

CASE 6660: B. & W. OIL RECLAIMING FOR
AN OIL TREATING PLANT PERMIT, EDDY
COUNTY, NEW MEXICO

Cont to
Oct 2

CASE NO.

6660

APPLICATION,
TRANSCRIPTS,
SMALL EXHIBITS,
ETC.

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
Oil Conservation Division
State Land Office Bldg.
Santa Fe, New Mexico
2 October 1979

EXAMINER HEARING

IN THE MATTER OF:

Application of B. & W. Oil Reclaim-) CASE
ing for an oil treating plant permit,) 6660
Eddy County, New Mexico.)

BEFORE: Richard L. Stamets

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation
Division:

Ernest L. Padilla, Esq.
Legal Counsel for the Division
State Land Office Bldg.
Santa Fe, New Mexico 87503

For the Applicant:

Fred Watson, Esq.
Artesia, New Mexico

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3020 Plaza Blanca (S.W.) 411-4402
Santa Fe, New Mexico 87501

INDEX

FRANK BOYCE

Direct Examination by Mr. Watson 3

ROLAND WILLBANKS

Direct Examination by Mr. Watson 7

Cross Examination by Mr. Stamets 14

EXHIBITS

Applicant Exhibit One, Plat 4

Applicant Exhibit Two, Document 5

Applicant Exhibit Three, Diagram 9

Applicant Exhibit Four, Statement

Applicant Exhibit Five, Statement

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3029 Plaza Mexico (666) 471-3413
Santa Fe, New Mexico 87501

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3030 Plaza Blanca (S.E.) 471-2462
Santa Fe, New Mexico 87501

1 MR. STAMETS: Call next Case Number 6660.

2 MR. PADILLA: Application of B. & W. Oil
3 Reclaiming for an oil treating plant permit, Eddy County,
4 New Mexico.

5 MR. WATSON: Mr. Examiner, Fred Watson
6 from Artesia, attorney for the applicant in this case. I
7 would anticipate that we would have two witnesses, one for
8 the -- to show the land where this is located and the other
9 to show the process. Both of the applicants are here.

10 MR. STAMETS: I'd like to have both of
11 the witnesses stand and be sworn, please.

12
13 (Witnesses sworn.)

14
15 FRANK BOYCE
16 being called as a witness and having been duly sworn upon
17 his oath, testified as follows, to-wit:

18
19 DIRECT EXAMINATION

20 BY MR. WATSON:

21 Q For the record, will you state your name,
22 please, sir?

23 A Frank Boyce.

24 Q You are one of the applicants and a member
25 of the company called B. & W. Oil Reclaiming?

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
2020 Plaza, Bismarck (ND) 58101-2462
Bismarck, ND, New Mexico 58101

1 A Yes.

2 Q With reference to the permit sought here

3 in this case?

4 A Yes.

5 Q I'll hand you what's been marked on the

6 back as Applicant's Exhibit Number One. I'll ask you to

7 describe that. Is that just a plat or an area map of the

8 area?

9 A Yes, it is.

10 Q And your land is located in Section 34,

11 Township 18 South, Range 26 East?

12 A Yes, that's right.

13 Q In Eddy County. How far is the -- and

14 the plant site is colored in red. It's ten acres down in

15 the northeast corner, is that correct?

16 A Yes, sir.

17 Q And that's where your reclaiming plant

18 will be located if the permit is approved.

19 A That's correct.

20 Q And you're a considerable distance from

21 Artesia. Have you calculated that?

22 A It's 13 miles.

23 Q 8 south and 2 or 3 east, in other words.

24 A Yes.

25 Q Approximately 13 miles from the City of

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3020 Plaza Blanca (666) 471-2462
Santa Fe, New Mexico 87501

1 Artesia. Are there any other heavily inhabited areas in
2 where this plant will be located?

3 A Well, just the little town of Atoka, which
4 is 8 miles, approximate.

5 Q Is there -- how far are the nearest resi-
6 dential properties from this plant site?

7 A The closest residential area would be
8 approximately 2 miles.

9 Q Okay, and that's sparse settlement, is
10 that right?

11 A Yes, there's just two persons down in that
12 area.

13 Q And the land where your plant will locate,
14 that is fee land, it would be fee located, it's fee land
15 owned by you, is that correct?

16 A Yes, that's correct.

17 Q What kind of land is it?

18 A It's just pasture land.

19 Q Unimproved pasture land?

20 A Unimproved pasture land.

21 Q Now I'll hand you what's been marked on
22 the back as Applicant's Exhibit Number Two and ask you if
23 that shows the lands that you own in this area? Roughly?

24 A Yes.

25 Q In other words, you own the entire northeast

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3030 Plaza Blanca (595) 411-2462
Santa Fe, New Mexico 87501

1 quarter of Section 34, Township 18 South, Range 26 East.

2 A. Yes.

3 Q. You also own land north of the road, which
4 is at the north to that section.

5 A. Yes, that's right.

6 Q. You own the east half of the southwest
7 corner -- quarter, the west half of the southeast quarter,
8 the southeast quarter of the southeast quarter, and those
9 other small 10-acre tracts?

10 A. Yes, that's right.

11 Q. In other words, you'll not be -- in locating
12 your plant you'll not be abutting it against the land of any
13 other person.

14 A. No, that's correct. It will be just on --
15 quite a distance from anyone's property -- anyone else's
16 property.

17 Q. Have you calculated where this will be
18 located in the northeast quarter? For instance, approximately
19 how far is it from -- from the north 660?

20 A. From the north?

21 Q. Yeah.

22 A. No.

23 Q. Is it about --

24 A. One quarter.

25 Q. Is it about 330 from the north line?

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3030 Plaza Blanca (SOS) 471-2462
Santa Fe, New Mexico 87501

1 A 330 from the north line.
2 Q And about what, 600 feet?
3 A About 600 feet from the other line.
4 Q From the east line of Section 34?
5 A Right.
6 Q Okay.
7 MR. WATSON: That was the main purpose of
8 having this witness and the process will be described by
9 Mr. Willbank.
10 MR. STAMETS: Okay. Any questions of Mr.
11 Boyce? He may be excused.
12
13 ROLAND WILLBANKS
14 being called as a witness and having been duly sworn upon
15 his oath, testified as follows, to-wit:
16
17 DIRECT EXAMINATION
18 BY MR. WILLBANKS:
19 Q Now, let me hand you what's been marked as
20 Applicant's Exhibit -- wait, first, you're Roland L. Will-
21 banks?
22 A Yes, sir.
23 Q And you're one of the applicants for this
24 oil sediment treating plant?
25 A Yes, I am.

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3020 Plaza, Alhambra (661) 471-2402
Santa Fe, New Mexico 87501

1 Q You'll be one of the partners in the B. &
2 W. Reclaiming, --
3 A Yes.
4 Q -- the operators of this plant?
5 A Uh-huh.
6 Q What is your experience in the oil business,
7 Mr. Willbanks?
8 A Well, I've -- I've been involved in hot
9 oil work since '74. In fact I operated a treating plant for
10 Tank Service for about two years and I've been in the hot oil
11 business for four years, and I've been involved in production
12 with Amoco Production.
13 Q How long were you with Amoco?
14 A About five years.
15 Q And you presently operate your own business,
16 known as Willbanks Hot Oil Service?
17 A Yes.
18 Q Headquartered?
19 A In Artesia.
20 Q In Artesia? In Riverside, New Mexico, near
21 Artesia.
22 A Uh-huh.
23 Q You have not oil units, in other words.
24 A Yes, sir.
25 Q That would be available. Okay, Mr. Will-

1 banks, I'll ask you what's -- I'll hand you what's been
2 marked as Applicant's Exhibit Number Three and ask you to
3 describe that for the Examiner, please.

4 A. Okay. What we have is one 400-barrel
5 storage tank, which we'll use to bring this sediment oil into
6 store, and then we have on the south end here, we have two
7 210-barrel sales tanks, which we'll use to transfer the oil
8 out of the storage tanks into these sales tanks and treat
9 it out in the sales tanks. And then what waste we have we'll
10 bleed it off into this 250-barrel waste tank, which will be
11 a fibreglass tank, which all of this waste will be trucked
12 out. We'll truck to Lea County Disposal to dispose of it.
13 And of course we'll also have a firewall, which will be a
14 3-foot dike, 120 feet by 120 feet, which will enclose the
15 process area.

16 And as far as the treating process itself,
17 we intend to do this with my hot oil units, which is just a
18 truck-mounted heater.

19 MR. STAMETS: Will you be moving the fluid
20 to the area in this hot oil truck?

21 A. No, we we use a vacuum truck. I've got
22 vacuum trucks that we intend to incorporate into this B. &
23 W. business.

24 Q. Now will you please describe for the Exa-
25 miner what's been marked Exhibit Four?

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
2018 Plaza Blanca (995) 471-2462
Santa Fe, New Mexico 87501

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
2039 Plaza Blanca (SOS) 471-2462
Santa Fe, New Mexico 87501

1 That's simply a statement as to the type
2 of equipment, is it not?

3 A. Okay, the one tank will be a fibreglass
4 water and waste tank, which will be equipped with --- all
5 tanks except the fibreglass water tank will be equipped with
6 vapor-proof positive-seal thief hatches, and of course the
7 fibreglass tank will be an open top tank, and this will be
8 strictly for holding the waste that we bleed off the pro-
9 cessed oil.

10 No portion of the treating system from
11 storage tank through treating process and into the sales
12 tank will permit of or involve any emissions into the atmos-
13 phere. The storage tank, sales tank, treating lines, drain
14 lines, and pipeline will be metal. The proposed water and
15 waste tank will be an open top 250-barrel fibreglass tank,
16 and the firewall approximately 120 feet square will be
17 constructed as an earth dike three feet high.

18 Q Basically, then, that, with the hot oil
19 units, will be your equipment --

20 A. Yes, sir.

21 Q -- for the operation of the plant?

22 A. Yes, sir.

23 Q Finally I'll hand you what's been marked
24 as Applicant's Exhibit Number Five, which described the
25 treating process. I believe you've been through part of

1 that but if you'll just review that as quickly as possible
2 for the --

3 A Sediment oil from tank bottoms and pits on
4 various leases located within a radius of about 50 miles
5 from the plant will be trucked by vacuum truck to the treating
6 plant and put into the 400-barrel storage tank.

7 The sediment oil will be treated with hot
8 oil units of Willbanks Hot Oil Service, Incorporated. Suction
9 will be pulled off from a storage tank and discharged into
10 bottom of sales tanks after pumping through heater on hot
11 oil unit. Chemicals will be added and oil will be heated to
12 135 degrees Fahrenheit.

13 Oil in sales tanks will be allowed to sit
14 for 24 hours to allow water and heavy sediment to settle to
15 bottom of tank. Water from sales tanks will be bled to 250
16 barrels water and waste tank to be trucked off for proper
17 disposal at later times as required.

18 Further, the heavy sediment, which will be
19 mostly paraffin, will be bled to the water and waste tank
20 and trucked to a permitted disposal facility from time to time
21 as necessary.

22 Q In other words, that describes your pro-
23 cess and the waste material, we've amended the application.
24 There will be no pit burning or anything.

25 A No.

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3930 Park Blauvelt (305) 471-4462
Santa Fe, New Mexico 87501

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3030 Plaza Blanca (S.E.) 471-4463
Santa Fe, New Mexico 87501

1 Q The waste material will be removed from
2 the site and taken to the Lea County Disposal.

3 A Yes, sir.

4 Q By truck.

5 A Yes, sir.

6 Q And it will be a closed system, then, in
7 that there will be no emissions into the atmosphere during
8 the process.

9 A Yes, sir, that's true.

10 Q Now you're fully familiar with these ex-
11 hibits that have been testified to and they were prepared
12 from your notes and at your direction, is that correct?

13 A Yes, sir.

14 Q Mr. Willbanks, are you and Mr. Boyce aware
15 that you must post a bond, a \$10,000 performance bond, with
16 the Division prior to commencing operations?

17 A Yes, sir, we are.

18 Q And you've taken the preliminaries to ob-
19 tain that bond.

20 A Yes, we have.

21 Q And will post it before beginning operations
22 if this permit is granted.

23 A Yes, sir, we will.

24 Q Will this process treat and reclaim as
25 useable crude oil sediment oil which would otherwise be

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3026 Plaza Blanca (665) 411-2462
Santa Fe, New Mexico 87501

1 wasted?

2 A Yes, sir, this is true. This is all the
3 oil that's just disposed of.

4 Q In other words it's considered wasted and
5 disposed of and it's just picked up and treated.

6 A Yes, sir, it's just wasted oil on tank
7 bottoms that normally are disposed of or else oil that had
8 been bled to pits.

9 Q What's your capacity on this plant?

10 A It would be about 180 barrels a day, would
11 be maximum capacity.

12 Q And of that would a portion be waste or
13 would that be the recovered oil?

14 A Well, that would be the recovered 180 a
15 day, would be a maximum recovery, which normally, of the
16 waste, it's about 65 percent recovery and about 35 percent
17 waste.

18 MR. WATSON: The applicant's move the in-
19 troduction of their Exhibits One, Two, Three, Four, and Five.

20 MR. STAMETS: These exhibits will be ad-
21 mitted.

22 MR. WATSON: The applicants rest.

23 CROSS EXAMINATION

24
25 BY MR. STAMETS:

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3020 Plaza Blanca (505) 471-5452
Santa Fe, New Mexico 87501

1 Q Mr. Willbanks, I presume you will have no
2 pits at this site.
3 A No, sir, there will be no pits at all.
4 Q And if you should ever have a spill you've
5 got the equipment to clean it up at the site.
6 A Yes, we've got it already.
7 Q And I presume you intend to file all the
8 reports that are required.
9 A Yes, sir, I'm pretty familiar with these
10 reports and everything because I have -- I operated a treating
11 plant for about two years and then Yates Petroleum as a re-
12 claiming permit themselves and I've been in the process of
13 reclaiming their oil for them in which I've had to handle
14 the proper paper work for transferring the oil.
15 MR. STAMETS: Any other questions of the
16 witness? He may be excused.
17 Anything further in this case?
18 The case will be taken under advisement.
19
20 (Hearing concluded.)
21
22
23
24
25

REPORTER'S CERTIFICATE

I, SALLY W. BOYD, a court reporter, DO HEREBY
CERTIFY that the foregoing and attached Transcript of Hearing
before the Oil Conservation Division was reported by me;
that the said transcript is a full, true, and correct record
of the hearing, prepared by me to the best of my ability from
my notes taken at the time of the hearing.

Sally W. Boyd, C.S.R.

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. _____
heard by me on _____ 19____.

_____, Examiner
Oil Conservation Division

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
2010 Plaza Blanca (S95) 471-2462
Santa Fe, New Mexico 87501

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
Oil Conservation Division
State Land Office Building
Santa Fe, New Mexico
19 September 1979

EXAMINER HEARING

IN THE MATTER OF:

Application of B. & W. Oil Re-
claiming for an oil treating
plant permit, Eddy County, New
Mexico.

CASE
6660

BEFORE: Daniel S. Nutter

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation
Division:

Ernest L. Padilla, Esq.
Legal Counsel for the Division
State Land Office Bldg.
Santa Fe, New Mexico 87503

SALLY WALTON BOYD
CERTIFIED SHOOTING REPORTER
3020 Plaza Blanca (906) 471-2463
Santa Fe, New Mexico 87501

1 MR. NUTTER: We'll call next Case Number
2 6660.

3 MR. PADILLA: Application of B. & W. Oil
4 Reclaiming for an oil treating plant permit, Eddy County,
5 New Mexico.

6 MR. NUTTER: Applicant has requested that
7 this case be continued.

8 Case Number 6660 will be continued to the
9 Examiner Hearing scheduled to be held at this same place at
10 9:00 o'clock a. m. October 2nd, 1979.

11
12 (Hearing concluded.)
13
14
15
16
17
18
19
20
21
22
23
24
25

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
2030 Plaza, El Paso, Texas (956) 471-2465
Banda Pa, New Mexico 87301

REPORTER'S CERTIFICATE

I, SALLY W. BOYD, a court reporter, DO HEREBY
CERTIFY THAT THE FOREGOING and attached Transcript of Hearing
before the Oil Conservation Division was reported by me;
that the said transcript is a full, true, and correct record
of the hearing, prepared by me to the best of my ability,
from my notes taken at the time of the hearing.

Sally W. Boyd, C.S.R.

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 6669
heard by me on 9/19 1979.

[Signature], Examiner
Oil Conservation Division

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
1018 Plaza Blanca (SOS) 471-4162
San Antonio, Texas 78204

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
Oil Conservation Division
State Land Office Building
Santa Fe, New Mexico
19 September 1979

EXAMINER HEARING

IN THE MATTER OF:

Application of B. & W. Oil Re-
claiming for an oil treating
plant permit, Eddy County, New
Mexico.

CASE
6660

BEFORE: Daniel S. Nutter

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation
Division:

Ernest L. Padilla, Esq.
Legal Counsel for the Division
State Land Office Bldg.
Santa Fe, New Mexico 87503

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
2020 Plaza Blanca (505) 471-4462
Santa Fe, New Mexico 87501

1 MR. NUTTER: We'll call next Case Number
2 6660.

3 MR. PADILLA: Application of B. & W. Oil
4 Reclaiming for an oil treating plant permit, Eddy County,
5 New Mexico.

6 MR. NUTTER: Applicant has requested that
7 this case be continued.

8 Case Number 6660 will be continued to the
9 Examiner Hearing scheduled to be held at this same place at
10 9:00 o'clock a. m. October 2nd, 1979.

11
12 (Hearing concluded.)
13
14
15
16
17
18
19
20
21
22
23
24
25

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3020 Plaza Blanca (800) 471-8402
Santa Fe, New Mexico 87501

REPORTER'S CERTIFICATE

I, SALLY W. BOYD, a court reporter, DO HEREBY
CERTIFY THAT THE FOREGOING and attached Transcript of Hearing
before the Oil Conservation Division was reported by me;
that the said transcript is a full, true, and correct record
of the hearing, prepared by me to the best of my ability,
from my notes taken at the time of the hearing.

Sally W. Boyd C.S.R.
Sally W. Boyd, C.S.R.

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 6669
heard by me on 9/19 1979.

[Signature] Examiner
Oil Conservation Division

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3030 Pina Blauas (505) 471-2452
Santa Fe, New Mexico 87501

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

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

CASE NO. 6660
Order No. R-6144

APPLICATION OF B. & W. OIL
RECLAIMING FOR AN OIL TREATING
PLANT PERMIT, EDDY COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on October 2, 1979, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 18th day of October, 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, B. & W. Oil Reclaiming, seeks authority to construct and operate a chemical and heat-treatment type oil treating plant in the NE/4 NE/4 NE/4 of Section 34, Township 18 South, Range 26 East, NMPM, Eddy County, New Mexico, for the reclamation of up to approximately 180 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 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.

-2-

Case No. 6660

Order No. R-6144

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

IT IS THEREFORE ORDERED:

(1) That the applicant, B. & W. Oil Reclaiming, is hereby authorized to install and operate a chemical and heat-treatment type oil treating plant in the NE/4 NE/4 NE/4 of Section 34, Township 18 South, Range 26 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 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.

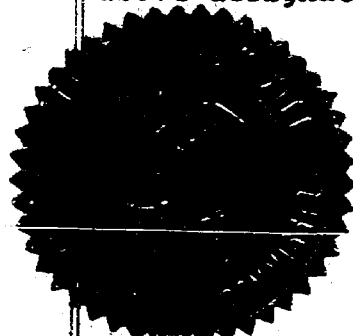
(4) That the disposal of waste water accumulated in conjunction with the operation of the above-described plant on the surface of the ground, or in any pit, pond, lake, depression, draw, streambed, or arroyo, or in any watercourse, or in any other place or in any manner which will constitute a hazard 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. 6660
Order No. R-6144

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



S E A L

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

Joe D. Ramey
JOE D. RAMEY
Director

fd/



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

POST OFFICE BOX 2008
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-2434

October 18, 1979

Mr. Fred A. Watson
Watson & Watson
Attorneys at Law
P. O. Drawer E
Artesia, New Mexico 88210

Re: CASE NO. 6660
ORDER NO. R-6144

Applicant:

B. & W. Reclaiming

Dear Sir:

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

Yours very truly,

JOE D. RAMEY
Director

JDR/fd

Copy of order also sent to:

Hobbs OCD	<u>y</u>
Artesia OCD	<u>x</u>
Aztec OCD	

Other

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
Oil Conservation Division
State Land Office Bldg.
Santa Fe, New Mexico
2 October 1979

EXAMINER HEARING

IN THE MATTER OF:

Application of B. & W. Oil Reclaim-
ing for an oil treating plant permit,
Eddy County, New Mexico.

CASE
6660

BEFORE: Richard L. Stamets

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation
Division:

Ernest L. Padilla, Esq.
Legal Counsel for the Division
State Land Office Bldg.
Santa Fe, New Mexico 87503

For the Applicant:

Fred Watson, Esq.
Artesia, New Mexico

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3030 Plaza Blanca (SSE) 471-2462
Santa Fe, New Mexico 87501

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

FRANK BOYCE

Direct Examination by Mr. Watson 3

ROLAND WILLBANKS

Direct Examination by Mr. Watson 7

Cross Examination by Mr. Stamets 14

E X H I B I T S

Applicant Exhibit One, Plat 4

Applicant Exhibit Two, Document 5

Applicant Exhibit Three, Diagram 9

Applicant Exhibit Four, Statement

Applicant Exhibit Five, Statement

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3028 Plaza Blanca (886) 471-2482
Santa Fe, New Mexico 87501

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3020 Plaza Blanca (665) 471-2462
Santa Fe, New Mexico 87501

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

MR. STAMETS: Call next Case Number 6660.

MR. PADILLA: Application of B. & W. Oil Reclaiming for an oil treating plant permit, Eddy County, New Mexico.

MR. WATSON: Mr. Examiner, Fred Watson from Artesia, attorney for the applicant in this case. I would anticipate that we would have two witnesses, one for the -- to show the land where this is located and the other to show the process. Both of the applicants are here.

MR. STAMETS: I'd like to have both of the witnesses stand and be sworn, please.

(Witnesses sworn.)

FRANK BOYCE

being called as a witness and having been duly sworn upon his oath, testified as follows, to wit:

DIRECT EXAMINATION

BY MR. WATSON:

Q For the record, will you state your name, please, sir?

A Frank Boyce.

Q You are one of the applicants and a member of the company called B. & W. Oil Reclaiming?

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3020 Plaza Blanca (995) 471-2493
Santa Fe, New Mexico 87501

1 A. Yes.

2 Q With reference to the permit sought here

3 in this case?

4 A. Yes.

5 Q I'll hand you what's been marked on the

6 back as Applicant's Exhibit Number One. I'll ask you to

7 describe that. Is that just a plat or an area map of the

8 area?

9 A. Yes, it is.

10 Q And your land is located in Section 34,

11 Township 18 South, Range 26 East?

12 A. Yes, that's right.

13 Q In Eddy County. How far is the -- and

14 the plant site is colored in red. It's ten acres down in

15 the northeast corner, is that correct?

16 A. Yes, sir.

17 Q And that's where your reclaiming plant

18 will be located if the permit is approved.

19 A. That's correct.

20 Q And you're a considerable distance from

21 Artesia. Have you calculated that?

22 A. It's 13 miles.

23 Q 8 south and 2 or 3 east, in other words.

24 A. Yes.

25 Q Approximately 13 miles from the City of

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3018 Plaza Elmore (966) 471-2462
Santa Fe, New Mexico 87501

1 Artesia. Are there any other heavily inhabited areas in
2 where this plant will be located?

3 A. Well, just the little town of Atoka, which
4 is 8 miles, approximate.

5 Q. Is there -- how far are the nearest resi-
6 dential properties from this plant site?

7 A. The closest residential area would be
8 approximately 2 miles.

9 Q. Okay, and that's sparse settlement, is
10 that right?

11 A. Yes, there's just two persons down in that
12 area.

13 Q. And the land where your plant will locate,
14 that is fee land, it would be fee located, it's fee land
15 owned by you, is that correct?

16 A. Yes, that's correct.

17 Q. What kind of land is it?

18 A. It's just pasture land.

19 Q. Unimproved pasture land?

20 A. Unimproved pasture land.

21 Q. Now I'll hand you what's been marked on
22 the back as Applicant's Exhibit Number Two and ask you if
23 that shows the lands that you own in this area? Roughly?

24 A. Yes.

25 Q. In other words, you own the entire northeast

1 quarter of Section 34, Township 18 South, Range 26 East.

2 A. Yes.

3 Q. You also own land north of the road, which
4 is at the north to that section.

5 A. Yes, that's right.

6 Q. You own the east half of the southwest
7 corner -- quarter, the west half of the southeast quarter,
8 the southeast quarter of the southeast quarter, and those
9 other small 10-acre tracts?

10 A. Yes, that's right.

11 Q. In other words, you'll not be -- in locating
12 your plant you'll not be abutting it against the land of any
13 other person.

14 A. No, that's correct. It will be just on --
15 quite a distance from anyone's property -- anyone else's
16 property.

17 Q. Have you calculated where this will be
18 located in the northeast quarter? For instance, approximately
19 how far is it from -- from the north 660?

20 A. From the north?

21 Q. Yeah.

22 A. No.

23 Q. Is it about --

24 A. One quarter.

25 Q. Is it about 330 from the north line?

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
303 Plaza Blanca (S.E.) 471-2462
Santa Fe, New Mexico 87501

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3020 Plaza Blanca (S.E.) 471-2442
Santa Fe, New Mexico 87501

1 A. 330 from the north line.

2 Q. And about what, 600 feet?

3 A. About 600 feet from the other line.

4 Q. From the east line of Section 34?

5 A. Right.

6 Q. Okay.

7 MR. WATSON: That was the main purpose of
8 having this witness and the process will be described by
9 Mr. Willbank.

10 MR. STAMETS: Okay. Any questions of Mr.
11 Boyce? He may be excused.

12
13 ROLAND WILLBANKS

14 being called as a witness and having been duly sworn upon
15 his oath, testified as follows, to-wit:

16
17 DIRECT EXAMINATION

18 BY MR. WILLBANKS:

19 Q. Now, let me hand you what's been marked as
20 Applicant's Exhibit -- wait, first, you're Roland L. Will-
21 banks?

22 A. Yes, sir.

23 Q. And you're one of the applicants for this
24 oil sediment treating plant?

25 A. Yes, I am.

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3020 7th St. N.W. (800) 471-2402
San Francisco, New Mexico 87501

1 Q You'll be one of the partners in the B. &
2 W. Reclaiming, --
3 A Yes.
4 Q -- the operators of this plant?
5 A Uh-huh.
6 Q What is your experience in the oil business,
7 Mr. Willbanks?
8 A Well, I've -- I've been involved in hot
9 oil work since '74. In fact I operated a treating plant for
10 Tank Service for about two years and I've been in the hot oil
11 business for four years, and I've been involved in production
12 with Amoco Production.
13 Q How long were you with Amoco?
14 A About five years.
15 Q And you presently operate your own business,
16 known as Willbanks Hot Oil Service?
17 A Yes.
18 Q Headquartered?
19 A In Artesia.
20 Q In Artesia? In Riverside, New Mexico, near
21 Artesia.
22 A Uh-huh.
23 Q You have not oil units, in other words.
24 A Yes, sir.
25 Q That would be available. Okay, Mr. Will-

1 banks, I'll ask you what's -- I'll hand you what's been
2 marked as Applicant's Exhibit Number Three and ask you to
3 describe that for the Examiner, please.

4 A Okay. What we have is one 400-barrel
5 storage tank, which we'll use to bring this sediment oil into
6 store, and then we have on the south end here, we have two
7 210-barrel sales tanks, which we'll use to transfer the oil
8 out of the storage tanks into these sales tanks and treat
9 it out in the sales tanks. And then what waste we have we'll
10 bleed it off into this 250-barrel waste tank, which will be
11 a fibreglass tank, which all of this waste will be trucked
12 out. We'll truck to Lea County Disposal to dispose of it.
13 And of course we'll also have a firewall, which will be a
14 3-foot dike, 120 feet by 120 feet, which will enclose the
15 process area.

16 And as far as the treating process itself,
17 we intend to do this with my hot oil units, which is just a
18 truck-mounted heater.

19 MR. STAMETS: Will you be moving the fluid
20 to the area in this hot oil truck?

21 A No, we we use a vacuum truck. I've got
22 vacuum trucks that we intend to incorporate into this B. &
23 W. business.

24 Q Now will you please describe for the Exa-
25 miner what's been marked Exhibit Four?

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3020 Plaza Blanca (665) 471-2462
Santa Fe, New Mexico 87501

1 That's simply a statement as to the type
2 of equipment, is it not?

3 A. Okay, the one tank will be a fibreglass
4 water and waste tank, which will be equipped with -- all
5 tanks except the fibreglass water tank will be equipped with
6 vapor-proof positive-seal thief hatches, and of course the
7 fibreglass tank will be an open top tank, and this will be
8 strictly for holding the waste that we bleed off the pro-
9 cessed oil.

10 No portion of the treating system from
11 storage tank through treating process and into the sales
12 tank will permit of or involve any emissions into the atmos-
13 phere. The storage tank, sales tank, treating lines, drain
14 lines, and pipeline will be metal. The proposed water and
15 waste tank will be an open top 250-barrel fibreglass tank,
16 and the firewall approximately 120 feet square will be
17 constructed as an earth dike three feet high.

18 Q. Basically, then, that, with the hot oil
19 units, will be your equipment --

20 A. Yes, sir.

21 Q. -- for the operation of the plant?

22 A. Yes, sir.

23 Q. Finally I'll hand you what's been marked
24 as Applicant's Exhibit Number Five, which described the
25 treating process. I believe you've been through part of

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3030 Plaza Blanca (695) 471-2402
Santa Fe, New Mexico 87501

1 that but if you'll just review that as quickly as possible
2 for the --

3 A. Sediment oil from tank bottoms and pits on
4 various leases located within a radius of about 50 miles
5 from the plant will be trucked by vacuum truck to the treating
6 plant and put into the 400-barrel storage tank.

7 The sediment oil will be treated with hot
8 oil units of Willbanks Hot Oil Service, Incorporated. Suction
9 will be pulled off from a storage tank and discharged into
10 bottom of sales tanks after pumping through heater on hot
11 oil unit. Chemicals will be added and oil will be heated to
12 135 degrees Fahrenheit.

13 Oil in sales tanks will be allowed to sit
14 for 24 hours to allow water and heavy sediment to settle to
15 bottom of tank. Water from sales tanks will be bled to 250
16 barrels water and waste tank to be trucked off for proper
17 disposal at later times as required.

18 Further, the heavy sediment, which will be
19 mostly paraffin, will be bled to the water and waste tank
20 and trucked to a permitted disposal facility from time to time
21 as necessary.

22 Q In other words, that describes your pro-
23 cess and the waste material, we've amended the application.
24 There will be no pit burning or anything.

25 A. No.

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3036 Plaza Blanca (604) 471-2442
Santa Fe, New Mexico 87501

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3020 Plaza Blanca (666) 471-2462
Santa Fe, New Mexico 87501

1 Q The waste material will be removed from
2 the site and taken to the Lea County Disposal.

3 A Yes, sir.

4 Q By truck.

5 A Yes, sir.

6 Q And it will be a closed system, then, in
7 that there will be no emissions into the atmosphere during
8 the process.

9 A Yes, sir, that's true.

10 Q Now you're fully familiar with these ex-
11 hibits that have been testified to and they were prepared
12 from your notes and at your direction, is that correct?

13 A Yes, sir.

14 Q Mr. Willbanks, are you and Mr. Boyce aware
15 that you must post a bond, a \$10,000 performance bond, with
16 the Division prior to commencing operations?

17 A Yes, sir, we are.

18 Q And you've taken the preliminaries to ob-
19 tain that bond.

20 A Yes, we have.

21 Q And will post it before beginning operations
22 if this permit is granted.

23 A Yes, sir, we will.

24 Q Will this process treat and reclaim as
25 useable crude oil sediment oil which would otherwise be

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3026 Plaza Blanca (606) 471-3453
Santa Fe, New Mexico 87501

1 wasted?

2 A. Yes, sir, this is true. This is all the
3 oil that's just disposed of.

4 Q. In other words it's considered wasted and
5 disposed of and it's just picked up and treated.

6 A. Yes, sir, it's just wasted oil on tank
7 bottoms that normally are disposed of or else oil that had
8 been bled to pits.

9 Q. What's your capacity on this plant?

10 A. It would be about 180 barrels a day, would
11 be maximum capacity.

12 Q. And of that would a portion be waste or
13 would that be the recovered oil?

14 A. Well, that would be the recovered 180 a
15 day, would be a maximum recovery, which normally, of the
16 waste, it's about 65 percent recovery and about 35 percent
17 waste.

18 MR. WATSON: The applicant's move the in-
19 troduction of their Exhibits One, Two, Three, Four, and Five.

20 MR. STAMETS: These exhibits will be ad-
21 mitted.

22 MR. WATSON: The applicants rest.

23

24

CROSS EXAMINATION

25

BY MR. STAMETS:

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3030 Plaza Blanca (602) 471-2402
Santa Fe, New Mexico 87501

1 Q Mr. Willbanks, I presume you will have no
2 pits at this site.

3 A No, sir, there will be no pits at all.

4 Q And if you should ever have a spill you've
5 got the equipment to clean it up at the site.

6 A Yes, we've got it already.

7 Q And I presume you intend to file all the
8 reports that are required.

9 A Yes, sir, I'm pretty familiar with these
10 reports and everything because I have -- I operated a treating
11 plant for about two years and then Yates Petroleum as a re-
12 claiming permit themselves and I've been in the process of
13 reclaiming their oil for them in which I've had to handle
14 the proper paper work for transferring the oil.

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

17 Anything further in this case?

18 The case will be taken under advisement.

19

20 (Hearing concluded.)

21

22

23

24

25

REPORTER'S CERTIFICATE

I, SALLY W. BOYD, a court reporter, DO HEREBY CERTIFY that the foregoing and attached Transcript of Hearing before the Oil Conservation Division was reported by me; that the said transcript is a full, true, and correct record of the hearing, prepared by me to the best of my ability from my notes taken at the time of the hearing.

Sally W. Boyd C.S.R.
Sally W. Boyd, C.S.R.

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 6660 heard by me on 10-2 1978.
Richard A. [Signature], Examiner
Oil Conservation Division

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3030 Pk. 2 Blanca (805) 471-2462
Santa Fe, New Mexico 87501

Application of Frank Boyce and Ronald L. Wilbanks d/b/a B. & W.
Oil Reclaiming for a Sediment Oil Treating Plant Permit (to be
located in NE/4NE/4NE/4 of Section 34, Township 18 South, Range
26 East, N.M.P.M., Eddy County, New Mexico).

Plat showing lands owned by applicant Boyce in vicinity of plant
site.

Boyce Lands - ☐ FULL INTEREST

☒ 2/3 INTEREST

State of New Mexico, County of Eddy

Range 26 East

Township 18 South

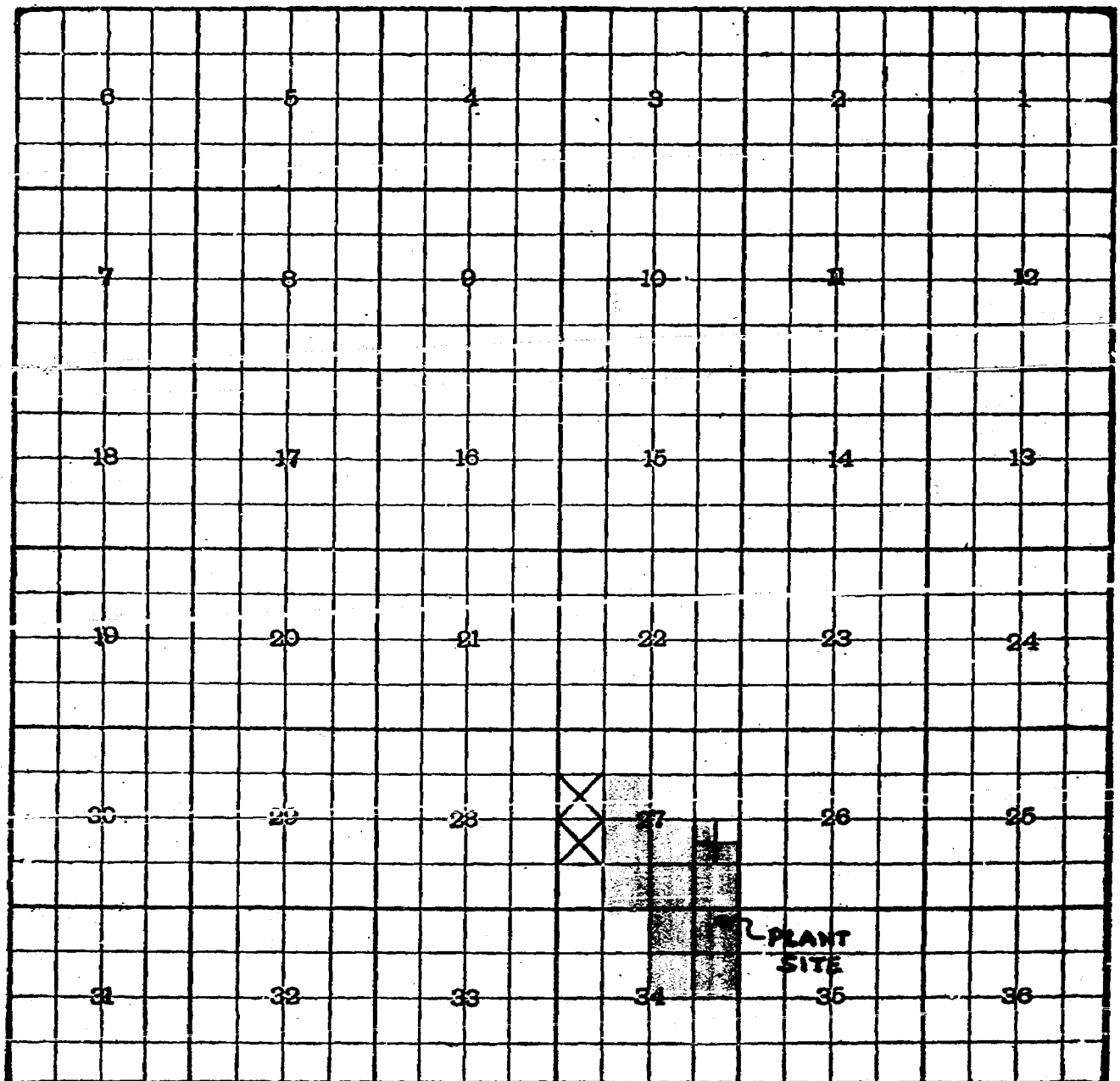


EXHIBIT NO. 2

Application of Frank Boyce and Ronald L. Wilbanks d/b/a B. & W. Oil Reclaiming for a Sediment Oil Treating Plant Permit (to be located in NE/4NE/4NE/4 of Section 34, Township 18 South, Range 26 East, N.M.P.M., Eddy County, New Mexico).

Narrative Description of Treating Process

Sediment oil from tank bottoms and pits on various leases, located within a radius of about 50 miles from the plant, will be trucked by vacuum truck to the treating plant and put into the 400 bbl. storage tank.

The sediment oil will be treated with hot oil units of Wilbanks Hot Oil Service, Inc. Suction will be pulled off front of storage tank and discharged into bottom of sales tanks, after pumping through heater on hot oil unit. Chemicals (to knock out water) will be added and oil will be heated to 135° fahrenheit. Oil in sales tanks will be allowed to sit for 24 hours, to allow water and heavy sediment to settle to bottom of tank. Water from sales tanks will be bled to 250 bbl. water and waste tank, to be trucked off for proper disposal at later times and as required. Further, the heavy sediment, which will be mostly paraffin, will be bled to the water and waste tank, and trucked to a permitted disposal facility from time to time as necessary.

BEFORE EXAMINER STAMETS OIL CONSERVATION DIVISION <i>Appn.</i> EXHIBIT NO. <u>5</u> CASE NO. <u>6660</u> Submitted by <u>Applicants</u> Hearing Date <u>10/2/72</u>
--

EXHIBIT NO. 5

Application of Frank Boyce and Ronald L. Wilbanks d/b/a B. & W. Oil Reclaiming for a Sediment Oil Treating Plant Permit (to be located in NE/4NE/4NE/4 of Section 34, Township 18 South, Range 26 East, N.M.P.M., Eddy County, New Mexico).

Statement as to Equipment

All tanks, except for the fiberglass water and waste tank, will be equipped with vapor-proof positive seal thief hatches.

No portion of the treating system, from storage tank through treating process and into the sales tanks, will permit of or involve any emissions into the atmosphere. The storage tank, sales tanks, treating lines, drain lines, and pipeline will be metal.

The proposed water and waste tank will be an open top 250 bbl. fiberglass tank.

The firewall, approximately 120 feet square, will be constructed as an earth dike three feet high.

BEFORE EXAMINER STAMETS
OIL CONSERVATION DIVISION

Applicant EXHIBIT NO. 4

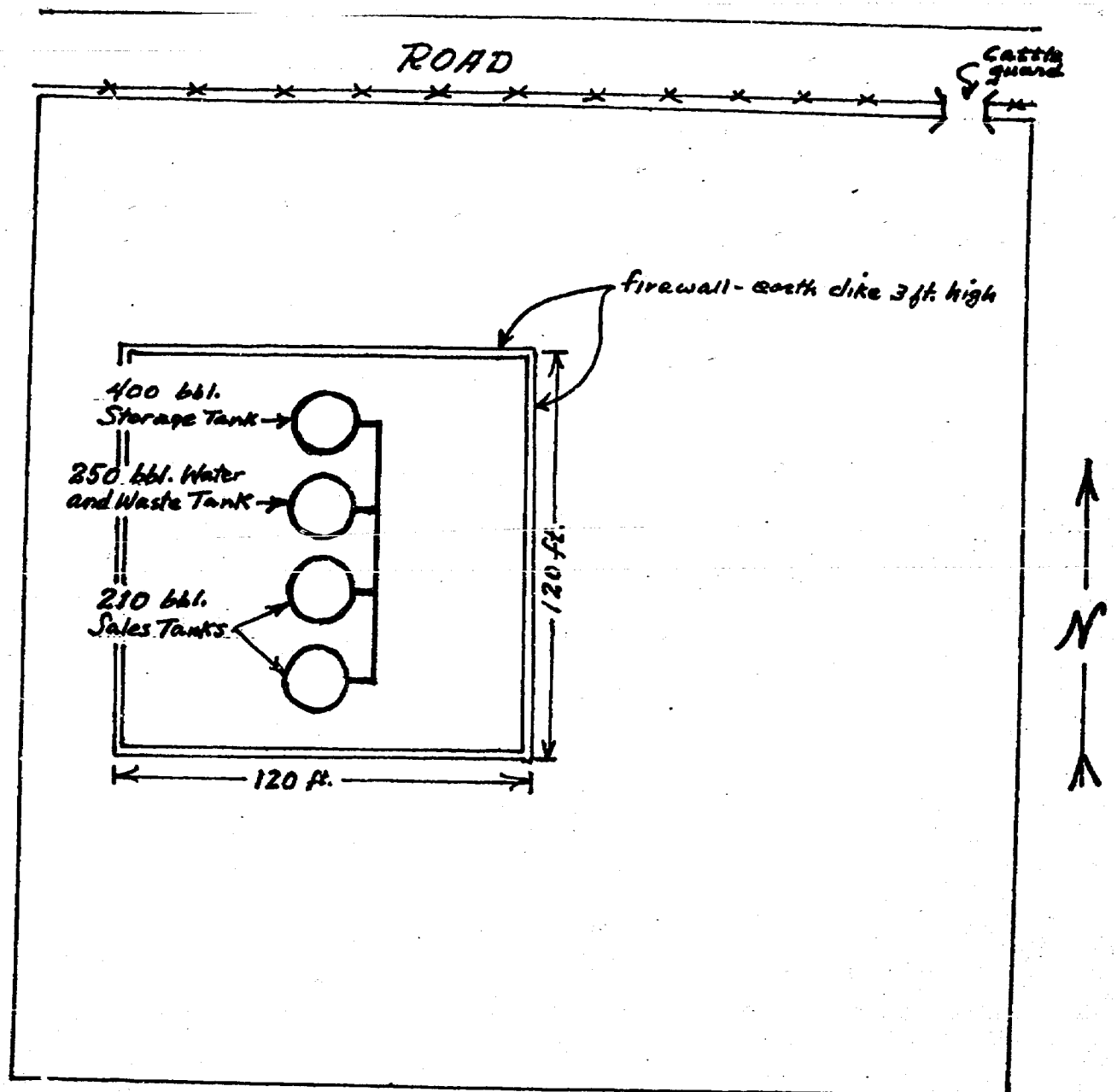
CASE NO. 6660

Submitted by *Applicant*

Hearing Date 10/2/79

EXHIBIT NO. 4

Application of Frank Boyce and Ronald L. Wilbanks
d/b/a B. & W. Oil Reclaiming for a Sediment Oil
Treating Plant Permit (to be located in NE/4NE/4NE/4
of Section 34, Township 18 South, Range 26 East,
N.M.P.M., Eddy County, New Mexico).



SCHEMATIC OF PLANT
(Not to Scale)

EXHIBIT NO. 3

BEFORE EXAMINER STAMETS
OIL CONSERVATION DIVISION

Appn. EXHIBIT NO. 3

CASE NO. 6660


Submitted by Applicants

Hearing Date 10/2/79

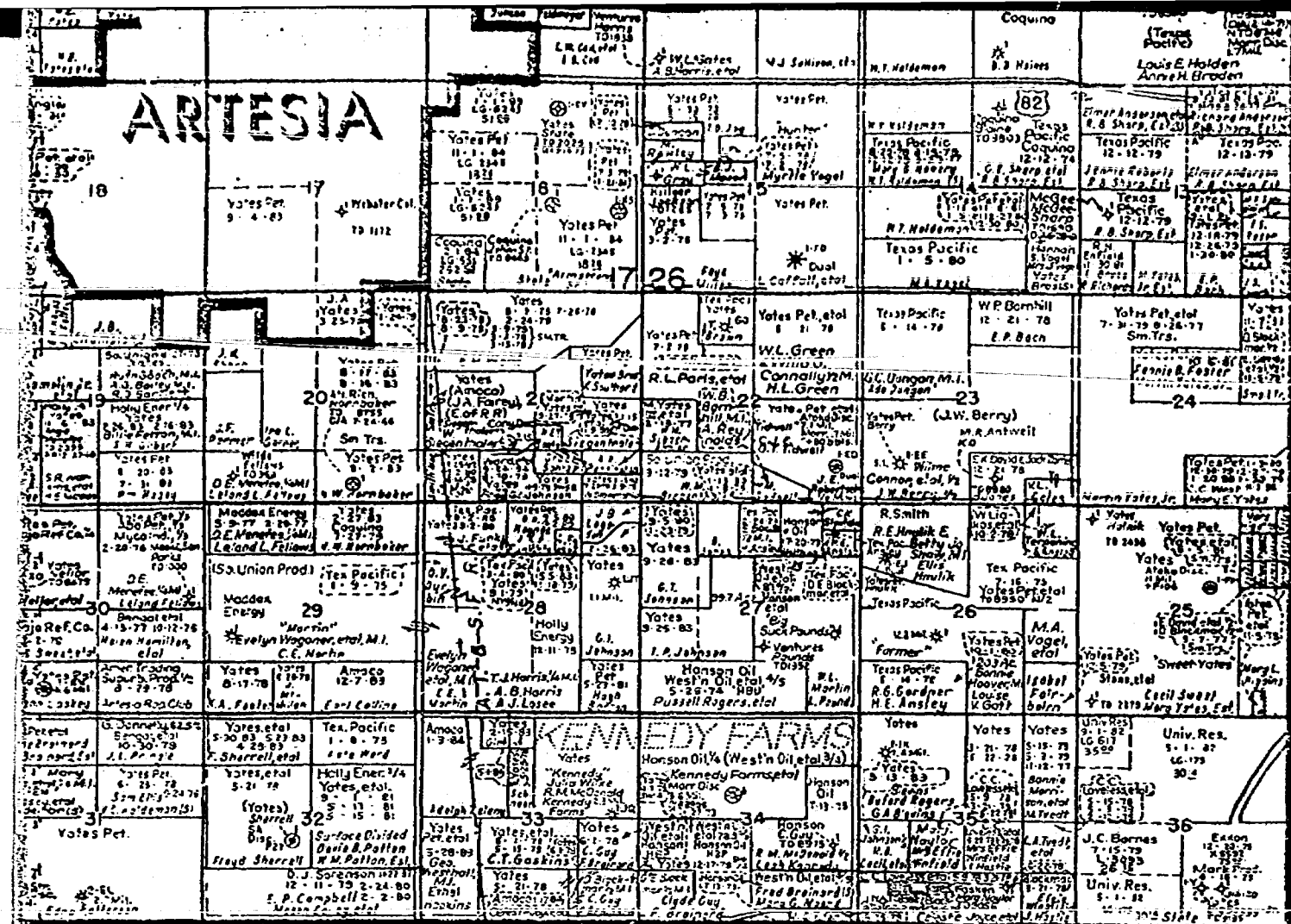
ARTESIA

Application of Frank Boyce and Ronald L. Wilbanks d/b/a B. & W. Oil Reclaiming for a Sediment Oil Treating Plant Permit (to be located in NE/4NE/4NE/4 of Section 34, Township 18 South, Range 26 East, N.M.P.M., Eddy County, New Mexico).

Area Map

EXHIBIT NO. 1 Plant Site 

ARTESIA

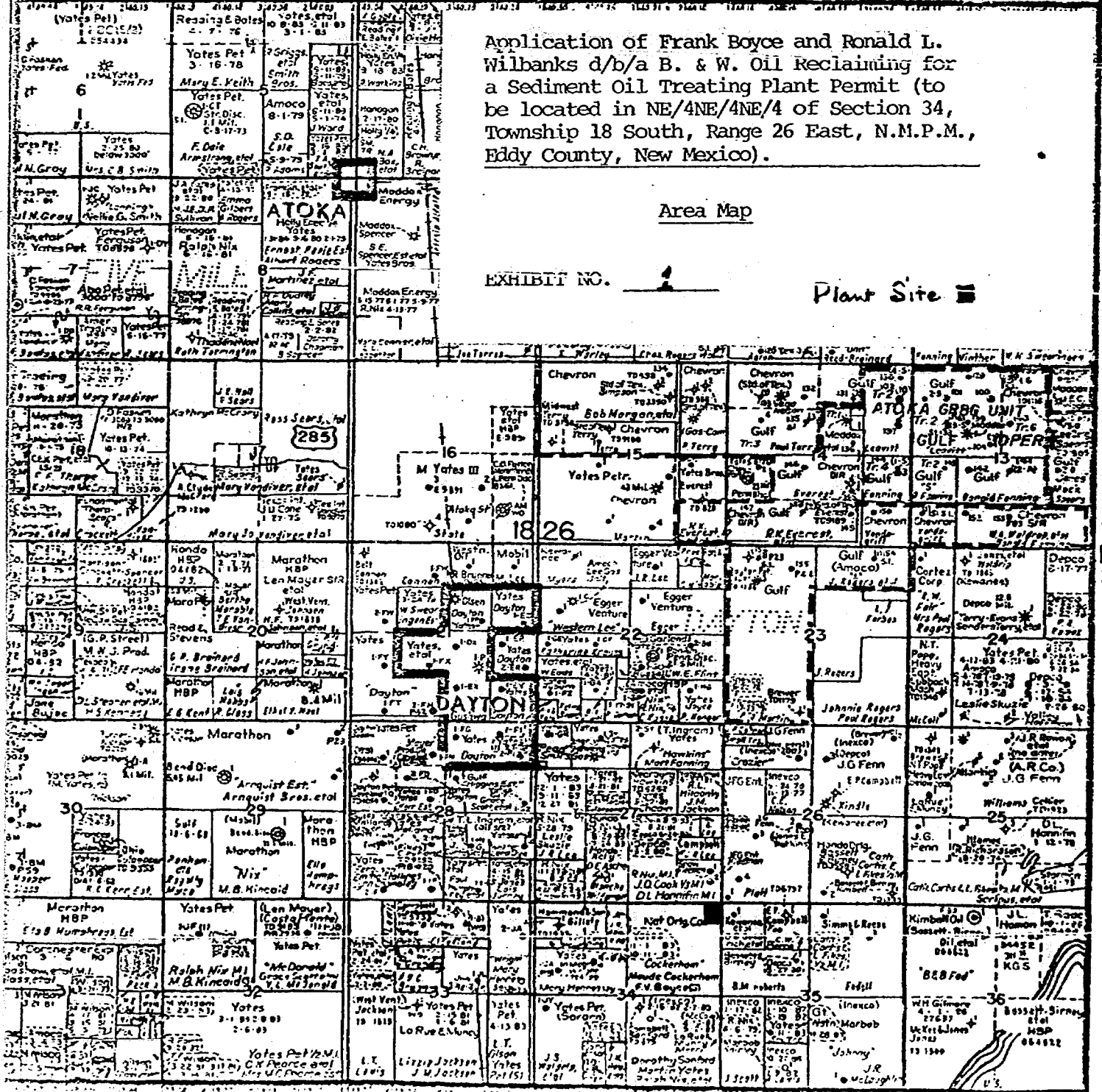


Application of Frank Boyce and Ronald L. Wilbanks d/b/a B. & W. Oil Reclaiming for a Sediment Oil Treating Plant Permit (to be located in NE/4NE/4NE/4 of Section 34, Township 18 South, Range 26 East, N.M.P.M., Eddy County, New Mexico).

Area Map

EXHIBIT NO. 1

Plant Site



Application of Frank Boyce and Ronald L. Wilbanks d/b/a B. & W.
Oil Reclaiming for a Sediment Oil Treating Plant Permit (to be
located in NE/4NE/4NE/4 of Section 34, Township 18 South, Range
26 East, N.M.P.M., Eddy County, New Mexico).

Plat showing lands owned by applicant Boyce in vicinity of plant
site.

Boyce Lands - ☐ FULL INTEREST
☒ 2/3 INTEREST

State of New Mexico, County of Eddy

Range 26 East

Township 18 South

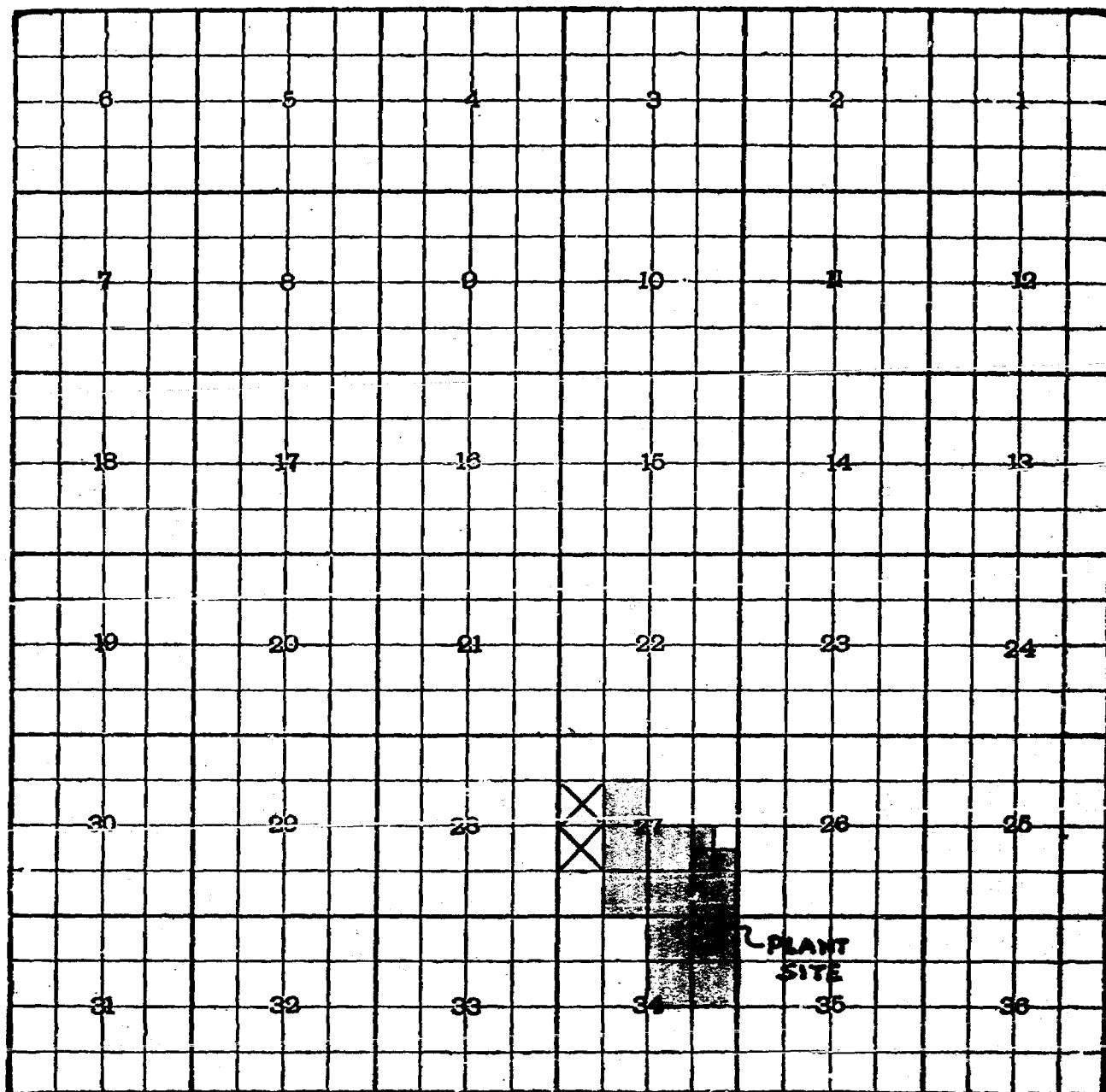
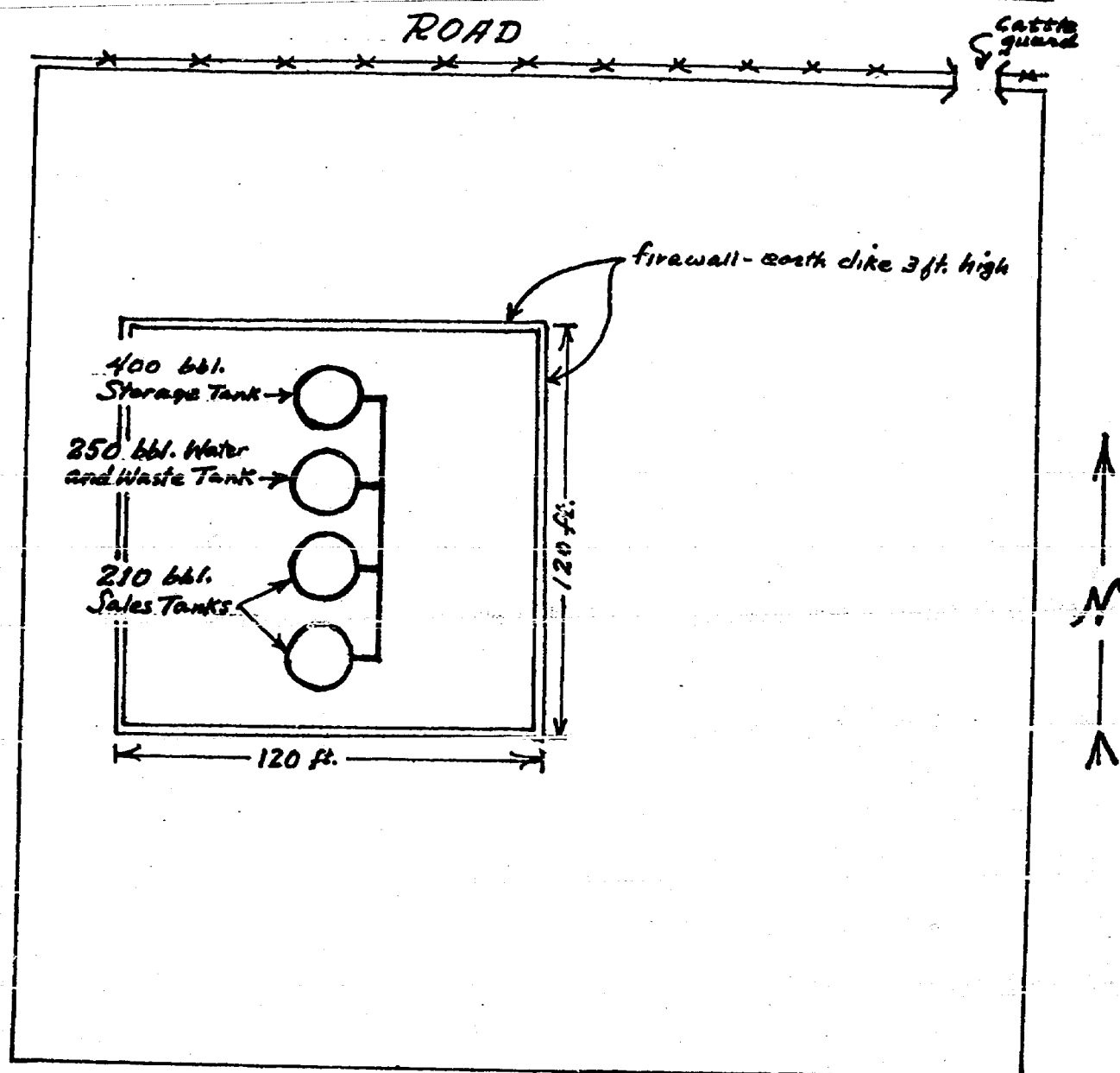


EXHIBIT NO. 2

Application of Frank Boyce and Ronald L. Wilbanks
 d/b/a B. & W. Oil Reclaiming for a Sediment Oil
 Treating Plant Permit (to be located in NE/4NE/4NE/4
 of Section 34, Township 18 South, Range 26 East,
 N.M.P.M., Eddy County, New Mexico).



SCHEMATIC OF PLANT
 (Not to Scale)

EXHIBIT NO. 3

BEFORE EXAMINER STAMETS
 OIL CONSERVATION DIVISION

Appl. EXHIBIT NO. 3

CASE NO. 6660

Submitted by Applicants

Hearing Date 10/2/79

Application of Frank Boyce and Ronald L. Wilbanks d/b/a B. & W. Oil Reclaiming for a Sediment Oil Treating Plant Permit (to be located in NE/4NE/4NE/4 of Section 34, Township 18 South, Range 26 East, N.M.P.M., Eddy County, New Mexico).

Statement as to Equipment

All tanks, except for the fiberglass water and waste tank, will be equipped with vapor-proof positive seal thief hatches.

No portion of the treating system, from storage tank through treating process and into the sales tanks, will permit of or involve any emissions into the atmosphere. The storage tank, sales tanks, treating lines, drain lines, and pipeline will be metal.

The proposed water and waste tank will be an open top 250 bbl. fiberglass tank.

The firewall, approximately 120 feet square, will be constructed as an earth dike three feet high.

BEFORE EXAMINER STAMETS	
OIL CONSERVATION DIVISION	
Appn	EXHIBIT NO. <u>4</u>
CASE NO.	<u>6660</u>
Submitted by	<u>Applicants</u>
Hearing Date	<u>10/2/79</u>

EXHIBIT NO. 4

Application of Frank Boyce and Ronald L. Wilbanks d/b/a B. & W. Oil Reclaiming for a Sediment Oil Treating Plant Permit (to be located in NE/4NE/4NE/4 of Section 34, Township 18 South, Range 26 East, N.M.P.M., Eddy County, New Mexico).

Narrative Description of Treating Process

Sediment oil from tank bottoms and pits on various leases, located within a radius of about 50 miles from the plant, will be trucked by vacuum truck to the treating plant and put into the 400 bbl. storage tank.

The sediment oil will be treated with hot oil units of Wilbanks Hot Oil Service, Inc. Suction will be pulled off front of storage tank and discharged into bottom of sales tanks. after pumping through heater on hot oil unit. Chemicals (to knock out water) will be added and oil will be heated to 135° fahrenheit. Oil in sales tanks will be allowed to sit for 24 hours, to allow water and heavy sediment to settle to bottom of tank. Water from sales tanks will be bled to 250 bbl. water and waste tank, to be trucked off for proper disposal at later times and as required. Further, the heavy sediment, which will be mostly paraffin, will be bled to the water and waste tank, and trucked to a permitted disposal facility from time to time as necessary.

BEFORE EXAMINER STAMETS
OIL CONSERVATION DIVISION

Appn. NO. 5

CASE NO. 6660

Submitted by Applicants

Hearing Date 10/2/79

EXHIBIT NO. 5

CASE 6644: (Continued from September 19, 1979, Examiner Hearing)

Application of Tenneco Oil Corporation for downhole commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Fruitland and Pictured Cliffs production in the wellbores of its State K Com Well No. 12 located in Unit E of Section 16, Township 30 North, Range 9 West, and its Florence Well No. 60R in Unit L of Section 1, Township 29 North, Range 9 West.

CASE 6675: Application of Gifford, Mitchell & Wisenbaker for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Ponce Unit Area, comprising 3,640 acres, more or less, of State and federal lands in Township 26 South, Range 36 East.

CASE 6671: (Continued from September 19, 1979, Examiner Hearing)

Application of Chapman and Schneider for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water in the Seven Rivers Reef formation in the open-hole interval from 3422 feet to 3504 feet in its I. B. Ogg "A" Well No. 3 located in Unit E of Section 35, Township 24 South, Range 36 East, Jalmat Pool.

CASE 6676: Application of Doyle Hartman for an unorthodox well location and a non-standard proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an 80-acre non-standard gas proration unit comprising the SW/4 NE/4 and SE/4 NW/4 of Section 36, Township 24 South, Range 36 East, Jalmat Gas Pool, to be dedicated to a well to be drilled at an unorthodox location 2310 feet from the North line and 1650 feet from the East line of said Section 36.

CASE 6677: Application of Texas Pacific Oil Company, Inc. for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Arrowhead-Grayburg and Eumont production in the wellbore of its Elliott B-6 Well No. 1 located in Unit M of Section 6, Township 22 South, Range 37 East.

CASE 6678: Application of Texas Pacific Oil Company, Inc. for downhole commingling and a special casinghead gas allowable, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Blinberry and Tubb production in the wellbore of its Eva Owens Well No. 1 located in Unit M of Section 25, Township 21 South, Range 37 East. Applicant further seeks an increase in the casinghead gas allowable for said well.

CASE 6660: (Continued from September 19, 1979, Examiner Hearing)

Application of B. & W. Oil Reclaiming 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 NE/4 NE/4 of Section 34, Township 18 South, Range 26 East.

CASE 6679: Application of El Paso Natural Gas Company for a gas storage unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Washington Ranch Morrow Unit Area comprising the Morrow formation and the first 100 feet immediately above and below said formation underlying all or parts of Sections 21 thru 23, 26 thru 29, and 32 thru 36, Township 25 South, Range 24 East; Sections 1 thru 5, Township 26 South, Range 24 East; and Sections 6, 7, and 18, Township 26 South, Range 25 East, Washington Ranch-Morrow Gas Pool, Eddy County, New Mexico. Said unit area would be for the purpose of conducting a gas storage project and would comprise 12,158 acres, more or less, of State, federal and fee lands.

CASE 6630: (Continued from August 22, 1979, Examiner Hearing)

Application of El Paso Natural Gas Company for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Basin-Dakota and BS Mesa-Gallup production in the wellbore of its San Juan 27-4 Unit Well No. 37 located in Unit M of Section 33, Township 27 North, Range 4 West.

CASE 6680: Application of Robert C. Anderson for surface commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the surface commingling of all production from his Ute Mountain Ute Lease, Wells Nos. 1, 3 and 4, located in Section 14, Township 31 North, Range 16 West.

CASE 6681: Application of Yates Petroleum Corporation for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a Wolfcamp-Mississippian test well to be located 660 feet from the South line and 1100 feet from the West line of Section 31, Township 18 South, Range 26 East, the S/2 of said Section 31 to be dedicated to the well.

NEIL B. WATSON
FRED A. WATSON
JOHN W. FISK

LAW OFFICES
WATSON & WATSON
AMERICAN HOME BUILDING
P.O. DRAWER E
ARTESIA, NEW MEXICO 88210

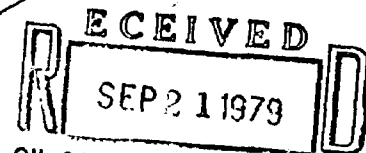
AREA CODE 505
746-4151 • 746-2201

September 20, 1979

Mr. Daniel L. Nutter
Chief Engineer
Oil Conservation Division
State of New Mexico
Energy and Minerals Department
P.O. Box 2088
Santa Fe, New Mexico 87501

Dear Mr. Nutter:

Re: Case No. 6660 before the Oil Conservation
Division Application of Frank Boyce and
Ronald L. Wilbanks, d/b/a B. & W. Oil Re-
claiming for an oil treating plant permit
for plant in NE/4NE/4NE/4 of Section 34:
Township 18 South, Range 26 East, N.M.P.M.,
Eddy County.



We herewith enclose in triplicate an Amendment to Application with reference to the Application described in the caption.

I am sending the enclosed Amendment to Application direct to you because I called you a few days ago and had the hearing postponed from September 19 to October 2.

The enclosed Amendment to Application does not change the location of the plant or the processing procedure or the applicants. It is simply made to reflect that instead of open burning of a waste pit, the waste material, both water and heavy sediment will be collected in a 400 barrel fiberglass tank and trucked off the plant site to a permitted disposal facility from time to time as necessary. We have determined that this is the best way to dispose of waste matter and that there would be no way to qualify the project for periodic open burning of the pit. I furnish this explanation because I do not believe that the Amendment to Application will require a further publication of notice.

Page No. 2

Unless we hear from the Division to the contrary, we will appear for hearing at 9:00 A.M. on October 2, 1979.

Thank you very much for your consideration, and please place the enclosed Amendment to Application in the case file.

Very truly yours,

Fred A. Watson
Fred A. Watson

FAW/dal

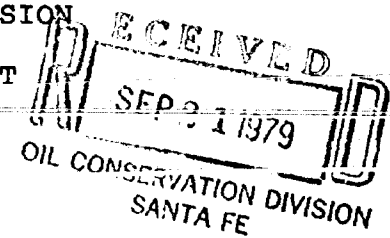
Enclosures

cc: Environmental Improvement Division
State of New Mexico
P.O. Box 968
Santa Fe, New Mexico 87503

Attention Mr. Paul Martinez

cc: B. & W. Oil Reclaiming
P.O. Box 957
Artesia, New Mexico 88210

BEFORE THE OIL CONSERVATION DIVISION
ENERGY AND MINERALS DEPARTMENT
STATE OF NEW MEXICO



IN THE MATTER OF THE APPLICATION OF)
FRANK BOYCE AND RONALD L. WILBANKS)
d/b/a B. & W. OIL RECLAIMING FOR A)
SEDIMENT OIL TREATING PLANT PERMIT)

Case No. 6660

AMENDMENT TO APPLICATION

Reference is hereby made to the Application heretofore filed and now pending before the Oil Conservation Division under the above Case Number. Applicants, Frank Boyce and Ronald L. Wilbanks, d/b/a B. & W. Oil Reclaiming, P.O. Box 957, Artesia, New Mexico 88210, hereby make and file this amendment to said Application.

Reference is particularly made to paragraph 3 in the Application heretofore filed, and paragraph 3 in the original Application is deleted and there is hereby substituted the following paragraph 3 to wit:

"3. Applicants propose to truck sediment oil, consisting of pit oil and tank bottom oil, from various leases to said sediment oil treating plant. Oil will be treated for reclamation by hot oil unit truck, using chemicals to knock out water. The proposed plant will consist of one (1) 400 barrel metal holding tank, two (2) 210 barrel treating tanks, and one (1) 250 barrel fiberglass tank for waste water and heavy sediment waste material. Oil will be heated to 135° fahrenheit. Suction will be pulled off front of storage tank and discharged into bottom of sales tanks, after pumping through heater on hot oil unit. Water and heavy sediment will be bled to 250 barrel fiberglass tank and the water and heavy sediment will be trucked from the plant site, from time to time and as necessary, to a permitted disposal system. All tanks will be equipped with vapor-proof positive seal thief hatches and no portion of the treating system, from storage tank through treating process and into the sales tanks, will involve any emissions

into the atmosphere. Estimated capacity of the proposed plant is 230 barrels per day, of which the volume refined will be approximately 180 barrels, and the volume of waste will be approximately 50 barrels."

Except for the amendment of paragraph 3 hereinabove, all other statements made in the original Application are affirmed.

B. & W. OIL RECLAIMING

Frank Boyce
Frank Boyce

Ronald L. Wilbanks
Ronald L. Wilbanks

WATSON & WATSON

Fred A. Watson
Fred A. Watson
Attorneys for Applicants
P.O. Drawer E
Artesia, New Mexico 88210

CERTIFICATE OF MAILING

I, Fred A. Watson, one of the attorneys for the applicants, hereby certify that on this date, I mailed true and correct copies of the foregoing Amendment to Application to the following:

New Mexico Oil Conservation Division
District II Office
P.O. Drawer DD
Artesia, New Mexico 88210

Attention: W.A. Gressett,
Supervisor

Environmental Improvement Division
State of New Mexico
P.O. Box 968
Santa Fe, New Mexico 87503

Attention: Mr. Paul Martinez

Dated this 20th day of September, 1979.

Fred A. Watson
Fred A. Watson

BEFORE THE OIL CONSERVATION DIVISION

ENERGY AND MINERALS DEPARTMENT

STATE OF NEW MEXICO

RECEIVED
SEP 21 1979
OIL CONSERVATION DIVISION
SANTA FE

IN THE MATTER OF THE APPLICATION OF)
FRANK BOYCE AND RONALD L. WILBANKS)
d/b/a B. & W. OIL RECLAIMING FOR A)
SEDIMENT OIL TREATING PLANT PERMIT)

Case No. 6660

AMENDMENT TO APPLICATION

Reference is hereby made to the Application heretofore filed and now pending before the Oil Conservation Division under the above Case Number. Applicants, Frank Boyce and Ronald L. Wilbanks, d/b/a B. & W. Oil Reclaiming, P.O. Box 957, Artesia, New Mexico 88210, hereby make and file this amendment to said Application.

Reference is particularly made to paragraph 3 in the Application heretofore filed, and paragraph 3 in the original Application is deleted and there is hereby substituted the following paragraph 3 to wit:

"3. Applicants propose to truck sediment oil, consisting of pit oil and tank bottom oil, from various leases to said sediment oil treating plant. Oil will be treated for reclamation by hot oil unit truck, using chemicals to knock out water. The proposed plant will consist of one (1) 400 barrel metal holding tank, two (2) 210 barrel treating tanks, and one (1) 250 barrel fiberglass tank for waste water and heavy sediment waste material. Oil will be heated to 135° fahrenheit. Suction will be pulled off front of storage tank and discharged into bottom of sales tanks, after pumping through heater on hot oil unit. Water and heavy sediment will be bled to 250 barrel fiberglass tank and the water and heavy sediment will be trucked from the plant site, from time to time and as necessary, to a permitted disposal system. All tanks will be equipped with vapor-proof positive seal thief hatches and no portion of the treating system, from storage tank through treating process and into the sales tanks, will involve any emissions

into the atmosphere. Estimated capacity of the proposed plant is 230 barrels per day, of which the volume refined will be approximately 180 barrels, and the volume of waste will be approximately 50 barrels."

Except for the amendment of paragraph 3 hereinabove, all other statements made in the original Application are affirmed.

B. & W. OIL RECLAIMING

Frank Boyce
Frank Boyce

Ronald L. Wilbanks
Ronald L. Wilbanks

WATSON & WATSON

Fred A. Watson
Fred A. Watson
Attorneys for Applicants
P.O. Drawer E
Artesia, New Mexico 88210

CERTIFICATE OF MAILING

I, Fred A. Watson, one of the attorneys for the applicants, hereby certify that on this date, I mailed true and correct copies of the foregoing Amendment to Application to the following:

New Mexico Oil Conservation Division
District II Office
P.O. Drawer DD
Artesia, New Mexico 88210

Attention: W.A. Gressett,
Supervisor

Environmental Improvement Division
State of New Mexico
P.O. Box 968
Santa Fe, New Mexico 87503

Attention: Mr. Paul Martinez

Dated this 20th day of September, 1979.

Fred A. Watson
Fred A. Watson

BEFORE THE OIL CONSERVATION DIVISION

ENERGY AND MINERALS DEPARTMENT

STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF)
FRANK BOYCE AND RONALD L. WILBANKS)
d/b/a B. & W. OIL RECLAIMING FOR A)
SEDIMENT OIL TREATING PLANT PERMIT)

RECEIVED
APR 11 1979
OIL CONSERVATION DIVISION
SANTA FE

Case No. 6660

AMENDMENT TO APPLICATION

Reference is hereby made to the Application heretofore filed and now pending before the Oil Conservation Division under the above Case Number. Applicants, Frank Boyce and Ronald L. Wilbanks, d/b/a B. & W. Oil Reclaiming, P.O. Box 957, Artesia, New Mexico 88210, hereby make and file this amendment to said Application.

Reference is particularly made to paragraph 3 in the Application heretofore filed, and paragraph 3 in the original Application is deleted and there is hereby substituted the following paragraph 3 to wit:

"3. Applicants propose to truck sediment oil, consisting of pit oil and tank bottom oil, from various leases to said sediment oil treating plant. Oil will be treated for reclamation by hot oil unit truck, using chemicals to knock out water. The proposed plant will consist of one (1) 400 barrel metal holding tank, two (2) 210 barrel treating tanks, and one (1) 250 barrel fiberglass tank for waste water and heavy sediment waste material. Oil will be heated to 135° fahrenheit. Suction will be pulled off front of storage tank and discharged into bottom of sales tanks, after pumping through heater on hot oil unit. Water and heavy sediment will be bled to 250 barrel fiberglass tank and the water and heavy sediment will be trucked from the plant site, from time to time and as necessary, to a permitted disposal system. All tanks will be equipped with vapor-proof positive seal thief hatches and no portion of the treating system, from storage tank through treating process and into the sales tanks, will involve any emissions

into the atmosphere. Estimated capacity of the proposed plant is 230 barrels per day, of which the volume refined will be approximately 180 barrels, and the volume of waste will be approximately 50 barrels."

Except for the amendment of paragraph 3 hereinabove, all other statements made in the original Application are affirmed.

B. & W. OIL RECLAIMING

Frank Boyce
Frank Boyce

Ronald L. Wilbanks
Ronald L. Wilbanks

WATSON & WATSON

Fred A. Watson
Fred A. Watson
Attorneys for Applicants
P.O. Drawer E
Artesia, New Mexico 88210

CERTIFICATE OF MAILING

I, Fred A. Watson, one of the attorneys for the applicants, hereby certify that on this date, I mailed true and correct copies of the foregoing Amendment to Application to the following:

New Mexico Oil Conservation Division
District II Office
P.O. Drawer DD
Artesia, New Mexico 88210

Attention: W.A. Gressett,
Supervisor

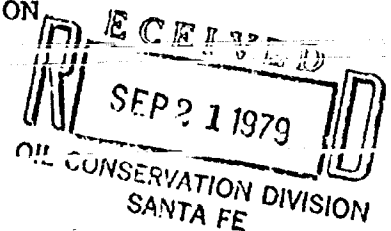
Environmental Improvement Division
State of New Mexico
P.O. Box 968
Santa Fe, New Mexico 87503

Attention: Mr. Paul Martinez

Dated this 20th day of September, 1979.

Fred A. Watson
Fred A. Watson

BEFORE THE OIL CONSERVATION DIVISION
ENERGY AND MINERALS DEPARTMENT
STATE OF NEW MEXICO



IN THE MATTER OF THE APPLICATION OF)
FRANK BOYCE AND RONALD L. WILBANKS)
d/b/a B. & W. OIL RECLAIMING FOR A)
SEDIMENT OIL TREATING PLANT PERMIT)

Case No. 6660

AMENDMENT TO APPLICATION

Reference is hereby made to the Application heretofore filed and now pending before the Oil Conservation Division under the above Case Number. Applicants, Frank Boyce and Ronald L. Wilbanks, d/b/a B. & W. Oil Reclaiming, P.O. Box 957, Artesia, New Mexico 88210, hereby make and file this amendment to said Application.

Reference is particularly made to paragraph 3 in the Application heretofore filed, and paragraph 3 in the original Application is deleted and there is hereby substituted the following paragraph 3 to wit:

"3. Applicants propose to truck sediment oil, consisting of pit oil and tank bottom oil, from various leases to said sediment oil treating plant. Oil will be treated for reclamation by hot oil unit truck, using chemicals to knock out water. The proposed plant will consist of one (1) 400 barrel metal holding tank, two (2) 210 barrel treating tanks, and one (1) 250 barrel fiberglass tank for waste water and heavy sediment waste material. Oil will be heated to 135° fahrenheit. Suction will be pulled off front of storage tank and discharged into bottom of sales tanks, after pumping through heater on hot oil unit. Water and heavy sediment will be bled to 250 barrel fiberglass tank and the water and heavy sediment will be trucked from the plant site, from time to time and as necessary, to a permitted disposal system. All tanks will be equipped with vapor-proof positive seal thief hatches and no portion of the treating system, from storage tank through treating process and into the sales tanks, will involve any emissions

into the atmosphere. Estimated capacity of the proposed plant is 230 barrels per day, of which the volume refined will be approximately 180 barrels, and the volume of waste will be approximately 50 barrels."

Except for the amendment of paragraph 3 hereinabove, all other statements made in the original Application are affirmed.

B. & W. OIL RECLAIMING

Frank Boyce
Frank Boyce

Ronald L. Wilbanks
Ronald L. Wilbanks

WATSON & WATSON

Fred A. Watson
Fred A. Watson
Attorneys for Applicants
P.O. Drawer E
Artesia, New Mexico 88210

CERTIFICATE OF MAILING

I, Fred A. Watson, one of the attorneys for the applicants, hereby certify that on this date, I mailed true and correct copies of the foregoing Amendment to Application to the following:

New Mexico Oil Conservation Division
District II Office
P.O. Drawer DD
Artesia, New Mexico 88210

Attention: W.A. Gressett,
Supervisor

Environmental Improvement Division
State of New Mexico
P.O. Box 968
Santa Fe, New Mexico 87503

Attention: Mr. Paul Martinez

Dated this 20th day of September, 1979.

Fred A. Watson
Fred A. Watson

- CASE 6658: Application of Texas Pacific Oil Company, Inc. for an unorthodox well location and a non-standard proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 160-acre non-standard gas proration unit comprising the S/2 NE/4 and N/2 SE/4 of Section 14, Township 24 South, Range 36 East, Jalmat Gas Pool, to be dedicated to its J. W. Cooper Well No. 8 at an unorthodox location 2010 feet from the North line and 2310 feet from the East line of said Section 14.
- CASE 6659: Application of Amoco Production Company for an exception to Order No. R-3221, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Order No. R-3221 to permit disposal of produced brine in several unlined surface pits located in Sections 27, 34 and 35, Township 18 South, Range 31 East.
- CASE 6660: Application of B. & W. Oil Reclaiming 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 NE/4 NE/4 NE/4 of Section 34, Township 18 South, Range 26 East.
- CASE 6661: Application of LaRue and Muncy for an exception to R-111-A, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an exception to the casing-cementing rules of Order R-111-A to permit a well to be drilled in Unit C of Section 22, Township 18 South, Range 30 East, Leo Queen-Grayburg Pool, to be cased by setting surface casing at the top of the salt, circulating cement on the oil string, and omitting the intermediate casing required by R-111-A; applicant further requests special rules to apply to all of Sections 15 and 22 of said township to permit additional wells to be completed in the same manner.
- CASE 6662: Application of Supron Energy Corporation for a dual completion and downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its Jicarilla "A" Well No. 22Y located in Unit K of Section 24, Township 26 North, Range 4 West, to produce gas from the Blanco Mesaverde Pool through tubing and to commingle and produce the Wildhorse Gallup and Basin-Dakota zones through a parallel tubing string.
- CASE 6663: Application of Doyle Hartman for an unorthodox well location and approval of infill drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks a waiver of existing well spacing requirements and a finding that the drilling of a well at an unorthodox location 330 feet from the South line and 2310 feet from the West line of Section 36, Township 23 South, Range 36 East, Jalmat Gas Pool, is necessary to effectively and efficiently drain that portion of the existing proration unit which cannot be so drained by the existing well.
- CASE 6664: Application of Doyle Hartman for an unorthodox well location, two non-standard proration units and approval of infill drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 40-acre non-standard proration unit comprising the NW/4 SW/4 of Section 27, Township 25 South, Range 37 East, Jalmat Pool, to be dedicated to El Paso Natural Gas Company's Harrison Well No. 1, and also a 120-acre unit comprising the E/2 SW/4 and SW/4 SW/4 of said Section 27 to be dedicated to a well to be drilled at an unorthodox location 330 feet from the South and West lines of the section; applicant further seeks a waiver of existing well spacing requirements and a finding that the drilling of said well is necessary to effectively and efficiently drain that portion of an existing proration unit which cannot be so drained by the existing well.
- CASE 6647: (Continued from September 5, 1979, Examiner Hearing)
- Application of O. H. Berry for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a Seven Rivers well to be located 1650 feet from the North line and 330 feet from the East line of Section 15, Township 24 South, Range 36 East, Jalmat Gas Pool, the NE/4 of said Section 15 to be dedicated to the well.
- CASE 6665: Application of Amax Chemical Corporation for the amendment of Order No. R-111-A, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-111-A to extend the boundaries of the Potash-Oil Area by the inclusion of certain lands in Sections 22 and 23, Township 19 South, Range 29 East, and Section 19, Township 19 South, Range 30 East.
- CASE 6666: Application of Exxon Corporation for a non-standard proration unit, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 377.57-acre non-standard gas proration unit comprising Lots 1, 2, 3, and 4 and the N/2 N/2 of Section 36, Township 26 South, Range 25 East, and Lots 3 and 4 and the N/2 NW/4 of Section 31, Township 26 South, Range 26 East, to be dedicated to a Morrow test well to be located in Unit A of said Section 36.
- CASE 6667: Application of Exxon Corporation for a non-standard proration unit, an unorthodox well location, and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the approval of a 320-acre non-standard gas proration unit comprising the W/2 of Section 10, Township 21 South, Range 36 East, Eumont Pool, to be simultaneously dedicated to its A. J. Adkins Com Well No. 1 located in Unit L, and to its Well No. 2, at an unorthodox location 1650 feet from the North and West lines of said Section 10.

NEIL B. WATSON
FRED A. WATSON
JOHN W. FISK

LAW OFFICES
WATSON & WATSON
AMERICAN HOME BUILDING
P. O. DRAWER E
ARTESIA, NEW MEXICO 88210



September 18, 1979

Oil Conservation Division
State of New Mexico - Energy and Minerals Department
P.O. Box 2088
Santa Fe, New Mexico 87501

Attention Mr. Daniel S. Nutter

Dear Mr. Nutter:

Re: Case No. 6660 before the Oil Conservation Division,
Application of B. & W. Oil Reclaiming for an oil
treating plant permit in NE/4NE/4NE/4 of Section 34,
Township 18 South, Range 26 East, N.M.P.M., Eddy
County, New Mexico.

This letter will confirm my telephone request as attorney for the
applicants in the above case that the hearing scheduled for Septem-
ber 19, 1979, be vacated and that the case be placed on the docket
for hearing on October 2, 1979.

We thank you very much for post-poning the hearing on this matter.

Very truly yours,

Fred A. Watson
Fred A. Watson

FAW/dal

cc: B. & W. Oil Reclaiming
P.O. Box 957
Artesia, New Mexico 88210

ARTESIA

Application of Frank Boyce and Ronald L. Wilbanks d/b/a B. & W. Oil Reclaiming for a Sediment Oil Treating Plant Permit (to be located in NE/4NE/4NE/4 of Section 34, Township 18 South, Range 26 East, N.M.P.M., Eddy County, New Mexico).

Area Map

EXHIBIT NO.

Plant Site ☒

DAYTON

Application of Frank Boyce and Ronald L. Wilbanks d/b/a B. & W.
Oil Reclaiming for a Sediment Oil Treating Plant Permit (to be
located in NE/4NE/4NE/4 of Section 34, Township 18 South, Range
26 East, N.M.P.M., Eddy County, New Mexico).

Plat showing lands owned by applicant Boyce in vicinity of plant
site.

Boyce Lands - ☐ FULL INTEREST
☒ 2/3 INTEREST

State of New Mexico, County of Eddy

Range 26 East

Township 18 South

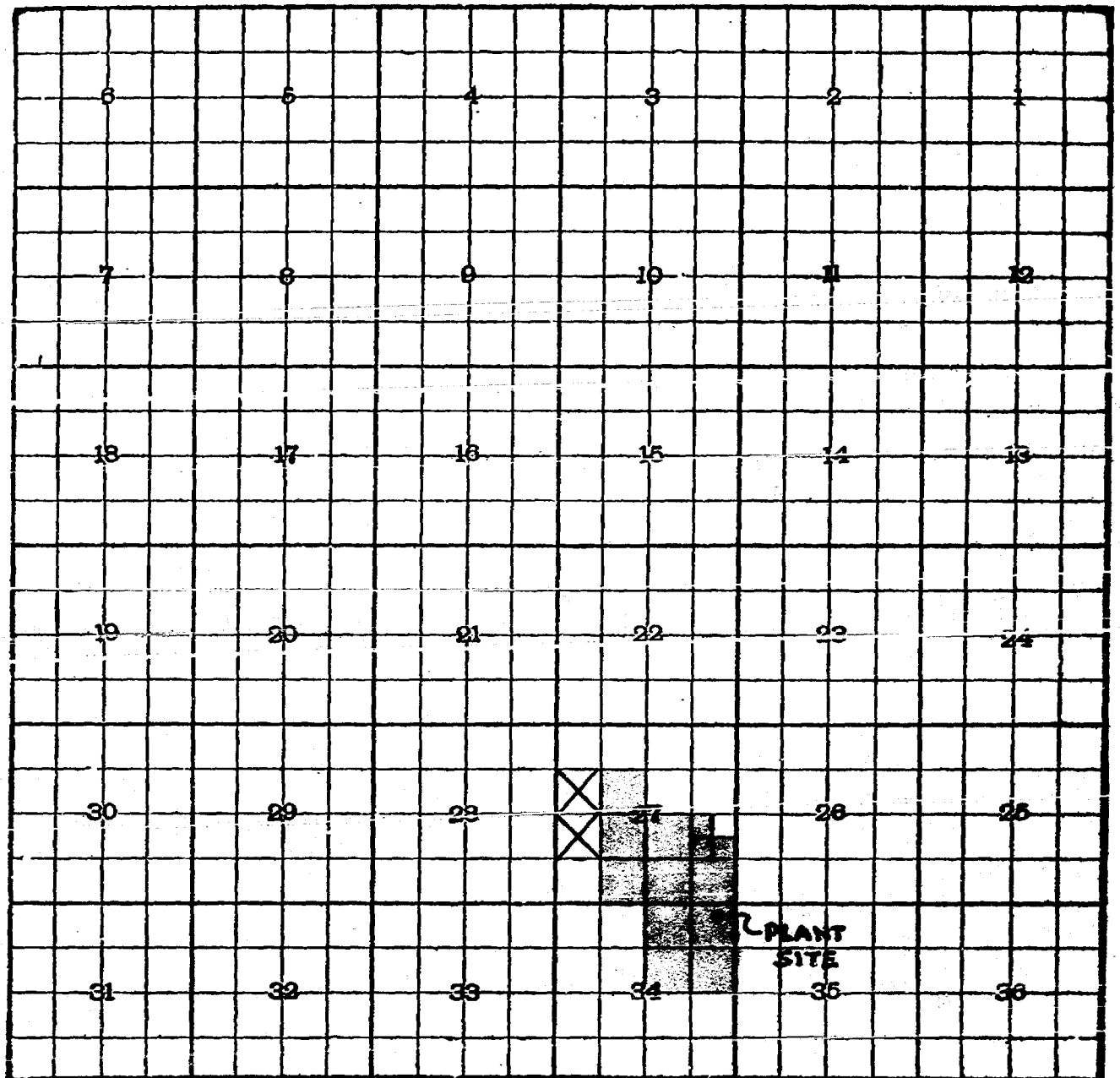
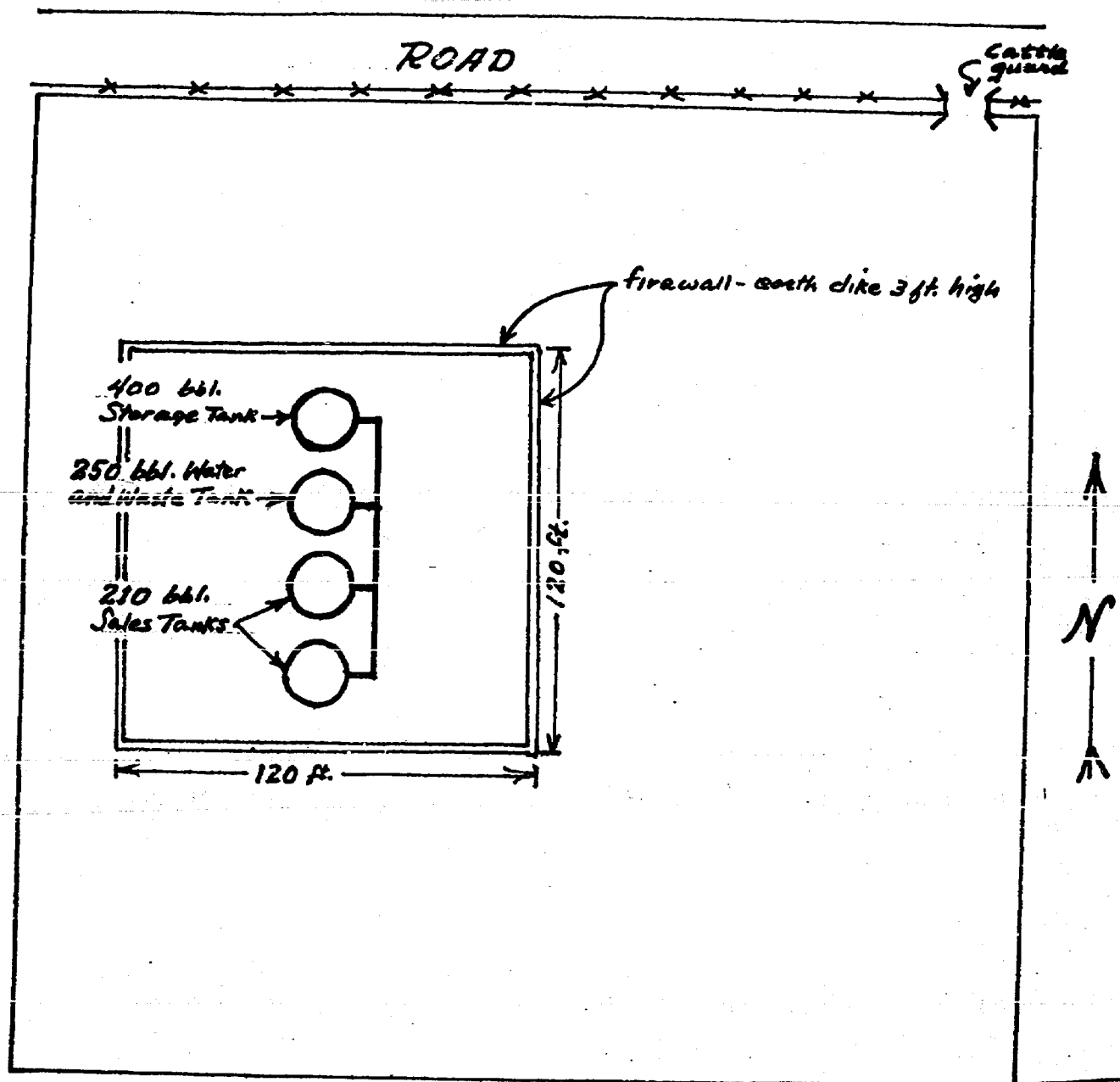


EXHIBIT NO. 2

Application of Frank Boyce and Ronald L. Wilbanks
 d/b/a B. & W. Oil Reclaiming for a Sediment Oil
 Treating Plant Permit (to be located in NE/4NE/4NE/4
 of Section 34, Township 18 South, Range 26 East,
 N.M.P.M., Eddy County, New Mexico).



SCHEMATIC OF PLANT
 (Not to Scale)

EXHIBIT NO. 3

BEFORE EXAMINER STAMETS
 OIL CONSERVATION DIVISION

Apph. EXHIBIT NO. 3

CASE NO. 6660

Submitted by Applicants

Hearing Date 10-2-79

Application of Frank Boyce and Ronald L. Wilbanks d/b/a B. & W. Oil Reclaiming for a Sediment Oil Treating Plant Permit (to be located in NE/4NE/4NE/4 of Section 34, Township 18 South, Range 26 East, N.M.P.M., Eddy County, New Mexico).

Statement as to Equipment

All tanks, except for the fiberglass water and waste tank, will be equipped with vapor-proof positive seal thief hatches.

No portion of the treating system, from storage tank through treating process and into the sales tanks, will permit or involve any emissions into the atmosphere. The storage tank, sales tanks, treating lines, drain lines, and pipeline will be metal.

The proposed water and waste tank will be an open top 250 bbl. fiberglass tank.

The firewall, approximately 120 feet square, will be constructed as an earth dike three feet high.

BEFORE EXAMINER STAMETS
OIL CONSERVATION DIVISION

Appn. EXHIBIT NO. 4

CASE NO. 6660

Submitted by Applicants

Hearing Date 10/2/79

EXHIBIT NO. 4

Application of Frank Boyce and Ronald L. Wilbanks d/b/a B. & W. Oil Reclaiming for a Sediment Oil Treating Plant Permit (to be located in NE/4NE/4NE/4 of Section 34, Township 18 South, Range 26 East, N.M.P.M., Eddy County, New Mexico).

Narrative Description of Treating Process

Sediment oil from tank bottoms and pits on various leases, located within a radius of about 50 miles from the plant, will be trucked by vacuum truck to the treating plant and put into the 400 bbl. storage tank.

The sediment oil will be treated with hot oil units of Wilbanks Hot Oil Service, Inc. Suction will be pulled off front of storage tank and discharged into bottom of sales tanks, after pumping through heater on hot oil unit. Chemicals (to knock out water) will be added and oil will be heated to 135° fahrenheit. Oil in sales tanks will be allowed to sit for 24 hours, to allow water and heavy sediment to settle to bottom of tank. Water from sales tanks will be bled to 250 bbl. water and waste tank, to be trucked off for proper disposal at later times and as required. Further, the heavy sediment, which will be mostly paraffin, will be bled to the water and waste tank, and trucked to a permitted disposal facility from time to time as necessary.

BEFORE EXAMINER STAMETS
OIL CONSERVATION DIVISION

Appm. EXHIBIT NO. 5

CASE NO. 6660

Submitted by Applicant

Hearing Date 10/2/79

EXHIBIT NO. 5

BEFORE THE OIL CONSERVATION DIVISION
ENERGY AND MINERALS DEPARTMENT

RECEIVED
AUG 14 1979
OIL CONSERVATION DIVISION
SANTA FE

STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF)
FRANK BOYCE AND RONALD L. WILBANKS)
d/b/a B. & W. OIL RECLAIMING FOR A)
SEDIMENT OIL TREATING PLANT PERMIT)

Case No. 6660

APPLICATION

Applicants, Frank Boyce and Ronald L. Wilbanks, d/b/a B. & W. Oil Reclaiming, P.O. Box 957, Artesia, New Mexico 88210, hereby apply for a sediment oil treating plant permit, and applicants state:

1. This application for a sediment oil treating plant is filed pursuant to Rule 312 of the Rules of the Oil Conservation Division.

2. The proposed location of the sediment oil treating plant is in NE/4NE/4NE/4 of Section 34, Township 18 South, Range 26 East, N.M.P.M., Eddy County, New Mexico. Said land is deeded pasture land belonging to one of the applicants. The nearest residences to said proposed plant location are 1-1/2 miles SW therefrom, 1-1/2 miles SE therefrom, 1-1/2 miles W therefrom, and 2 miles N therefrom.

3. Applicants propose to truck sediment oil, consisting of pit oil and tank bottom oil, from various leases to said sediment oil treating plant. Oil will be treated for reclamation by hot oil unit truck, using chemicals as necessary. The proposed plant will consist of one (1) 400 barrel holding tank, two (2) 210 barrel treating tanks, and one (1) pit for bleeding water. The pit will be large enough to safely hold 200 barrels and will be constructed and maintained in compliance with Environmental Improvement Agency regulations. It is anticipated

that it will be necessary to burn the pit at approximately three month intervals, and necessary permits therefore will be obtained. The estimated capacity of the proposed plant is 230 barrels per day, of which the volume refined will be approximately 180 barrels and the volume of waste will be approximately 50 barrels.

4. If this application is approved, before beginning actual operations, applicants will 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.

5. Applicants will comply with all requirements and regulations of the Environmental Improvement Agency, and a copy of this application is being forwarded to said Agency.

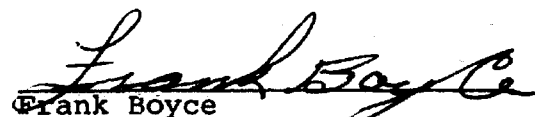
6. That the proposed plant and method of processing will efficiently process, treat, and reclaim sediment oil, thereby salvaging oil which would otherwise be wasted.

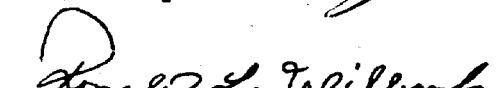
WHEREFORE, applicants request orders of the Oil Conservation Division as follows:

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

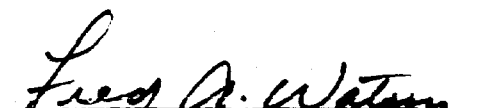
B. That after hearing, an order be entered granting applicants a sediment oil treating plant permit pursuant to Rule 312 of the Oil Conservation Division, Energy and Minerals Department, State of New Mexico.

B. & W. OIL RECLAIMING


Frank Boyce


Ronald L. Wilbanks

WATSON & WATSON


Attorneys for Applicant
P.O. Drawer E.
Artesia, New Mexico 88210

CERTIFICATE OF MAILING

I, Fred A. Watson, one of the attorneys for the applicants, hereby certify that on this date, I mailed true and correct copies of the foregoing application to the following:

New Mexico Oil Conservation Division
District II Office
P.O. Drawer DD
Artesia, New Mexico 88210

Attention: W. A. Gressett,
Supervisor

Environmental Improvement Agency
200 E. Fifth Street
Roswell, New Mexico 88201

Attention: Mr. John Gwen

Dated this 23rd day of August, 1979.

Fred A. Watson
Fred A. Watson

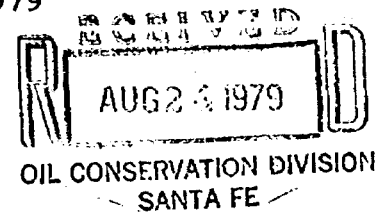
NEIL B. WATSON
FRED A. WATSON
JOHN W. FISK

LAW OFFICES
WATSON & WATSON
AMERICAN HOME BUILDING
P. O. DRAWER E
ARTESIA, NEW MEXICO 88210

AREA CODE 505
746-4151 • 746-2201

August 23, 1979

Oil Conservation Division
New Mexico Energy and Minerals Department
P.O. Box 2088
Santa Fe, New Mexico 87501



Gentlemen:

Re: Application of Frank Boyce and Ronald L. Wilbanks d/b/a B. & W. Oil Reclaiming, for a sediment oil treating plant permit, to be located in NE/4NE/4NE/4 of Section 34, Township 18 South, Range 26 East, N.M.P.M., Eddy County, New Mexico.

We herewith enclose the above application in triplicate.

Please set such application for hearing and notify this office of the date of such hearing.

If the Division requires additional written information prior to the hearing, please let this office know and we will proceed to furnish same.

Very truly yours,

Fred A. Watson
Fred A. Watson

FAW/dal

cc: B. & W. Oil Reclaiming

Enclosures

BEFORE THE OIL CONSERVATION DIVISION

ENERGY AND MINERALS DEPARTMENT

STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF)
FRANK BOYCE AND RONALD L. WILBANKS)
d/b/a B. & W. OIL RECLAIMING FOR A)
SEDIMENT OIL TREATING PLANT PERMIT)

Case No. 6660

APPLICATION

Applicants, Frank Boyce and Ronald L. Wilbanks, d/b/a B. & W. Oil Reclaiming, P.O. Box 957, Artesia, New Mexico 88210, hereby apply for a sediment oil treating plant permit, and applicants state:

1. This application for a sediment oil treating plant is filed pursuant to Rule 312 of the Rules of the Oil Conservation Division.

2. The proposed location of the sediment oil treating plant is in NE/4NE/4NE/4 of Section 34, Township 18 South, Range 26 East, N.M.P.M., Eddy County, New Mexico. Said land is deeded pasture land belonging to one of the applicants. The nearest residences to said proposed plant location are 1-1/2 miles SW therefrom, 1-1/2 miles SE therefrom, 1-1/2 miles W therefrom, and 2 miles N therefrom.

3. Applicants propose to truck sediment oil, consisting of pit oil and tank bottom oil, from various leases to said sediment oil treating plant. Oil will be treated for reclamation by hot oil unit truck, using chemicals as necessary. The proposed plant will consist of one (1) 400 barrel holding tank, two (2) 210 barrel treating tanks, and one (1) pit for bleeding water. The pit will be large enough to safely hold 200 barrels and will be constructed and maintained in compliance with Environmental Improvement Agency regulations. It is anticipated

that it will be necessary to burn the pit at approximately three month intervals, and necessary permits therefore will be obtained. The estimated capacity of the proposed plant is 230 barrels per day, of which the volume refined will be approximately 180 barrels and the volume of waste will be approximately 50 barrels.

4. If this application is approved, before beginning actual operations, applicants will 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.

5. Applicants will comply with all requirements and regulations of the Environmental Improvement Agency, and a copy of this application is being forwarded to said Agency.


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

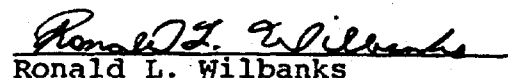
WHEREFORE, applicants request orders of the Oil Conservation Division as follows:

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


B. That after hearing, an order be entered granting applicants a sediment oil treating plant permit pursuant to Rule 312 of the Oil Conservation Division, Energy and Minerals Department, State of New Mexico.

B. & W. OIL RECLAIMING


Frank Boyce


Ronald L. Wilbanks

WATSON & WATSON


Attorneys for Applicant
P.O. Drawer E.
Artesia, New Mexico 88210

CERTIFICATE OF MAILING

I, Fred A. Watson, one of the attorneys for the applicants, hereby certify that on this date, I mailed true and correct copies of the foregoing application to the following:

New Mexico Oil Conservation Division
District II Office
P.O. Drawer DD
Artesia, New Mexico 88210

Attention: W. A. Gressett,
Supervisor

Environmental Improvement Agency
200 E. Fifth Street
Roswell, New Mexico 88201

Attention: Mr. John Gwen

Dated this 23rd day of August, 1979.

Fred A. Watson
Fred A. Watson

ROUGH

dr/

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

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

CASE NO. 6660

Order No. R-6144

APPLICATION OF B. & W. OIL
RECLAIMING FOR AN OIL TREATING
PLANT PERMIT, EDDY COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on October 2
19 79, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this _____ day of October, 19 79, 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, B. & W. Oil Reclaiming, seeks
authority to construct and operate a chemical and heat-treatment
type oil treating plant in the NE/4 NE/4 NE/4 of Section 34,
Township 18 South, Range 26 East, NMPM, Eddy County, New Mexico,
for the reclamation of up to approximately 180 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 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, B. & W. Oil Reclaiming, is hereby authorized to install and operate a chemical and heat-treatment type oil treating plant in the NE/4 NE/4 NE/4 of Section 34, Township 18 South, Range 26 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 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.

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