

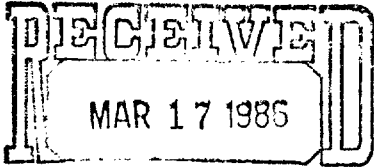


ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
HOBBS DISTRICT OFFICE

TONEY ANAYA
GOVERNOR

March 14, 1986

POST OFFICE BOX 1980
HOBBS, NEW MEXICO 88240
(505) 393-6161



OIL CONSERVATION DIVISION
Box 2088
Santa Fe, NM 87504-2088

Re: Veno Energy Treating Plant
R-7596 -- NW/4 NE/4 Sec. 23, T16S, R35E

Dear Mr. Stamets:

We were requested by Diane Richardson to check the above-referenced treating plant to determine if the treating plant bond should be released. This plant was checked by our field inspector March 10, 1986. A photo was taken from a distance on this date because the gate was locked and we were unable to get to the facility. The photo indicates the same equipment is still on the location that was there when it was checked August 1985.

Our records indicate the last monthly operating report filed by Veno was for March 1985, and we show no activity at this facility since that date.

Very truly yours,

OIL CONSERVATION DIVISION

Jerry Sexton
Jerry Sexton
Supervisor, District I

ed

cc: Diane Richardson - OCD Santa Fe
Veno Energy, Box 2202, Hobbs, NM

*Lets set this for
a show cause hearing
to rescind the
authority and
require reclamation
of the site*

RLL

Kerry Evans.

397-1877





TONEY ANAYA
GOVERNOR

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION



1935 - 1985

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-5800

*Call F. 1/2
8871 BRL*

April 11, 1986

MEMORANDUM

TO: R. L. STAMETS, DIRECTOR, OCD

FROM: ROGER C. ANDERSON, ENVIRONMENTAL ENGINEER, OCD *RCA*

SUBJECT: VENO ENERGY TREATING PLANT INSPECTION R-7596 -- NW/4 NE/4,
SECTION 23, TOWNSHIP 16 SOUTH, RANGE 35 EAST, APRIL 3, 1986

On April 3, 1986, an inspection of the above facility was performed by Dave Boyer and myself. All accesses were locked, consequently, we entered on foot over the north fence. Attempts to locate the principals of Veno Energy were unsuccessful. A message was left on Mr. Kerry Evans' answering machine notifying him of the approximate time of our arrival on site.

The facility shows no signs of recent activity. All tanks are empty. The inner pit northwest of the tank complex appears to have been used as a drilling mud settlement pit, with the outer pit used as a water evaporation pit. The inner pit has drilling mud solids and the outer pit is dry.

Numerous drums were found south of the tanks. All but two were empty. The contents of these two are unknown.

Conclusion

The tanks and scrap on the location are unsightly but not environmentally detrimental. The drums containing substances should be removed and disposed of properly. If the pits are associated with the treating plant they should be closed and mounded according to accepted procedures. If they are associated with the well on the property, the owner/operator of the well should reclaim the pits.

RCA:dp

cc: Dave Boyer