

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

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

CASE NO. 9199  
Order No. R-8507

APPLICATION OF JAMAR, INC. FOR  
AN OIL TREATING PLANT PERMIT,  
LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on August 26, 1987, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 8th day of September, 1987, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

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

(2) The applicant, Jamar, Inc., seeks authority to operate a chemical and heat-treatment type oil treating plant located in the NE/4 NE/4 (Unit A) of Section 8, Township 20 South, Range 37 East, NMPM, Lea County, New Mexico, for the processing of approximately 3000 barrels per month of raw materials from disposal water, tank bottoms, and waste pits.

(3) 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) The treating plant should be constructed, operated, and maintained in such a manner as to preclude spills and fires, protect persons and livestock, and prevent contamination of fresh waters.

Case No. 13027  
OCD Exhibit No. /  
May 22, 2003

Case No. 919  
Order No. R-8507

(5) Prior to initiation of operations, the facility should be inspected by the supervisor of the Hobbs district office of the Division in order to determine the adequacy of existing fences, gates, dikes, and berms needed to assure safe plant operation.

(6) All waste water and solid wastes obtained in the treatment process should be disposed of at a Division approved site.

(7) The Director of the Division should be authorized to administratively grant approval for the expansion or modification of said plant.

(8) Authority for operation of the plant should be suspended or rescinded whenever such suspension or rescission should appear necessary to protect human health or property, to protect fresh water supplies from contamination, to prevent waste, or for non-compliance with the terms and conditions of this order or Division rules.

(9) Prior to initiation of operations, the applicant should be required to submit to the Santa Fe office of the Division a surety or cash bond in the amount of \$25,000 in a form approved by the Division.

(10) The treating plant permit should be non-transferable.

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

IT IS THEREFORE ORDERED THAT:

(1) The applicant, Jamar, Inc., is hereby authorized to install and operate a chemical and heat-treatment type oil treating plant located in the NE/4 NE/4 (Unit A) of Section 8, Township 20 South, Range 37 East, NMPM, Lea County, New Mexico, for the purpose of treating and reclaiming approximately 3000 barrels of sediment oil per month obtained from tank bottoms, waste pits, and disposal water.

PROVIDED HOWEVER THAT, prior to initiation of operations, the applicant shall file with the Santa Fe office of the Division a surety or cash bond in the amount of \$25,000 in a form approved by the Division.

(2) The facility shall have adequate fencing, gates, and cattle guards installed and maintained as protection for livestock and preclude entry by persons during periods when the facility is unattended.

(3) The facility shall be operated and maintained in such a manner that spills or leaks will be prevented and any spill or leak which should occur will be immediately cleaned up.

(4) The supervisor of the Hobbs district office of the Division may require the applicant, after inspection of the facility, to install additional fencing, or to construct additional dikes, dams, or fire walls in order to assure the safe operation of said plant.

(5) The disposal of waste fluids or solids accumulated in conjunction with the operation of the plant shall be at Division approved sites, and, further, any disposal of such fluids or solids 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 manner which may constitute a hazard to any fresh water supplies is hereby prohibited.

(6) The Director of the Division may administratively grant authority for the expansion or modification of said plant upon request and a demonstration that such expansion or modification is upon contiguous acreage and is otherwise consistent with this order and Division rules and regulations.

(7) Authority for operations of the facility may be suspended or rescinded should such suspension or rescission appear necessary to protect human health or property, to protect fresh water supplies from contamination, to prevent waste or for non-compliance with the terms and conditions of this order or Division rules.

(8) The treating plant authorization is non-transferable to any other location or operator.

(9) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

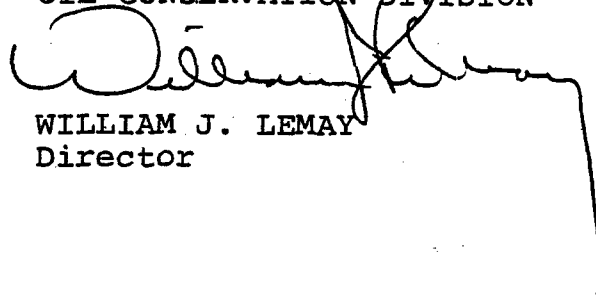
-4-

Case No. 91:

Order No. R-8507

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

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

A handwritten signature in dark ink, appearing to read 'William J. Lemay', is written over the typed name and title. The signature is fluid and cursive, with a long horizontal stroke extending to the right.

WILLIAM J. LEMAY  
Director

S E A L

fd/

NEW MEXICO OIL CONSERVATION DIVISION  
OF THE ENERGY & MINERALS DEPARTMENT

\$25,000.00 TREATING PLANT BCND

per 10-6-76

BOND NO. 1135611 Premium: \$1250.00  
(For Use of Surety Company)

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

KNOW ALL MEN BY THESE PRESENTS:

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

The conditions of this obligation are such that:

WHEREAS, The above principal has heretofore or may hereafter enter into the  
process of treating and reclaiming sediment oil in Section 8, Township 20  
(~~North~~) (South), Range 37 (East) (~~West~~), N.M.P.M., \_\_\_\_\_ County, New  
Mexico.

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

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

Signed and sealed this 16th day of September, 19 87.

Jamar, Inc.  
PRINCIPAL

AMWEST SURETY INSURANCE COMPANY  
SURETY

2620 N. Albertson - Hobbs NM 5225 North Central Avenue, #104  
Mailing Address 88240 Mailing Address Phoenix, Arizona, 85012

By [Signature] - Pres By Artyce Johnson  
Signature Title Attorney-in-Fact Artyce Johnson

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

(Note: Corporate surety affix corporate  
seal here.)

Case No. 13027  
OCD Exhibit No. 2  
May 22, 2003

Note: If corporate surety executes this bond by an attorney-in-fact not in New Mexico, the resident New Mexico agent shall countersign here below.)

Countersigned by:

New Mexico Resident Agent

P.O. Box A, Albuquerque, NM 87103  
Address

STATE OF New Mexico )  
COUNTY OF Bernalillo ) ss.

On this 16th day of September, 1987, before me personally appeared Charles A. Robinson Jr., to me known to be the person (persons) described in and who executed the foregoing instrument and acknowledged that he (they) executed the same as he (their) free act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and seal on the day and year in this certificate first above written.

Thomas M. Brumbaugh  
Notary Public

March 11, 1991  
My Commission Expires:

#### ACKNOWLEDGMENT FORM FOR CORPORATION

STATE OF Arizona )  
COUNTY OF Maricopa ) ss.

On this 16th day of September, 1987, before me personally appeared Artyce Johnson, to me personally known who, being by me duly sworn, did say that he is Attorney-in-fact of AMWEST SURETY INSURANCE COMPANY and that the foregoing instrument was signed and sealed on behalf of said corporation by authority of its board of directors, and acknowledged said instrument to be the free act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and seal on the day and year in this certificate first above written.



MARY JANE HOPPER  
Notary Public - Arizona  
Principal Offices in  
Maricopa County

My Commission Expires  
My Commission Expires May 7, 1990

Mary Jane Hopper  
Notary Public

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ ) ss.

On this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, before me appeared \_\_\_\_\_, to me personally known, who, being by me duly sworn, did say that he is \_\_\_\_\_ of \_\_\_\_\_ and that the foregoing instrument was signed and sealed on behalf of said corporation by authority of its board of directors, and acknowledged said instrument to be the free act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and seal on the day and year in this certificate first above written.

Rec above  
Notary Public

My Commission Expires:  
(Note: Corporate surety attach power of attorney)

APPROVED BY:  
OIL CONSERVATION DIVISION

By William J. Hopper

AMWEST SURETY INSURANCE CO.

P.O. Box 4500

Woodland Hills, CA 91365

(818) 704-1111



POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS that AMWEST SURETY INSURANCE COMPANY, A CALIFORNIA CORPORATION does hereby make, constitute and appoint

Artye Johnson

its true and lawful Attorney(s)-in-Fact, with full power and authority for and on behalf of the company as surety, to execute and deliver and affix the seal of the company thereto if a seal is required, bonds, undertakings, recognizances or other written obligations in the nature thereof, as follows:

Contract, Court, License, Permit and Miscellaneous Bonds.

and to bind AMWEST SURETY INSURANCE COMPANY thereby, and all of the acts of said Attorneys-in-Fact, pursuant to these presents, are hereby ratified and confirmed. This appointment is made under and by authority of the following provisions of the By-Laws of the company, which are now in full force and effect:

Article III, Section 7 of the By-Laws of AMWEST SURETY INSURANCE COMPANY

This Power of Attorney is signed and sealed by facsimile under and by the authority of the following resolutions adopted by the board of directors of AMWEST SURETY INSURANCE COMPANY at a meeting duly held on December 15, 1975:

RESOLVED that the president or any vice-president, in conjunction with the secretary or any assistant secretary, may appoint attorneys-in-fact or agents with authority as defined or limited in the instrument evidencing the appointment in each case, for and on behalf of the company to execute and deliver and affix the seal of the company to bonds, undertakings, recognizances, and suretyship obligations of all kinds, and said officers may remove any such attorney-in-fact or agent and revoke any power of attorney previously granted to such person.

RESOLVED FURTHER that any bond, undertaking, recognizance, or suretyship obligation shall be valid and binding upon the company:

(i) when signed by the president or any vice-president and attested and sealed (if a seal be required) by any secretary or assistant secretary; or

(ii) when signed by the president or any vice-president or secretary or assistant secretary, and countersigned and sealed (if a seal be required) by a duly authorized attorney-in-fact or agent; or

(iii) when duly executed and sealed (if a seal be required) by one or more attorneys-in-fact or agents pursuant to and within the limits of the authority evidenced by the power of attorney issued by the company to such person or persons.

RESOLVED FURTHER that the signature of any authorized officer and the seal of the company may be affixed by facsimile to any power of attorney or certification thereof authorizing the execution and delivery of any bond, undertaking, recognizance, or other suretyship obligations of the company; and such signature and seal when so used shall have the same force and effect as though manually affixed.

IN WITNESS WHEREOF, AMWEST SURETY INSURANCE COMPANY has caused these presents to be signed by its proper officer, and its corporate seal to be hereunto affixed this 1st day of April 19 85.



AMWEST SURETY INSURANCE COMPANY

Gary R. Peterson

Gary R. Peterson, President

Karen G. Cohen

Karen G. Cohen, Secretary

STATE OF CALIFORNIA, COUNTY OF LOS ANGELES — ss

On this 1st day of April A.D., 19 85, personally came before me Gary R. Peterson

and Karen G. Cohen to me known to be the individuals and officers of AMWEST SURETY INSURANCE COMPANY, CALIFORNIA who executed the above instrument, and they each acknowledged the execution of the same, and being by me duly sworn, did severally depose and say: that they are the said officers of the corporation aforesaid, and that the seal affixed to the above instrument is the seal of the corporation, and that said corporate seal and their signatures as such officers were duly affixed and subscribed to the said instrument by the authority of the board of directors of said corporation.



(SEAL)

Janice Druez

Notary Public

STATE OF CALIFORNIA, COUNTY OF LOS ANGELES — ss

CERTIFICATE

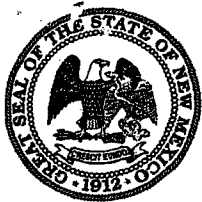
I, the undersigned, secretary of the AMWEST SURETY INSURANCE COMPANY, a California corporation, DO HEREBY CERTIFY that the foregoing and attached Power of Attorney remains in full force and has not been revoked, and furthermore, that the provisions of the By-Laws of the company and the Resolutions of the board of directors set forth in the Power of Attorney, are now in force.

Signed and sealed at Phoenix, Arizona this 16th day of September 19 87.



Karen G. Cohen

Karen G. Cohen, Secretary



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

**BILL RICHARDSON**

Governor

**Joanna Prukop**

Cabinet Secretary

April 8, 2003

**Lori Wrotenberg**

Director

Oil Conservation Division

Jamar, Inc.  
c/o Charles A. Robinson, Jr.  
2620 N. Albertson  
Hobbs, NM 88240

Amwest Surety Insurance Company  
Attn: Clark Cameron  
c/o Sunrise Claims Handling  
5230 Las Virgenes Road  
Calabasas, CA 91302

**VIA CERTIFIED MAIL, RETURN RECEIPT REQUESTED**

**Re: Oil Treating Plant at Section 8, Township 20 South, Range 37 East, NMPM, Lea County, New Mexico permitted by Order No. R-8507 issued in Case No. 9199, under date of September 8, 1987.**

Ladies and Gentlemen:

The Oil Conservation Division has determined that disposal operations have ceased at the referenced facility, and there has been no significant activity at the facility for a period substantially in excess of six (6) months. Accordingly, pursuant to Rule 711.D [19.15.9.711.D NMAC], the Division has further determined that the referenced facility shall be closed. In the absence of a response to this letter, the Division will proceed with an application for a hearing to show cause why the permit for this facility should not be revoked, the permittee ordered to close the facility in accordance with said Rule 711.D, and the operator's bond forfeited to the extent necessary to defray costs of closing the facility. You posted a surety bond, in the amount of \$25,000, No. 1135611 issued by Amwest Surety Insurance Company on August 13, 1979.

Forfeiture may be avoided if the permittee or another party agrees to submit a closure plan and perform closure operations in accordance with Rule 711 and satisfies the Division that such party has the ability to satisfy the conditions required for closure. The surety may assume responsibility for closure of the facility if the surety can demonstrate to the satisfaction of the Division that it has the ability to complete the closure in accordance with a Division-approved plan.

Case No. 13027

OCD Exhibit No. 3

May 22, 2003



**CERTIFIED MAIL**

2001 12 14 11:55 AM

**REASON CHECKED**

☒ Unclaimed  
☐ Addressee unknown  
☐ Refused  
☐ No return address  
☐ Invalid street address  
☐ Invalid ZIP code  
☐ Invalid city name  
☐ Invalid office or PO box number  
☐ Mail in this area  
to help mail in this area

01-09-03  
N. MEX. SANTA FE

\* U.S. POSTAGE \*  
 4420  
 \* METER \*  
 9502634

NAME \_\_\_\_\_  
1st Notice CH7  
2nd Notice CH7  
Return CH7



Is your RETURN ADDRESS completed on the reverse side?

711-D14

4803 mjk

**SENDER:**

- Complete Items 1 and/or 2 for additional services.
- Complete Items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

1. ☐ Addressee's Address
2. ☐ Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

AmWEST SURETY INSURANCE CO.

ATTN: CLARK CAMERON

C/O Sun Rise Claims HANDLING

5730 LAS VIRGENES ROAD

CALABASAS, LA 91302

7001 1940 0004 3929 8331

4b. Service Type

- ☐ Registered ☒ Certified  
☐ Express Mail ☐ Insured  
☐ Return Receipt for Merchandise ☐ COD

7. Date of Delivery

4/16/03

5. Received By: (Print Name)

MARK HAMPER

6. Signature: (Addressee or Agent)

X *MS Hamper*

8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1994

102595-97-B-0179

Domestic Return Receipt

Thank you for using Return Receipt Service.

Jamar, Inc.

Permit to operate via Order 9199, Environmental File 711-014

OCD Inspection February 17, 2003

Larry Johnson, Hobbs District Office

Case No. 13027

OCD Exhibit No. 4

May 22, 2003



Photo 1: 2- Buried 250 bbl tanks containing paraffin and water, 1-insulated 250 bbl tank contents unknown. Looking East



Photo 2. Close up of buried 250 bbl tank with net and fluid. Looking Southeast.



Jamar, Inc.  
Permit to operate via Order 9199, Environmental File 711-014  
OCD Inspection February 17, 2003  
Larry Johnson, Hobbs District Office



Photo 3: From left to right, 2-500bbl insulated tanks, 2-250 bbl buried tanks, and 1-250 bbl insulated tank and steel box on concrete. Looking north-northeast.



Photo 4: Junk pile in the southwest corner contains drums, car body, pipe, sink, etc. Looking northwest.