

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. 8174
Order No. R-7532

APPLICATION OF BILL SCOTT, DBA CEDAR
LAKE OIL, FOR AN OIL TREATING PLANT PERMIT,
EDDY COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8 a.m. on May 9, 1984,
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 21st day of May, 1983, 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, Bill Scott, dba Cedar Lake Oil,
seeks authority to construct and operate a chemical, catalytic,
and heat-treatment type oil treating plant at its treatment
facility located in the SW/4 of Section 19, Township 17 South,
Range 31 East, NMPM, Eddy County, New Mexico, for the
processing of raw material from tank bottoms and waste pits.
- (3) That a fire wall 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, waste oil, or water cannot escape from the
immediate vicinity of such plant.
- (4) That the applicant should not retain any unprocessed
or processed oil, wastes, or water in any earthen pit on the
location.
- (5) 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.

(6) That the Director of the Division should be authorized to administratively grant approval for the expansion modification of said plant.

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

IT IS THEREFORE ORDERED:

(1) That the applicant, Bill Scott, dba Cedar Lake Oil, is hereby authorized to install and operate a chemical, catalytic, and heat-treatment type oil treating plant at his treatment facility located in the SW/4 of Section 19, Township 17 South, Range 31 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 and obtain approval of 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 a fire wall 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 storage of any oil or the disposal of waste water or any other waste 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

-3-

Case No. 8174

Order No. R-7532

any manner which will constitute a hazard to any fresh water supplies is hereby prohibited.

(5) That 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.

(6) 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.



STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


JOE D. RAMEY,
Director