

CASE 7508: P & O OILFIELD SERVICES,
INC. FOR AN OIL TREATING PLANT PERMIT,
LEA COUNTY, NEW MEXICO

DOCKET MAILED

Date 3/5/82

CASE NO.

7508

APPLICATION,
TRANSCRIPTS,
SMALL EXHIBITS,
ETC.

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
STATE LAND OFFICE BLDG.
SANTA FE, NEW MEXICO

16 March 1982

EXAMINER HEARING

IN THE MATTER OF:

Application of P & O Oilfield
Services, Inc., for an oil treating
plant permit, Lea County, New Mexico.

CASE
7508

BEFORE: RICHARD L. STAMETS

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation
Division:

W. Perry Pearce, Esq.
Legal Counsel to the Division
State Land Office Bldg.
Santa Fe, New Mexico 87501

For the Applicant:

William F. Carr, Esq.
CAMPBELL, BYRD, & BLACK P.A.
Jefferson Place
Santa Fe, New Mexico 87501

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I N D E X

CARMEN OROZCO

Direct Examiantion by Mr. Carr 3

Cross Examination by Mr. Stamets 10

E X H I B I T S

Applicant Exhibit One, Diagram 6

MR. STAMETS: We'll call next Case 7508.

MR. PEARCE: Application of P & O Oilfield Service, Inc., for an oil treating plant permit, Lea County, New Mexico.

MR. CARR: May it please the Examiner, my name is William F. Carr with the law firm Campbell, Byrd, and Black, P. A., Santa Fe, appearing on behalf of the applicant.

I have one witness who needs to be sworn.

(Witness sworn.)

CARMEN OROZCO

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

DIRECT EXAMINATION

BY MR. CARR:

Q Will you state your name and place of residence?

A. Carmen Orozco. I live in Jal, New Mexico.

Q And by whom are you employed?

A. I'm the President of P & O Oilfield

Services, Incorporated.

Q Mr. Orozco, have you previously testified before this Commission or one of its Examiners and had your qualifications as a practical oilfield man made a matter of record?

A. Yes, sir.

Q And what is P & O seeking with this application?

A. I'm trying to put in a treating plant so that a lot of our floor settlement won't go to waste and also it helps save my trucks, to keep from having to travel about 40 miles to get rid of the stuff.

MR. CARR: Mr. Stamets, are the witness' qualifications acceptable?

MR. STAMETS: They are.

Q Mr. Orozco, what is the location of the proposed treating plant?

A. It's in -- I can't remember. It's in Section 10, Range 36 East, Township what is it -- there it is, it's in the southwest quarter of the northeast quarter of Section 10, Township 25, Range 36 East.

Q This is in Lea County, New Mexico?

A. It's in Lea County.

Q Mr. Orozco has P & O previously appeared

1
2 before the Commission and received approval for a treating
3 plant?

4 A. Yes, sir.

5 MR. CARR: And, Mr. Stamets, we would
6 ask that you take note of the record in Case 7141, and also
7 Order R-6591, entered February 12, 1981.

8 Q Mr. Orozco, are you here today simply
9 to move the location of the treating plant which previously
10 was approved?

11 A. that's right. That's right.

12 Q Is the -- is the land on which you are
13 proposing to locate this treating plant State, Federal, or
14 fee land?

15 A. It's fee land.

16 Q And what interest does P & O have in
17 this property?

18 A. I've leased it from Johnny Chapman.

19 Q And he is the fee owner of it?

20 A. He is the owner.

21 Q Of the property?

22 A. Yes, sir.

23 Q Have you -- well, what will be the source
24 of supply for this treating plant?

25 A. It will be tank bottoms taken from the

1

2

tanks that P & O's vacuum trucks clean.

3

Q

And you presently have trucks which do

4

take --

5

A.

Yes, sir, I have.

6

Q

-- tank bottoms.

7

A.

Two vacuum trucks, yes.

8

Q

How are you currently disposing of these

9

tank bottoms?

10

A.

Right now we're taking them up to Eunice to

11

the Parabo Disposal.

12

Q

And you will continue to collect the

13

supply by using vacuum trucks?

14

A.

Yes, sir.

15

Q

What are you planning to do with the

16

waste water which will result from this treating plant oper-

17

ation?

18

A.

XL Transportation is going to haul it

19

off.

20

Q

Will you refer to what has been marked

21

for identification as P & O Exhibit Number One and using

22

this exhibit explain to Mr. Stamets how you propose to treat

23

the incoming product.

24

A.

Okay. If you'll notice up there, there

25

is a 500 barrel tank that says sediment, or BS&W, and we'll

1
2 rig up a circulating pump with chemical going into the line
3 at the same time. This pump will pump the sediment, which
4 is the dark line, into the heater-treater and the temperature
5 and the heat and everything will treat the oil out, which is
6 a red line, it will just gravity over here to the two 10
7 barrel oil tanks.

8 The water will also gravity out through
9 what we call the water lake, gravity out to the water tank.

10 It's a very simple operation. The oil
11 field people do it every day.

12 Q Do you propose to have a dike around
13 this facility?

14 A Yes, sir. The way I have to regulate,
15 because the heater-treater has to be 100 feet from storage,
16 it will actually wind up about three times the volume that
17 I'll have in the tanks.

18 Q So you will have a dike that will --

19 A Yes, sir.

20 Q -- hold three times the volume of the
21 entire plant?

22 A Yes, sir.

23 Q And are you going -- how are you going
24 to treat the oil?

25 A With chemicals and the heat.

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Q And the heat. And you indicated what kind of a heater-treater you proposed to use?

A. It's -- I've already bought it. It's a National 4 x 20.

Q What exactly is the capacity of this plant?

A. 14, yeah, 1420 barrels.

Q And the actual volume would depend on the amount of incoming product.

A. Yes. Yeah, it would depend on how good my work would be, yeah.

Q Where is the -- how close is the nearest producing well?

A. It's two miles, two miles from the site.

Q Have you already furnished the \$10,000 performance bond required by Commission rules?

A. Yes, sir, I have.

Q And will you keep all records and make all reports required by the Oil Conservation Division Rules and Regulations?

A. Yes, sir.

Q Are you familiar with the new Commission rules which were promulgated effective February 1 of this year?

1

2

A. Very well.

3

Q

What fire control measures were you going to take?

4

5

A.

We're going to use chemicals.

6

Q

And how soon would you be ready to commence operations?

7

8

A.

Well, it will be six months, I know, after they tell me to move.

9

10

Q

In your opinion will granting this application result in the recovery of oil which otherwise might not be recovered, thereby preventing waste?

11

12

A.

That's right, yes, sir.

13

14

Q

Will granting this application in any way affect the rights of any other operator in the area?

15

16

A.

No, sir.

17

Q

Was Exhibit One prepared by you?

18

A.

Yes, sir.

19

20

MR. CARR: At this time, Mr. Stamets, we would offer P & O Exhibit Number One.

21

22

MR. STAMETS: The exhibit will be admitted.

23

24

MR. CARR: I have nothing further on direct.

25

CROSS EXAMINATION

BY MR. STAMETS:

Q Mr. Orozco, is this the same mechanical setup that you proposed in the original case?

A Yes, sir.

Q And did you ever get into actual operation under that original order?

A No, sir.

Q Now, you indicated XL was going to haul the water from this. Where do you anticipate they will be moving the water?

A They have a disposal well about eight miles south of Jal.

Q Okay.

A It's -- and that's where they take it.

Q And generally there is some irreducible BS that you wind up with in a system like this. What do you plan to do with that?

A Take it to the Winkler County county road people. They use that on their blacktops.

Q Over in Texas?

A Yes, sir.

MR. STAMETS: Any other questions of this?

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witness? He may be excused.

Anything further in this case?

MR. CARR: Nothing further.

MR. STAMETS: The case will be taken under advisement.

(Hearing concluded.)

C E R T I F I C A T E

I, SALLY W. BOYD, C.S.R., DO HEREBY CERTIFY that
the foregoing Transcript of Hearing before the Oil Conserva-
tion 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.

Sally W. Boyd CSR

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 2508
heard by me on 3/16 1982
Richard L. Hamer Examiner
Oil Conservation Division

SALLY W. BOYD, C.S.R.

Rt. 1 Box 193-B
Santa Fe, New Mexico 87501
Phone (505) 455-7409



BRUCE KING
GOVERNOR
LARRY KEHOE
SECRETARY

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-2434

April 9, 1982

Mr. William F. Carr
Campbell, Byrd & Black
Attorneys at Law
Post Office Box 2208
Santa Fe, New Mexico

Re: CASE NO. 7508
ORDER NO. R-6591-A

Applicant:

~~P & O Oilfield Services, Inc.~~

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 x
Artesia OCD x
Aztec OCD x

Other _____

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. 7508
Order No. R-6591-A

APPLICATION OF P & O OIL FIELD
SERVICE FOR AN OIL TREATING
PLANT PERMIT, LEA COUNTY, NEW
MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on March 16, 1982, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 2th day of April, 1982, 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, P & O Oil Field Service, seeks authority to construct and operate a chemical and heat-treatment type oil treating plant in the SW/4 NE/4 of Section 10, Township 25 South, Range 36 East, NMPM, Lea County, New Mexico, for the reclamation of up to approximately 30 barrels of sediment oil per operating hour to be obtained from tank bottoms, disposal water, and waste pits.

(3) That the evidence presented in this case revealed that the application is not for a new facility but rather represents a change in location of a facility approved by Division Order No. R-6591 dated February 12, 1981.

(4) That the applicant proposes to change the location of such plant from the SW/4 NW/4 of Section 25, Township 25 South, Range 36 East, NMPM, Lea County, New Mexico, to the location described in Finding No. (1) above.

-2-

Case No. 7508

Order No. R-6591-A

(5) That no reclamation activity was conducted at the previously approved site.

(6) That the first paragraph of Order (1) of Division Order No. R-6591 should be amended to read in its entirety as follows:

"(1) That the applicant, P & O Oil Field Service, is hereby authorized to install and operate a chemical and heat-treatment type oil treating plant in the SW/4 NE/4 of Section 10, Township 25 South, Range 36 East, NMPM, Lea County, New Mexico, for the purpose of treating and reclaiming sediment oil to be obtained from tank bottoms and waste pits;"

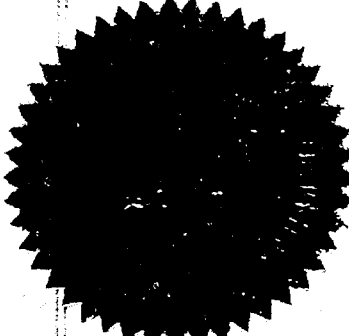
IT IS THEREFORE ORDERED:

(1) That the first paragraph of Order No. (1) of Division Order No. R-6591 entered February 12, 1981, is hereby amended to read in its entirety as follows:

"(1) That the applicant, P & O Oil Field Service, is hereby authorized to install and operate a chemical and heat-treatment type oil treating plant in the SW/4 NE/4 of Section 10, Township 25 South, Range 36 East, NMPM, Lea County, New Mexico, for the purpose of treating and reclaiming sediment oil to be obtained from tank bottoms and waste pits;"

(2) 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.

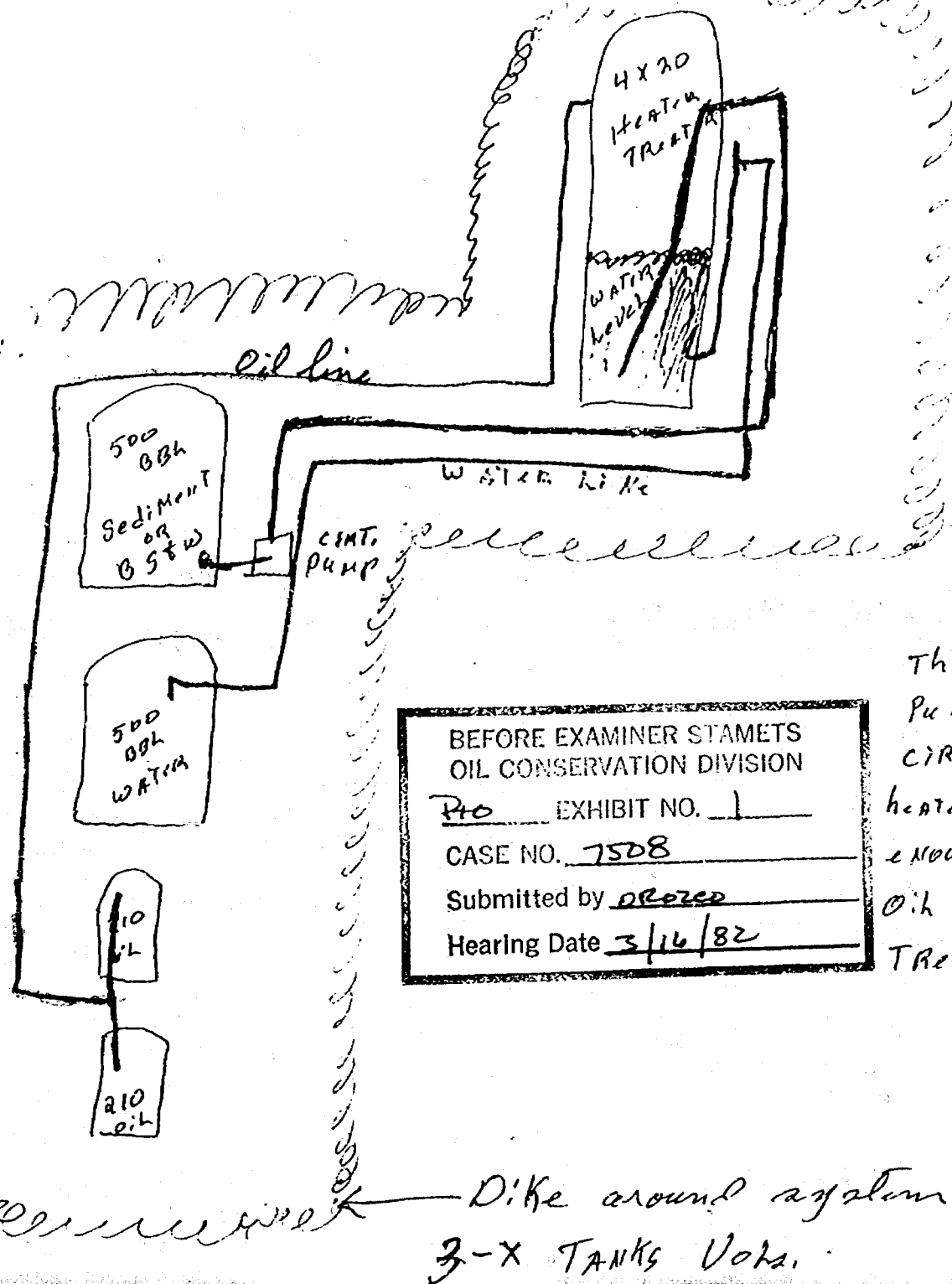


S E A L
fd/

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

Joe D. Ramey
JOE D. RAMEY
Director

Black lines is Sediment
 Blue lines is WATER
 Red lines is TREATED OIL



BEFORE EXAMINER STAMETS OIL CONSERVATION DIVISION	
Pro	EXHIBIT NO. 1
CASE NO. 7508	
Submitted by <u>ORZED</u>	
Hearing Date <u>3/16/82</u>	

The chemical pump will be by circulating pump. chemical will be pumped in fluid A. circulating pump pumps oil sediment to heater treater at 30 BBLs per hour show enough to heat & treat oil sediment. Oil + water will ~~go~~ GRAVITY out of treater to tanks as shown

Dockets Nos. 9-82 and 10-82 are tentatively set for March 31, and April 14, 1982. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - TUESDAY - MARCH 16, 1982

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

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

- ALLOWABLE:** (1) Consideration of the allowable production of gas for April, 1982, from fifteen prorated pools in Lea, Eddy, and Chaves Counties, New Mexico.
- (2) Consideration of the allowable production of gas for April, 1982, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.

- CASE 7502:** Application of Sun Oil Company for an unorthodox gas well location and non-standard gas proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a well to be drilled 760 feet from the South line and 960 feet from the East line of Section 6, Township 24 South, Range 37 East, Jalmat Gas Pool, and a 160-acre non-standard proration unit comprising the SE/4 of said Section 6.
- CASE 7503:** Application of Sun Oil Company for an unorthodox gas well location and non-standard gas proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a well to be drilled 1980 feet from the North line and 1400 feet from the East line of Section 22, Township 22 South, Range 36 East, Jalmat Gas Pool, and a 120-acre non-standard proration unit comprising the W/2 NE/4 and SE/4 NE/4 of said Section 22.
- CASE 7504:** Application of Cities Service Company for the extension of vertical limits of the Langlie Mattix Pool, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the contraction of the vertical limits of the Jalmat Pool and the upward extension of the vertical limits of the Langlie Mattix Pool to a subsurface depth of 3416 feet underlying the NW/4 of Section 19, Township 24 South, Range 37 East.
- CASE 7505:** Application of BCO, Inc. for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Lybrook-Gallup and Basin-Dakota production in the wellbores of wells drilled and to be drilled in Section 2, 3, 4, 9 and 10, Township 23 North, Range 7 West.
- CASE 7506:** Application of Getty Oil Company for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of salt water into the Abo formation in the perforated interval from 8900 feet to 9300 feet in its State "P" Well No. 1, located in Unit P, Section 32, Township 16 South, Range 37 East, Lovington-Abo Pool.
- CASE 7507:** Application of Sonny's Oilfield Service, Inc. for an oil treating plant permit, Lea 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 NW/4 NE/4 of Section 29, Township 18 South, Range 38 East.
- CASE 7508:** Application of P & O Oilfield Services, Inc. for an oil treating plant permit, Lea 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 SW/4 NE/4 of Section 10, Township 25 South, Range 36 East.
- CASE 7459:** (Continued from February 17, 1982, Examiner Hearing)
- Application of Red Mountain Associates for the Amendment of Order No. R-6538, McKinley County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-6538, which authorized applicant to conduct waterflood operations in the Chaco Wash-Mesa Verde Oil Pool. Applicant seeks approval for the injection of water through various other wells than those originally approved, seeks deletion of the requirement for packers in injection wells, and seeks an increase in the previously authorized 68-pound limitation on injection pressure.
- CASE 7457:** (Continued from February 17, 1982, Examiner Hearing)
(This Case will be continued to April 28, 1982)
- Application of E. T. Ross for nine non-standard gas proration units, Harding County, New Mexico. Applicant, in the above-styled cause, seeks approval for nine 40-acre non-standard gas proration units in the Bravo Dome Carbon Dioxide Area. In Township 19 North, Range 30 East: Section 12, the NW/4 NW/4 and NE/4 NW/4; Section 14, the NW/4 NE/4, SW/4 NE/4, and SE/4 NE/4. In Township 20 North, Range 30 East: Section 11, the NE/4 SW/4, SW/4 SE/4, SE/4 SW/4, and NW/4 SE/4.

Page 2
Examiner Hearing
TUESDAY - MARCH 16, 1982

- CASE 7509:** Application of Supron Energy Corporation for a non-standard proration unit or compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 160-acre non-standard proration unit for the Dakota and Mesaverde formations comprising the SW/4 of Section 2, Township 21 North, Range 8 West, or in the alternative, an order pooling all mineral interests from the surface down through the Dakota formation underlying the S/2 of said Section 2, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.
- CASE 7510:** Application of Union Oil Company of California for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp and Penn formations underlying the N/2 of Section 10, Township 22 South, Range 32 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.
- CASE 7511:** (This Case will be continued to March 31, 1982)
Application of Buffton Oil & Gas Inc. for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp through Devonian formations underlying the W/2 of Section 35, Township 16 South, Range 35 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.
- CASE 7496:** (Continued from March 3, 1982, Examiner Hearing)
Application of Viking Petroleum, Inc. for an unorthodox location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of an Abo gas well to be drilled 62 feet from the South line and 1984 feet from the East line of Section 29, Township 5 South, Range 24 East, the SE/4 of said Section to be dedicated to the well.
- CASE 7512:** Application of Viking Petroleum, Inc. for an unorthodox location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a well located in Unit H of Section 31, Township 13 South, Range 34 East, Nonombre-Penn Pool, said well being a recompleted Morrow test and located in the SE/4 of the quarter section whereas the pool rules require wells to be located in the NE/4 or SW/4 of the quarter section.
- CASE 7476:** (Continued from March 3, 1982, Examiner Hearing)
Application of Jack J. Grynberg for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests down through and including the Abo formation, underlying two 160-acre gas spacing units, being the NE/4 and SE/4, respectively, of Section 12, Township 5 South, Range 24 East, each to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said wells and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells and a charge for risk involved in drilling said wells.
- CASE 7513:** Application of Mesa Petroleum Company for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Abo formation underlying the SE/4 of Section 12, Township 5 South, Range 24 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.
- CASE 7514:** Application of Santa Fe Exploration Co. for compulsory pooling, or in the alternative a non-standard proration unit, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Permian-Penn, Strawn, Atoka and Morrow formations underlying the W/2 of Section 2, Township 20 South, Range 25 East to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200 percent charge for risk involved in drilling said well. In the event said 200 percent risk factor is not approved, applicant seeks a non-standard unit excluding the lands of owners not participating in the well.

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EXAMINER HEARING - TUESDAY - MARCH 16, 1982

CASE 7515: Application of Four Corners Gas Producers Association for designation of a tight formation, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks the designation of the Dakota formation underlying all or portions of Townships 26 and 27 North, Ranges 12, and 13 West, Township 29 North, Ranges 13 through 15 West, and Township 30 North, Ranges 14 and 15 West, containing 164,120 acres, more or less, as a tight formation pursuant to Section 107 of the Natural Gas Policy Act and 18 CFR Section 271. 701-705.

CASE 7445: (Continued from February 17, 1982, Examiner Hearing)
(This Case will be continued to April 28, 1982)

Application of Harvey E. Yates Company for an NGPA determination, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a new onshore reservoir determination in the San Andres formation for its Fulton Collier Well No. 1 in Unit G of Section 1, Township 18 South, Range 28 East.

CASE 7492: (Continued and Readvertised)

Application of Harvey E. Yates Company for a tight formation, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks the designation of the Atoka-Morrow formation underlying all or portions of Townships 7, 8, and 9 South, Ranges 28, 29, 30 and 31 East, containing 161,280 acres, more or less, as a tight formation pursuant to Section 107 of the Natural Gas Policy Act and 18 CFR Section 271. 701-705.

CASE 7500: (Continued from March 3, 1982, Examiner Hearing)

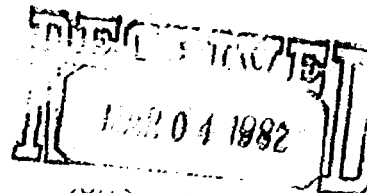
Application of Read & Stevens, Inc. for an exception to the maximum allowable base price provisions of the New Mexico Natural Gas Pricing Act, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order of the Division prescribing the price allowed for production enhancement gas under Section 107 of the Natural Gas Policy Act as the maximum allowable base price if production enhancement work which qualifies under the NGPA is performed on its Hackberry Hills Unit Well No. 4 located in Section 22, Township 22 South, Range 26 East, Eddy County, New Mexico.

CAMPBELL, BYRD & BLACK, P.A.
LAWYERS

JACK M. CAMPBELL
HARL D. BYRD
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
WILLIAM G. WARDLE

JEFFERSON PLACE
SUITE 1 - 110 NORTH GUADALUPE
POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87501
TELEPHONE: (505) 988-4421
TELECOPIER: (505) 983-6043

March 4, 1982



Mr. Joe D. Ramey
Director
Oil Conservation Division
New Mexico Department of
Energy and Minerals
Post Office Box 2088
Santa Fe, New Mexico 87501

Case 7508

Re: Application of P & O Oilfield Services, Inc.
for a Treating Plant Permit, Lea County, New Mexico

Dear Mr. Ramey:

Enclosed in triplicate is the application of P & O Oilfield Services, Inc. in the above-referenced matter.

The applicant requests that this matter be included on the docket for the examiner hearing scheduled to be held on March 16, 1982.

Very truly yours,

William F. Carr

WFC:lr

Enclosures

cc: Mr. Carmen Orozco

RECEIVED
JUL 10 4 1980

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

IN THE MATTER OF THE
APPLICATION OF P & O OILFIELD
SERVICES, INC. FOR A TREATING
PLANT PERMIT, LEA COUNTY
NEW MEXICO

CASE 7508

APPLICATION

Comes now, P & O OILFIELD SERVICES, INC., by and through their undersigned attorneys and hereby makes application for a treating plant permit and in support of this application would show the Commission:

1. That its principal place of business is located in Lea County, New Mexico.
2. That this application is made pursuant to the provisions of Rule 312 of the rules and regulations of the New Mexico Oil Conservation Division.
3. That the proposed location of the treating plant is in the Southwest Quarter (SW/4) of the Northeast Quarter (NE/4) of Section 10, Township 25 South, Range 36 East, N.M.P.M., Lea County, New Mexico.
4. That the type and capacity of the plant is as follows:
 - a. One 500 barrel storage tank for incoming tank bottoms and sediment oil.
 - b. One 500 barrel storage tank for water.
 - c. One hot oil burner.
 - d. Two 210 barrel clean oil tanks.
 - e. Incoming product to be treated with chemicals if necessary and then transferred through the hot oil burner and then into storage for transmission to purchaser.

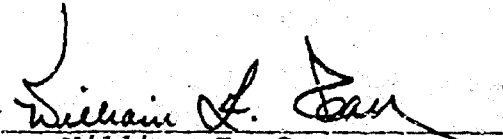
f. The capacity of the plant is 1420 barrels but will be dependent upon the amount of incoming product.

P & O Oilfield Services, Inc. requests that this application be set for hearing before a duly appointed Examiner of the Oil Conservation Division on March 16, 1982, that notice be given as required by law and the rules of the Division, and that this application for a treating plant permit be approved.

Respectfully submitted,

CAMPBELL, BYRD & BLACK, P.A.

By



William F. Carr
Attorneys for Applicant
Post Office Box 2208
Santa Fe, New Mexico 87501

Memo

From

FLORENE DAVIDSON
ADMINISTRATIVE SECRETARY

To Called in by Bill Carr
2/25/82

Oil Treating Plant Permit
P4 O Oilfield Services, Inc.
SW14 NE14
Section 10-255-36E

Lea County

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:

m.s.

CASE NO. ⁷⁵⁰⁸~~7141~~
Order No. R-6591-A

REL
APPLICATION OF P & O OIL FIELD
SERVICE FOR AN OIL TREATING
PLANT PERMIT, LEA COUNTY,
NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

March 16, 1982
This cause came on for hearing at 9 a.m. on ~~January 28,~~
~~1981,~~ at Santa Fe, New Mexico, before Examiner ~~Daniel S. Nutter.~~
RLS

NOW, on this 12th day of ~~February,~~ 1981, 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, P & O Oil Field Service, seeks
authority to construct and operate a chemical and heat-treatment
type oil treating plant in the SW/4 NE/4 of Section 10, Township
25 South, Range 36 East, NMPM, Lea County, New Mexico, for the
reclamation of up to approximately 30 barrels of sediment oil
per operating hour to be obtained from tank bottoms, disposal
water, and waste pits.

(3) That the evidence presented in this case revealed that the application is not for a new facility but rather represents a change in location of a facility approved by Division Order No R-6591 dated February 12, 1981.

(4) That the applicant proposes to ~~change~~ change the location of such plant from the SW/4 NW/4 of Section 25, Township 25 South, Range 36 East, NMPM, Lea County, New Mexico, to the location described in Finding No. (1) above.

(5) That no reclamation activity was conducted at the previously approved site.

(6) That ~~the~~ The first paragraph of Order (1) of Division Order No - R 6591 should be amended to read in its entirety as follows:

" (1) That the applicant, P & O Oil Field Service, is hereby authorized to install and operate a chemical and heat-treatment type oil treating plant in the SW/4 NE/4 of Section 10, Township 25 South, Range 36 East, NMPM, Lea County, New Mexico, for the purpose of treating and reclaiming sediment oil to be obtained from tank bottoms and waste pits; "

IT IS THEREFORE ORDERED:

entered February 12, 1981,

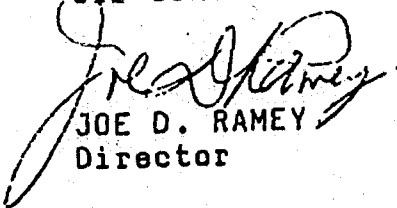
(1) That ^{the first} Paragraph of Order No (1) of Division Order No R-6591 is hereby amended to read in its entirety as follows:

(1) That the applicant, P & O Oil Field Service, is hereby authorized to install and operate a chemical and heat-treatment type oil treating plant in the SW/4 NE/4 of Section 10; Township 25 South, Range 36 East, NMPM, Lea County, New Mexico, for the purpose of treating and reclaiming sediment oil to be obtained from tank bottoms and waste pits; "

(2) ~~(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 herein-above designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


JOE D. RAMEY
Director

S E A L