10, 12, 18, 20, 25, and 37 in Section 25; Keely "B" No. 15 in Section 26; Green "A" Nos. 1 and 4 in Section 29; State B108 No. 1 in Section 32; and State B1778 Nos. 1 and 3 and State B4458 No. 2 in Section 36.

Township 17 South, Range 30 East:

Burch "A" Nos. 23 and 24 in Section 19; Dexter "E" No. 2 in Section 20; Parke "E" No. 2 in Section 22; Grayburg D. U. No. 5 in Section 25; Maddren "B" Nos. 6 and 9 in Section 27; Beeson "F" No. 9 in Section 29; Grayburg D. U. Nos. 4 and 6 in Section 30; Beeson "F" Nos. 1, 3, 4, 5, 6, 12, 13, 14, and 16 in Section 31; and Arnold "D" Nos. 8 and 9 in Section 34.

Three of the above wells are undesignated and the others are variously located in the High Lonesome, West Square Lake, Grayburg Jackson, Ioco Hills, and West Henshaw Premier Pools.

CASE 5695: (Continued from June 23, 1976, Examiner Hearing)

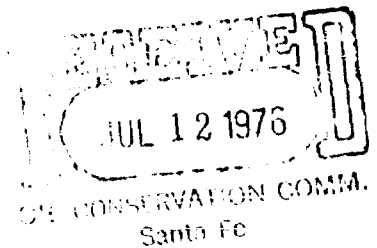
Application of Yates Petroleum Corporation for an unorthodox oil well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its J Lazy J Well No. 13, to be drilled as the 5th well on the 40-acre tract, in the center of Unit G, of Section 22, Township 17 South, Range 25 East, Eagle Creek-San Andres Pool, Eddy County, New Mexico.

A. J. LOSEE
JOEL M. CARSON
CHAD DICKERSON

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

AREA CODE 505
746-3508

9 July 1976



Mr. Joe E. Ramey, Director
Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

Case 5724

Re: Application of Yates Petroleum Corporation
for a Treating Plant Permit

Dear Mr. Ramey:

Please correct by interlineation the estimated capacity of
the plant in the subject application from 500,000 to 500
barrels per day.

Very truly yours,

LOSEE & CARSON, P.A.


A. J. Losee

AJL:jw

cc: Mr. Eddie Mahfood

Dockets Nos. 24-76 and 25-76 are tentatively set for hearing on September 1 and 15, 1976. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - AUGUST 18, 1976

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

The following cases will be heard before Richard L. Stamets, Examiner, or Daniel S. Nutter, Alternate Examiner:

- ALLOWABLE: (1) Consideration of the allowable production of gas for September, 1976, from seventeen prorated pools in Lea, Eddy, Chaves, and Roosevelt Counties, New Mexico.
- (2) Consideration of the allowable production of gas for September, 1976, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.

CASE 5731: Application of Texaco, Inc. for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle Elinebry, Drinkard, and Tubb production in the wellbore of its C. H. Lockhart Federal Well No. 6 located in Unit G of Section 18, Township 22 South, Range 38 East, Lea County, New Mexico.

CASE 5725: Application of General American Oil Company for extension of time for temporary abandonment, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks extension of time for temporary abandonment of certain wells in Eddy County, New Mexico, said wells being described as follows:

Township 16 South, Range 29 East:

Brewer Nos. 19 and 20 in Section 12; Brewer Nos. 11, 12, 14, 24, and 25 in Section 13; Brewer Nos. 3, 4, 5, 17, 18, 20, 21, 23, and 27 and Bosworth Nos. 1, 2, 3, and 4 in Section 14; and Nunlee Nos. 4, 5, and 6 in Section 35;

Township 16 South, Range 30 East:

Sivley No. 3 in Section 8;

Township 17 South, Range 29 East:

Keely "C" Nos. 10, 12, 18, 20, 25, and 37 in Section 25; Grayburg D. U. No. 5 in Section 25; Keely "B" No. 15 in Section 26; Green "A" Nos. 1 and 4 in Section 29; and State B1778 Nos. 1 and 3 and State B458 No. 2 in Section 36;

Township 17 South, Range 30 East:

Burch "A" Nos. 23 and 24 in Section 19; Dexter "E" No. 2 in Section 20; Parke "E" No. 2 in Section 22; Maddren "B" Nos. 6 and 9 in Section 27; Beeson A No. 2 in Section 28; Beeson "F" No. 4 in Section 29; Grayburg D. U. Nos. 4 and 6 in Section 30; Beeson "F" Nos. 1, 3, 4, 5, 6, 12, 13, 14, and 15 in Section 31; State B4108 No. 1 in Section 32; and Arnold "D" Nos. 8 and 9 in Section 34.

Three of the above wells are undesignated and the others are variously located in the High Lonesome, West Square Lake, Grayburg Jackson, Loco Hills, and West Henshaw Premier Pools.

CASE 5732: Application of Yates Petroleum Corporation for downhole commingling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle Morrow and Strawn production in the wellbore of its Roden Federal GD Well No. 1 located in Unit I of Section 23, Township 19 South, Range 24 East, Eddy County, New Mexico.

CASE 5733: Application of Yates Petroleum Corporation for an unorthodox location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox gas well location of its Jackson GM Well No. 1 to be drilled at a point 660 feet from the South line and 1650 feet from the West line of Section 24, Township 17 South, Range 25 East, Eddy County, New Mexico, to test the Morrow formation, the W/2 of said Section 24 to be dedicated to the well.

CASE 5734: Application of Yates Petroleum Corporation for an unorthodox location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox gas well location of its Federal GL Well No. 1 to be drilled at a point 660 feet from the South and West lines of Section 33, Township 17 South, Range 25 East, Eddy County, New Mexico, to test the Morrow formation, the S/2 of said Section 33 to be dedicated to the well.

CASE 5724: Application of Yates Petroleum Corporation 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 purposes of treating and reclaiming sediment oil at a site in the SE/4 of Section 25, Township 18 South, Range 25 East, Eddy County, New Mexico.

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. 5724
Order No. R-5259

APPLICATION OF YATES PETROLEUM
CORPORATION 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 August 18, 1976, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 31st day of August, 1976, 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, Yates Petroleum Corporation, seeks authority for the construction and operation of an oil treating plant for the purposes of treating and reclaiming sediment oil at a site in the SE/4 of Section 25, Township 18 South, Range 25 East, NMPM, Eddy County, New Mexico, for the reclamation of sediment oil to be obtained from tank bottoms and waste pits.

(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 wasted.

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

IT IS THEREFORE ORDERED:

(1) That the applicant, Yates Petroleum Corporation, is hereby authorized to construct and operate an oil treating plant, utilizing heat, solvents, and chemicals, in the SE/4 of Section 25, Township 18 South, Range 25 East, NMPM, Eddy County, New Mexico, for the purpose of treating and reclaiming sediment oil to be obtained from tank bottoms and waste pits;

-2-

Case No. 5724
Order No. R-5259

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.

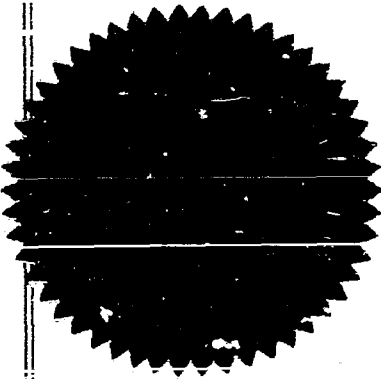
(2) That the operator of the above-described oil treating plant shall clear and maintain in a condition clear of all debris and vegetation a fireline at least 15 feet in width and encircling the tract upon which the plant is located.

(3) That 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.

(4) 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


Phil R. Lucero
PHIL R. LUCERO, Chairman

EMERY C. ARNOLD, Member

Joe D. Ramey
JOE D. RAMEY, Member & Secretary

S E A L

jr/

A. J. LOSEE
JOEL M. CARSON
CHAD DICKERSON

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

AREA CODE 505
746-3508
JUL 8 - 1976
OIL CONSERVATION COMM.

7 July 1976

Mr. Joe E. Ramey, Director
Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

Dear Mr. Ramey:

Enclosed, please find three copies of the application of
Yates Petroleum Corporation for a treating plant permit.
We understand that this matter has been set for hearing
before an examiner on July 21, 1976.

Very truly yours,

LOSEE & CARSON, P.A.


A. J. Losee

AJL:jw
Enclosures

cc w/enclosure: Mr. Eddie Mahfood

BEFORE THE OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF :
YATES PETROLEUM CORPORATION FOR A : CASE NO. _____
TREATING PLANT PERMIT :
_____ :

APPLICATION

COMES YATES PETROLEUM CORPORATION, applicant herein,
by its attorneys, and states:

1. This application for a treating plant permit is
filed pursuant to Rule 312 of the Rules of the New Mexico Oil
Conservation Commission.

2. The proposed location of the treating plant is in
the SE/4 Section 25, Township 17 South, Range 25 East, N.M.P.M.,
Eddy County, New Mexico.

3. Applicant proposes to transport by truck the sedi-
ment oil from various leases and deliver it into a settling tank
where it will be circulated with a Jensen 1/2-horsepower pump
through a 250,000 BTU Texas Ironworks heater and delivered into
500 barrels of storage. The estimated capacity of the plant is
500,000 barrels per day.

4. If this application is approved and before begin-
ning actual operations, applicant will 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 Con-
servation Commission of New Mexico.

5. That the proposed plant and method of processing will efficiently process, treat and reclaim sediment oil, thereby salvaging oil which would otherwise be wasted.

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 hearing, an order be entered granting applicant a treating plant permit pursuant to Rule 312 of the New Mexico Oil Conservation Commission.

YATES PETROLEUM CORPORATION

By: 

A. J. Losee, for

LOSEE & CARSON, P.A.
P. O. Drawer 239
Artesia, New Mexico 88210

Attorneys for Applicant

BEFORE THE OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF :
YATES PETROLEUM CORPORATION FOR A : CASE NO. _____
TREATING PLANT PERMIT :
_____ :

APPLICATION

COMES YATES PETROLEUM CORPORATION, applicant herein,
by its attorneys, and states:

1. This application for a treating plant permit is filed pursuant to Rule 312 of the Rules of the New Mexico Oil Conservation Commission.
2. The proposed location of the treating plant is in the SE/4 Section 25, Township 17 South, Range 25 East, N.M.P.M., Eddy County, New Mexico.
3. Applicant proposes to transport by truck the sediment oil from various leases and deliver it into a settling tank where it will be circulated with a Jensen 1/2-horsepower pump through a 250,000 BTU Texas Ironworks heater and delivered into 500 barrels of storage. The estimated capacity of the plant is 500,000 barrels per day.
4. If this application is approved and before beginning actual operations, applicant will 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 of New Mexico.

5. That the proposed plant and method of processing will efficiently process, treat and reclaim sediment oil, thereby salvaging oil which would otherwise be wasted.

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 hearing, an order be entered granting applicant a treating plant permit pursuant to Rule 312 of the New Mexico Oil Conservation Commission.

YATES PETROLEUM CORPORATION

By: 

A. J. Losee, for

LOSEE & CARSON, P.A.
P. O. Drawer 239
Artesia, New Mexico 88210

Attorneys for Applicant

BEFORE THE OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF :
YATES PETROLEUM CORPORATION FOR A : CASE NO. _____
TREATING PLANT PERMIT :
_____ :

APPLICATION

COMES YATES PETROLEUM CORPORATION, applicant herein,
by its attorneys, and states:

1. This application for a treating plant permit is filed pursuant to Rule 312 of the Rules of the New Mexico Oil Conservation Commission.
2. The proposed location of the treating plant is in the SE/4 Section 25, Township 1 $\frac{1}{2}$ South, Range 25 East, N.M.P.M., Eddy County, New Mexico.
3. Applicant proposes to transport by truck the sediment oil from various leases and deliver it into a settling tank where it will be circulated with a Jensen 1/2-horsepower pump through a 250,000 BTU Texas Ironworks heater and delivered into 500 barrels of storage. The estimated capacity of the plant is 500,000 barrels per day.
4. If this application is approved and before beginning actual operations, applicant will 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 of New Mexico.

5. That the proposed plant and method of processing will efficiently process, treat and reclaim sediment oil, thereby salvaging oil which would otherwise be wasted.

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 hearing, an order be entered granting applicant a treating plant permit pursuant to Rule 312 of the New Mexico Oil Conservation Commission.

YATES PETROLEUM CORPORATION

By: 

A. J. Losee, for

LOSEE & CARSON, P.A.
P. O. Drawer 239
Artesia, New Mexico 88210

Attorneys for Applicant

DRAFT

dr/

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. 5724

Order No. R- 5259

APPLICATION OF YATES PETROLEUM
CORPORATION FOR AN OIL TREATING
PLANT PERMIT, EDDY COUNTY, NEW MEXICO.

JAR *don* *Wk*
ORDER OF THE COMMISSION

Ref
BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on August 18
July 27, 19 76, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this day of , 19 76, 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, Yates Petroleum Corporation, seeks
authority for the construction and operation of an oil treating
plant for the purposes of treating and reclaiming sediment oil at
a site in the SE/4 of Section 25, Township 18 South, Range 25 East,
NMPM, Eddy County, New Mexico, for the reclamation of sediment
oil to be obtained from tank bottoms and waste pits.

-2-
Case No. 5724
Order No. R-

(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 wasted.

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

IT IS THEREFORE ORDERED:

(1) That the applicant, Yates Petroleum Corporation, is hereby authorized to construct and operate an oil treating plant, utilizing heat, solvents, and chemicals, in the SE/4 of Section 25, Township 18 South, Range 25 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-
Case No. 5724
Order No. R-

(3) 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.

(4) 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.