

CASE NO.

7141

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APPLICATION,  
TRANSCRIPTS,  
SMALL EXHIBITS,  
ETC.

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION  
STATE LAND OFFICE BLDG.  
SANTA FE, NEW MEXICO  
28 January 1981

EXAMINER HEARING

IN THE MATTER OF:

Application of P&O Oil Field Service  
for an oil treating plant permit,  
Lea County, New Mexico.

CASE  
7141

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 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 Examination by Mr. Carr

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Cross Examination by Mr. Nutter

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E X H I B I T S

Applicant Exhibit One, Diagram

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MR. NUTTER: We'll call next Case  
Number 7141.

MR. PADILLA: Application of P&O Oil  
Field Service 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 of Campbell,  
Byrd, and Black, P. A., Santa Fe, appearing on behalf of the  
applicant and 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 full name?  
A My name is Carmen Orozco.  
Q Mr. Orozco, where do you reside?  
A In Jal, New Mexico.  
Q By whom are you employed and in what  
capacity?

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A. I'm President of P&O Oil Field Service.

Q. Have you previously testified before this Commission?

A. No, sir.

Q. Will you briefly summarize your work experience for the Examiner?

A. Well, since '65 I've been involved in oil field with Clark Oil Field Service and two years ago last August I started this company as a roustabout business.

Q. What were your duties with Clark?

A. I was a field supervisor.

Q. And you have been with P&O since August of 1979?

A. Yes, sir.

Q. Are you familiar with the application which has been filed in this case and the subject area?

A. Yes, sir.

MR. CARR: Are the witness' qualifications acceptable?

MR. NUTTER: Yes, they are.

Q. Mr. Orozco, will you briefly state what P&O seeks with this application?

A. Oh, to try to clean up oil settlement and clean it up for resale.

1  
2 Q And you plan to operate a treating  
3 plant?  
4 A Plan to operate a treating plant.  
5 Q What is the location of the proposed  
6 treating plant?  
7 A Oh, it's on the southwest quarter of the  
8 northwest quarter of Section 25, Township 25, Range 36 East.  
9 Q This is --  
10 A Lea County, New Mexico.  
11 Q Is this State, Federal, or fee land?  
12 A It's fee land.  
13 Q And what interest does P&O have in this  
14 property?  
15 A What interest?  
16 Q Are you operating this in conjunction  
17 with the fee land owner?  
18 A Yes, sir.  
19 Q What will be the source of your supply?  
20 A Oil settlement from the tanks that we  
21 have to clean.  
22 Q You presently for P&O clean tanks?  
23 A Yes, sir.  
24 Q And how do you do this?  
25 A We have two vacuum trucks that we go in

1  
2 and clean tanks with.

3 Q What do you do with any waste water that  
4 will -- or do you plan to do with waste water which will re-  
5 sult from treating plant operation?

6 A I planned on using X. L. Transportation  
7 to dispose of the water. They have their own system.

8 Q Mr. Orozco, will you refer to what has  
9 been marked for identification as P&O Exhibit Number One, and  
10 explain by using this exhibit, explain to the Examiner how  
11 you propose to operate this treating plant?

12 A Okay. I have a 500 barrel tank marked  
13 as oil settlement. I plan on putting everything that's in-  
14 coming in there. Then I'm going to have a circulating pump  
15 with a chemical pump attached to it. This circulating pump  
16 will pump the chemical and the settlement into a heater-  
17 treater, which is a 4x20 National heater, and I'll have a  
18 fire built up in it to probably a temperature of 180 - 200  
19 degrees. And as this circulating pump is pumping in there,  
20 probably at the rate of 30 - 40 barrels an hour, it will be  
21 slow enough that it can heat it and treat it, the settlement,  
22 and the water and the oil will gravity into the oil tanks and  
23 the water will go into the water tank which I have in Exhibit  
24 One.

25 Q Will there be a dike around this facility?

1  
2 A. Yes, sir, I'll have a dike twice the  
3 capacity of the tanks.

4 Q. And what will be the capacity of the  
5 plant?

6 A. The complete capacity will be about 1420  
7 barrels.

8 Q. And the amount of --

9 A. That's if I ever fill them up, but the  
10 actual capacity will depend on how much sediment I'll be  
11 able to bring in.

12 Q. How close is the nearest producing well  
13 to your proposed treating plant?

14 A. About 300 yards.

15 Q. And who is the operator of this well?

16 A. Apollo Oil Company.

17 Q. Are you at this time securing a \$10,000  
18 performance bond which is required by Commission rules and  
19 regulations?

20 A. Yes, we are.

21 Q. And are you prepared to keep all re-  
22 cords and make all reports required by the Oil Conservation  
23 Division?

24 A. Yes, we are.

25 Q. And what exactly -- exactly what fire



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control precautions do you intend to take?

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A. Well, we're going to have this dike

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around there and then I plan on having some fire extinguishers.

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Q How soon do you intend to complete

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operations -- or commence operations?

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A Commence operation? As soon as we can

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get permission from the Commission and a bond set up.

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Q In your opinion will granting this ap-

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plication provide for the recovery of oil which might other-

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A Yes, sir.

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Q What is presently being done with the

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oil that you are taking out of tanks?

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A It is being disposed of and wasted.

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Q Will granting your application impair

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the correlative rights of any oil and gas operator?

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A Do what now?

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Q Will granting this application impair

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the rights of any oil and gas operator?

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A Yeah.

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Q Let me make sure you understand the

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question.

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Will granting the application impair the

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A. Oh, no. No, no, I'm sorry.

Q. Was Exhibit Number One prepared by you?

A. Yes, it was.

MR. CARR: Mr. Nutter, at this time we would offer into evidence Applicant's Exhibit Number One.

MR. NUTTER: Exhibit One will be admitted in evidence.

MR. CARR: I have nothing further of Mr. Orozco on direct.

CROSS EXAMINATION

BY MR. NUTTER:

Q. Mr. Orozco, now your circulating pump would also inject chemicals, is that it?

A. Yes, sir.

Q. And so then this mixture of sediment oil and chemicals would go into the National heater-treater.

A. Yes, sir.

Q. And the oil would gravity flow and the water would flow out and be stored in their respective tanks.

A. Yes, sir.

Q. Now, you mentioned that the water would be disposed of by who?

A. X. L. Transportation out of Jal, New

1  
2 Mexico. They have a --

3 Q Do they have a salt water disposal well,  
4 or what?

5 A Yes, sir. It's called Jet Disposal.

6 Q Okay, now do you have -- who do you clean  
7 tanks for at the present time?

8 A Everybody.

9 Q You have a number of clients, then?

10 A Yes, sir, the entire oil field down there.

11 Q So the source of this oil will be from  
12 numerous leases --

13 A Yes, sir.

14 Q -- and numerous operators?

15 A Yes, sir.

16 Q Now, when Mr. Carr asked you the capacity  
17 of this plant you mentioned that it would -- that your total  
18 tank capacity would be 1420 barrels but I think the capacity  
19 would be throughput that you've got. Now I notice in your  
20 statement here on Exhibit One that the pump would be able to  
21 circulate the sediment oil to the heater at 30 barrels per  
22 hour.

23 A Uh-huh.

24 Q So assuming a normal sediment oil, you'd  
25 have a capacity -- would you run this thing 24 hours a day or

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what?

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A. Huh-uh.

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Q. What would you run it?

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A. Well, the only thing I would -- what we would do, we would only run the circulating pump when we had enough settlement in the settlement tank and then run those 500 barrels through there. The reason that's --

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Q. At the rate of 30 barrels an hour.

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A. Yes, sir, and we would -- well, the most we would ever have in there if we had that tank full, would be 500 barrels.

13

Q. Uh-huh.

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A. But the reason I said the total capacity because it may happen sometime that I have everything full.

16

Q. Uh-huh.

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A. Because of any reasons.

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Q. But your throughput would be limited to 30 barrels an hour.

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A. Uh-huh.

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Q. Now, where is this located? Is this located out in the country and isolated from any buildings and other installations?

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A. Oh, yes, sir, it's two miles south -- southwest of Jal.

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Q And it's out on a lease?

A It's out on a lease, a present lease.

Q And do you have any installation there at the present time? Is this --

A There's none of this. There's a tank that I bought probably a year ago and I had them move it off the location where I bought it and I just put it --

Q And you're operating this in conjunction with the owner of the fee land.

A Yes.

Q It would be on his land?

A Yes, sir.

Q Who is that owner?

A Fred Cooper. He's the owner of the ranch and the owner of the location is Apollo Oil Company, where I'll be rigging this up.

Q Now they're the one that have an oil and gas lease there.

A Yes, sir. They -- he has a battery there.

Q That won't be associated with your operation any way, though, will it?

A No, sir.

MR. NUTTER: Are there any further

1  
2 questions of Mr. Orozco? He may be excused.

3 Do you have anything further, Mr. Carr?

4 MR. CARR: Nothing further, Mr. Nutter.

5 MR. NUTTER: Does anyone have anything  
6 they wish to offer in Case Number 7141?

7 We'll take the case under advisement.

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9 (Hearing concluded.)  
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C E R T I F I C A T E

I, SALLY W. BOYD, C S.R., DO HEREPY 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 C.S.R.

I do hereby certify that the foregoing is  
a complete record of the proceedings in  
the Examiner hearing of case no. 7144  
heard by me on 1/28 1981.  
[Signature] Examiner  
Oil Conservation Division

SALLY W. BOYD, C.S.R.

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

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
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Applicant Exhibit One, Diagram

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CARMEN OROZCO  
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BY MR. CARR:

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A My name is Carmen Orozco.  
Q Mr. Orozco, where do you reside?  
A In Jal, New Mexico.  
Q By whom are you employed and in what  
capacity?

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A. I'm President of P&O Oil Field Service.

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Q. Have you previously testified before

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this Commission?

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A. No, sir.

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Q. Will you briefly summarize your work

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experience for the Examiner?

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A. Well, since '65 I've been involved in oil field with Clark Oil Field Service and two years ago last August I started this company as a roustabout business.

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Q. What were your duties with Clark?

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A. I was a field supervisor.

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Q. And you have been with P&O since August

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of 1979?

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A. Yes, sir.

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Q. Are you familiar with the application

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which has been filed in this case and the subject area?

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A. Yes, sir.

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MR. CARR: Are the witness' qualifica-

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tions acceptable?

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MR. NUTTER: Yes, they are.

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Q. Mr. Orozco, will you briefly state what

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P&O seeks with this application?

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A. Oh, to try to clean up oil settlement

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and clean it up for resale.

Q And you plan to operate a treating plant?

A Plan to operate a treating plant.

Q What is the location of the proposed treating plant?

A Oh, it's on the southwest quarter of the northwest quarter of Section 25, Township 25, Range 36 East.

Q This is --

A Lea County, New Mexico.

Q Is this State, Federal, or fee land?

A It's fee land.

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

A What interest?

Q Are you operating this in conjunction with the fee land owner?

A Yes, sir.

Q What will be the source of your supply?

A Oil settlement from the tanks that we have to clean.

Q You presently for P&O clean tanks?

A Yes, sir.

Q And how do you do this?

A We have two vacuum trucks that we go in

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2 and clean tanks with.

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22 cords and make all reports required by the Oil Conservation  
23 Division?

24 A Yes, we are.

25 Q And what exactly -- exactly what fire

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3 A Well, we're going to have this dike  
4 around there and then I plan on having some fire extinguishers.

5 Q How soon do you intend to complete  
6 operations or commence operations?

7 A Commence operation? As soon as we can  
8 get permission from the Commission and a bond set up.

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10 plication provide for the recovery of oil which might other  
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12 A Yes, sir.

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17 the correlative rights of any oil and gas operator?

18 A Do what now?

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MR. NUTTER: Exhibit One will be admitted in evidence.

MR. CARR: I have nothing further of Mr. Orozco on direct.

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A. Yes, sir.

Q. And so then this mixture of sediment oil and chemicals would go into the National heater-treater.

A. Yes, sir.

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14 Q -- and numerous operators?

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17 of this plant you mentioned that it would -- that your total  
18 tank capacity would be 1420 barrels but I think the capacity  
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Q. At the rate of 30 barrels an hour.

A. Yes, sir, and we would -- well, the most we would ever have in there if we had that tank full, would be 500 barrels.

Q. Uh-huh.

A. But the reason I said the total capacity because it may happen sometime that I have everything full.

Q. Uh-huh.

A. Because of any reasons.

Q. But your throughput would be limited to 30 barrels an hour.

A. Uh-huh.

Q. Now, where is this located? Is this located out in the country and isolated from any buildings and other installations?

A. Oh, yes, sir, it's two miles south -- southwest of Jal.

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Q And it's out on a lease?

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A It's out on a lease, a present lease.

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Q And do you have any installation there

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the location where I bought it and I just put it --

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Q And you're operating this in conjunction

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with the owner of the fee land.

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A Yes.

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Q It would be on his land?

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A Yes, sir.

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Q Who is that owner?

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A Fred Cooper. He's the owner of the

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ranch and the owner of the location is Apollo Oil Company,

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where I'll be rigging this up.

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Q Now they're the ones that have an oil

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and gas lease there.

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A Yes, sir. They -- he has a battery

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there.

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Q That won't be associated with your oper-

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ation any way, though, will it?

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A No, sir.

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MR. NUTTER: Are there any further

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Do you have anything further, Mr. Carr?

MR. CARR: Nothing further, Mr. Nutter.

MR. NUTTER: Does anyone have anything  
they wish to offer in Case Number 7141?

We'll take the case under advisement.

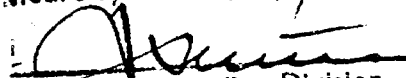
(Hearing concluded.)

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, C.S.R.

Rt. 1 Box 193-B  
Santa Fe, New Mexico 87501  
Phone (505) 755-7409

I do hereby certify that the foregoing is  
a complete transcript of the proceedings in  
the Examiner's office of Case No. 7141  
heard by me on 1/28 1981.  
 Examiner  
Oil Conservation Division



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. 7141  
Order No. R-6591

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 January 28, 1981, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

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 NW/4 of Section 25, 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 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. 7141  
Order No. R-6591

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

IT IS THEREFORE ORDERED:

(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 NW/4 of Section 25, Township 25 South, Range 36 East, NMFM, Lea 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 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.



1  
-3=  
Case No. 7141  
Order No. R-6591

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

SEAL

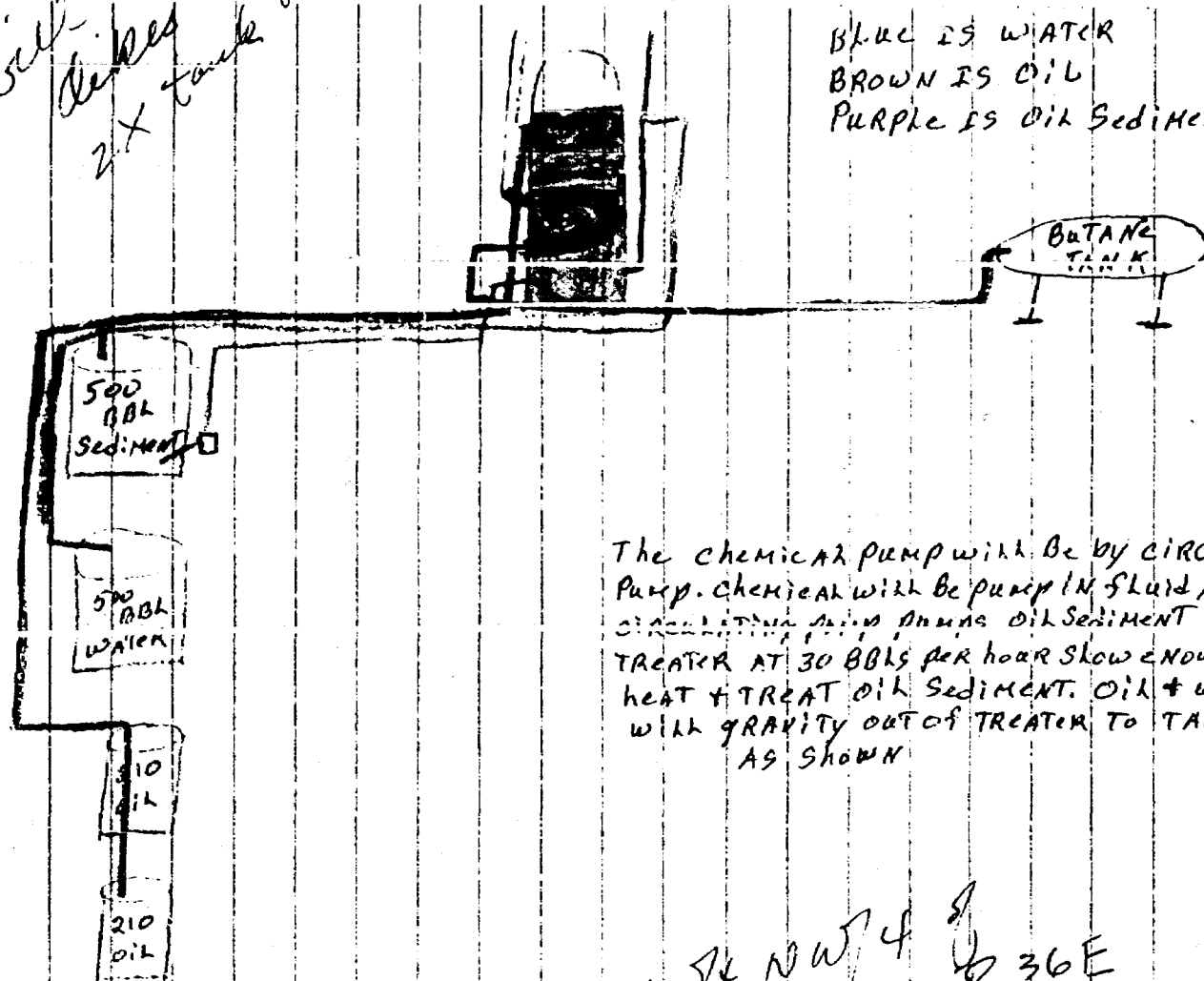
rd/

# 4X20 Hall Heater Treater

will have  
decks = to  
2X tank vols.

BLUE IS WATER  
BROWN IS OIL  
PURPLE IS OIL SEDIMENT

1420 bbls  
total cap'y



The chemical pump will be by circulating pump. chemical will be pump in fluid as circulating pump pumps oil sediment to heater. TREATER AT 30 BBLs per hour slow enough to heat + TREAT OIL SEDIMENT. OIL + WATER WILL GRAVITY OUT OF TREATER TO TANKS AS SHOWN

SW 1/4 NW 4 &  
25-T 25S-R 36E

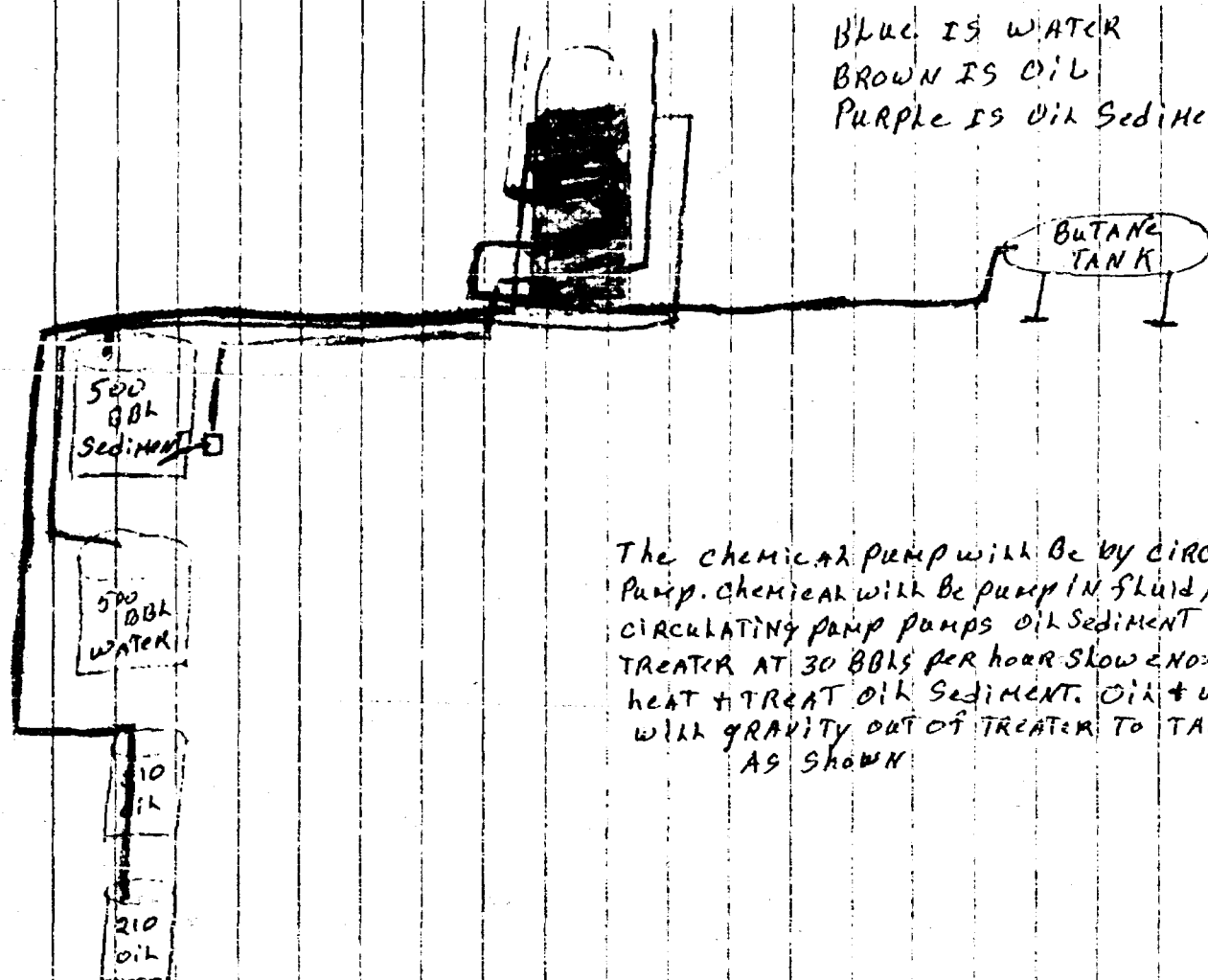
Source of oil will be  
tank bottoms from tanks  
P&O Clean -

Free Land  
Ranch Owner - Fred Cooper  
Apollo Oil Co has  
tank bldg near  
site.

Water will be disposed of by KL Transportation into its well.

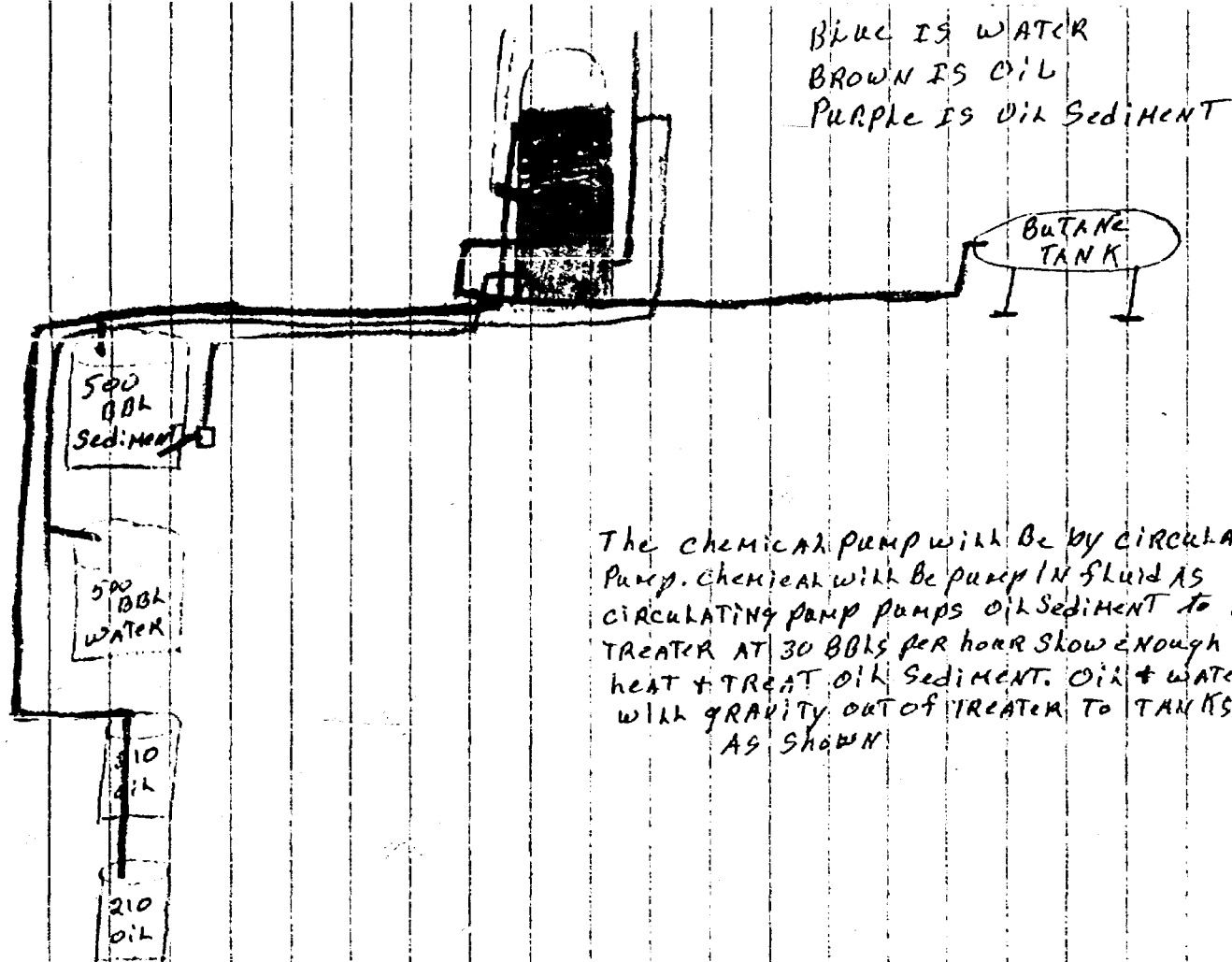
BEFORE EXAMINER NUTTER
OIL CONSERVATION DIVISION
P+O EXHIBIT NO. 1
CASE NO. 7141

BLUE IS WATER  
BROWN IS OIL  
PURPLE IS OIL SEDIMENT



The chemical pump will be by circulating pump. chemical will be pump in fluid as circulating pump pumps oil sediment to heater TREATER AT 30 BBLs per hour slow enough to heat + TREAT OIL SEDIMENT. OIL + WATER WILL GRAVITY OUT OF TREATER TO TANKS AS SHOWN

BEFORE EXAMINER NUTTER  
OIL CONSERVATION DIVISION  
P+O EXHIBIT NO. 1  
CASE NO. 7141



The chemical pump will be by circulating pump. chemical will be pump in fluid as circulating pump pumps oil sediment to heater TREATER AT 30 BBLs per hour slow enough to heat + TREAT OIL Sediment. Oil + water will GRAVITY OUT OF TREATER TO TANKS AS SHOWN

BEFORE EXAMINER NUTTER  
OIL CONSERVATION DIVISION

P+O EXHIBIT NO. 1

CASE NO. 7141

Dockets Nos. 5-81 and 6-81 are tentatively set for February 11 and 25, 1981. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - JANUARY 28, 1981

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

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

- CASE 7135: Application of Celeste C. Gryenberg for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Cottonwood Draw Unit Area, comprising 2555 acres, more or less, of State lands in Township 16 South, Range 24 East.
- CASE 7119: (Continued from January 14, 1981, Examiner Hearing)
- Application of Shell Oil Company for a unit agreement, Bernalillo and Sandoval Counties, New Mexico. Applicant, in the above-styled cause, seeks approval for the West Mesa Unit Area, comprising 26,722 acres, more or less, of State, Federal, and fee lands in Townships 10, 11, and 12 North, Ranges 1 and 2 East.
- CASE 7136: Application of Hanson Oil Corporation for amendment of R-111-A, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the elimination of the NE/4 of Section 26, Township 18 South, Range 30 East, from the Potash-Oil Area as defined by Order No. R-111-A as amended. In the alternative, applicant seeks an exception to the casing and cementing rules of R-111-A for its wells to be drilled within the NE/4 of said Section 26.
- CASE 7137: Application of Caulkins Oil Company for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Chacra and Blanco Mesaverde production in the wellbores of its wells located in: Sections 1 thru 5, and 7, 8, 21, 22, 24, and 25 in Township 26 North, Range 6 West; Sections 13, 14, 23, 24, and 26 in Township 26 North, Range 7 West; and Sections 33 thru 35 in Township 27 North, Range 6 West.
- CASE 7138: Application of Wiser Oil Company for a special gas-oil ratio limitation, Lea County, New Mexico. Applicant, in the above-styled cause, seeks a special gas-oil ratio limitation of 6000 to one, retroactive to May 1, 1980, for the Hardy-Drinkard Pool.
- CASE 7051: (Continued from December 30, 1980, Examiner Hearing)
- Application of Petro Lewis Corporation for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Blinbry and Drinkard production in the wellbore of its L. G. Warlick "B" Well No. 2 located in Unit G of Section 19, Township 21 South, Range 37 East.
- CASE 7139: Application of Yates Petroleum Corporation for amendment of Division Order No. R-6367, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-6367 to designate Yates Petroleum Corporation as the operator of the two proration units pooled by said order, replacing McClellan Oil Corporation as operator.
- CASE 7140: Application of Yates Petroleum Corporation for compulsory pooling and an unorthodox location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Morrow formation underlying the N/2 of Section 26, Township 21 South, Range 26 East, to be dedicated to a well to be drilled at an unorthodox location 660 feet from the North line and 1650 feet from the East line of said Section 26. 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 7100: (Continued from January 14, 1981, Examiner Hearing)
- Application of Harvey E. Yates Company for downhole commingling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Atoka and Morrow production in the wellbore of its Travis 24 State Com Well No. 1 in Unit H of Section 24, Township 18 South, Range 28 East.
- CASE 7141: Application of P & O Oil Field Service 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 25, Township 25 South, Range 36 East.

- CASE 7142:** Application of Getty Oil Company for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Otero-Gallup and Basin-Dakota production in the wellbores of its Farming "E" Wells No. 1 in Unit I and No. 3 in Unit E of Section 2, Township 24 North, Range 6 West.
- CASE 7143:** Application of Morris R. Antweil for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a Morrow test well to be drilled 660 feet from the South and West lines of Section 28, Township 18 South, Range 25 East, the W/2 of said Section 28 to be dedicated to the well.
- CASE 7144:** Application of Morris R. Antweil for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the San Andres formation underlying the NW/4 SE/4 and in the Wolfcamp thru Mississippian formations underlying the S/2 of Section 10, Township 13 South, Range 38 East, to be dedicated to an existing well located in the NW/4 SE/4 of said Section 10. 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 7129:** (Continued from January 14, 1981, Examiner Hearing)  
Application of Koch Exploration Company for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Dakota formation underlying the N/2 of Section 28, Township 28 North, Range 8 West, 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 6940:** (Continued from January 14, 1981, Examiner Hearing)  
Application of Adobe Oil Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests down through the Wolfcamp formation underlying the NW/4 SE/4 for oil and the SE/4 for gas, Section 23, Township 20 South, Range 38 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 7145:** In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating, contracting vertical limits, and extending horizontal limits of certain pools in Chaves, Eddy, Lea, and Roosevelt Counties, New Mexico:
- (a) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Morrow production and designated as the North Berry-Morrow Gas Pool. The discovery well is Getty Oil Company Getty 6 State Com Well No. 1 located in Unit K of Section 6, Township 21 South, Range 34 East, NMPM. Said pool would comprise:
- TOWNSHIP 21 SOUTH, RANGE 34 EAST, NMPM  
Section 6: Lots 9, 10, 11, 12, 13,  
14, 15, and 16
- (b) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Santa Rosa production and designated as the Cooper-Santa Rosa Gas Pool. The discovery well is O. H. Berry J. L. Isbell Well No. 5Y located in Unit A of Section 15, Township 24 South, Range 36 East, NMPM. Said pool would comprise:
- TOWNSHIP 24 SOUTH, RANGE 36 EAST, NMPM  
Section 15: NE/4
- (c) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Bone Springs production and designated as the South Corbin-Bone Springs Pool. The discovery well is Southland Royalty Company Federal 21 Com Well No. 1 located in Unit L of Section 21, Township 18 South, Range 33 East, NMPM. Said pool would comprise:
- TOWNSHIP 18 SOUTH, RANGE 33 EAST, NMPM  
Section 21: SW/4

(d) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Morrow production and designated as the West Lynch-Morrow Gas Pool. The discovery well is The Superior Oil Company West Lynch Deep Unit Well No. 1 located in Unit O of Section 28, Township 20 South, Range 34 East, NMPM. Said pool would comprise:

TOWNSHIP 20 SOUTH, RANGE 34 EAST, NMPM  
Section 28: S/2

(e) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Blinberry production and designated as the West Nadine-Blinberry Pool. The discovery well is Tamarack Petroleum Company, Inc. Speight Well No. 1 located in Unit D of Section 9, Township 20 South, Range 38 East, NMPM. Said pool would comprise:

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM  
Section 9: NW/4

(f) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Atoka-Morrow production and designated as the Nonombre Atoka-Morrow Gas Pool. The discovery well is Amoco Production Company State FO Well No. 3 located in Unit F of Section 32, Township 13 South, Range 34 East, NMPM. Said pool would comprise:

TOWNSHIP 13 SOUTH, RANGE 34 EAST, NMPM  
Section 32: W/2

(g) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Atoka production and designated as the Southwest Quahada Ridge-Atoka Gas Pool. The discovery well is Perry R. Bass Big Eddy Unit Well No. 71 located in Unit F of Section 7, Township 22 South, Range 29 East, NMPM. Said pool would comprise:

TOWNSHIP 22 SOUTH, RANGE 29 EAST, NMPM  
Section 7: N/2

(h) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Abo production and designated as the Skaggs-Abo Gas Pool. The discovery well is Conoco, Inc. Britt B Well No. 27 located in Unit G of Section 15, Township 20 South, Range 37 East, NMPM. Said pool would comprise:

TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM  
Section 15: NE/4

(i) CREATE a new pool in Roosevelt County, New Mexico, classified as an oil pool for Granite Wash production and designated as the Tannehill-Granite Wash Pool. The discovery well is Energy Reserves Group, Inc. Eldson Well No. 1 located in Unit H of Section 11, Township 6 South, Range 33 East, NMPM. Said pool would comprise:

TOWNSHIP 6 SOUTH, RANGE 33 EAST, NMPM  
Section 11: NE/4

(j) CONTRACT the vertical limits of the Nonombre-Pennsylvanian Pool in Lea County, New Mexico, to the Cisco, Canyon, and Strawn formations only and redesignate said Nonombre-Pennsylvanian Pool to Nonombre-Upper Pennsylvanian Pool. (All wells in said pool are producing from the Upper Penn formation and a gas well has been completed in the Atoka-Morrow formations for which a new Atoka-Morrow gas pool is being created.)

(k) EXTEND the Antelope Ridge-Atoka Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 34 EAST, NMPM  
Section 14: W/2

(l) EXTEND the Antelope Ridge-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 34 EAST, NMPM  
Section 14: All

- (m) EXTEND the Atoka-Pennsylvanian Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 26 EAST, NMPH  
Section 9: All  
Section 10: W/2

- (n) EXTEND the Atoka-Yeso Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 26 EAST, NMPH  
Section 26: SW/4 SW/4  
Section 27: S/2 S/2

- (o) EXTEND the Avalon-Delaware Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 27 EAST, NMPH  
Section 35: N/2 SW/4

- (p) EXTEND the Boyd-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 25 EAST, NMPH  
Section 35: N/2

- (q) EXTEND the East Burton Flat-Atoka Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 29 EAST, NMPH  
Section 8: N/2  
Section 9: W/2

- (r) EXTEND the Burton Flat-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 27 EAST, NMPH  
Section 25: E/2

TOWNSHIP 21 SOUTH, RANGE 26 EAST, NMPH  
Section 1: Lots 9, 10, 11, 12, 13,  
14, 15, and 16

- (s) EXTEND the Burton Flat-Strawn Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 27 EAST, NMPH  
Section 9: S/2

- (t) EXTEND the Comanche Stateline Tansill-Yates-Seven Rivers Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 26 SOUTH, RANGE 36 EAST, NMPH  
Section 21: E/2

- (u) EXTEND the Crooked Creek-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 24 SOUTH, RANGE 24 EAST, NMPH  
Section 10: S/2

- (v) EXTEND the South Culebra Bluff-Atoka Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 28 EAST, NMPH  
Section 13: W/2

- (w) EXTEND the Dollarhide Tubb-Drinkard Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 24 SOUTH, RANGE 38 EAST, NMPH  
Section 18: SW/4

- (x) EXTEND the South Empire-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 28 EAST, NMPH  
Section 24: S/2

TOWNSHIP 18 SOUTH, RANGE 28 EAST, NMPH  
Section 14: E/2



(y) EXTEND the Esperanza-Delaware Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 27 EAST, NMPM  
Section 10: S/2 NE/4

(z) EXTEND the Eunice Monument Grayburg-San Andres Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 36 EAST, NMPM  
Section 27: SW/4

(aa) EXTEND the East Grama Ridge-Lower Bone Springs Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 34 EAST, NMPM  
Section 2: NW/4  
Section 3: NE/4

(bb) EXTEND the East Grama Ridge-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 34 EAST, NMPM  
Section 1: E/2

TOWNSHIP 22 SOUTH, RANGE 35 EAST, NMPM  
Section 6: All

(cc) EXTEND the Hat Mesa-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 32 EAST, NMPM  
Section 13: N/2

(dd) EXTEND the Hoag Tank-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 24 EAST, NMPM  
Section 27: All

(ee) EXTEND the Northeast Lovington-Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 36 EAST, NMPM  
Section 13: SE/4  
Section 24: NE/4

(ff) EXTEND the North Lusk-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 32 EAST, NMPM  
Section 5: E/2

(gg) EXTEND the Malaga-Atoka Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 24 SOUTH, RANGE 28 EAST, NMPM  
Section 3: W/2

(hh) EXTEND the West Malaga-Atoka Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 24 SOUTH, RANGE 28 EAST, NMPM  
Section 9: N/2

(ii) EXTEND the Maljamar Grayburg-San Andres Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 33 EAST, NMPM  
Section 24: NE/4

(jj) EXTEND the Maljamar-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 33 EAST, NMPM  
Section 28: W/2

(kk) EXTEND the East Millman Queen-Grayburg Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 28 EAST, NMPM  
Section 24: NW/4 NE/4

- (ll) EXTEND the Nadine Drinkard-Abo Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 38 EAST, NMPM  
Section 27: NE/4

- (mm) EXTEND the North Osudo-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 36 EAST, NMPM  
Section 31: E/2  
Section 32: All

TOWNSHIP 20 SOUTH, RANGE 36 EAST, NMPM  
Section 16: All

- (nn) EXTEND the Penasco Draw San Andres-Yaso Associated Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 25 EAST, NMPM  
Section 24: N/2 SE/4

- (oo) EXTEND the South Peterson-Pennsylvanian Pool in Roosevelt County, New Mexico, to include therein:

TOWNSHIP 6 SOUTH, RANGE 33 EAST, NMPM  
Section 2: Lots 1 and 2

- (pp) EXTEND the North Quail Ridge-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 33 EAST, NMPM  
Section 1: E/2

- (qq) EXTEND the Runyan Ranch-Abo Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 23 EAST, NMPM  
Section 8: S/2  
Section 9: SW/4

- (rr) EXTEND the Sioux Tansill-Yates-Seven Rivers Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 26 SOUTH, RANGE 36 EAST, NMPM  
Section 17: E/2

- (ss) EXTEND the Skaggs-Drinkard Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM  
Section 9: W/2  
Section 16: NW/4  
Section 17: N/2

- (tt) EXTEND the Teas-Pennsylvanian Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 33 EAST, NMPM  
Section 11: N/2

- (uu) EXTEND the Tomahawk-San Andres Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 7 SOUTH, RANGE 31 EAST, NMPM  
Section 25: SW/4

- (vv) EXTEND the Travis-Upper Pennsylvanian Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 28 EAST, NMPM  
Section 14: SE/4

- (ww) EXTEND the Turkey Track-Atoka Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 29 EAST, NMPM  
Section 10: W/2

(xx) EXTEND the Turkey Track-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 29 EAST, NMPH  
Section 10: All

(yy) EXTEND the North Turkey Track-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 29 EAST, NMPH  
Section 20: E/2  
Section 33: S/2  
Section 34: S/2

(zz) EXTEND the Turkey Track Seven Rivers-Queen-Grayburg Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 29 EAST, NMPH  
Section 27: E/2 NW/4

CAMPBELL AND BLACK, P.A.

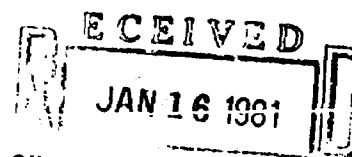
LAWYERS

JACK M. CAMPBELL  
BRUCE D. BLACK  
MICHAEL B. CAMPBELL  
WILLIAM F. CARR

POST OFFICE BOX 2208  
JEFFERSON PLACE  
SANTA FE, NEW MEXICO 87501  
TELEPHONE (505) 968-4421

January 16, 1981

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



*Case 7141*

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

Dear Mr. Ramey:

Enclosed in triplicate is the application of P & O Oilfield Service 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 January 28, 1981.

Very truly yours,

A handwritten signature in cursive script, appearing to read "William F. Carr".

William F. Carr

WFC:lr  
Enclosures

cc: Mr. Carmen Orozco

BEFORE THE OIL CONSERVATION DIVISION RECEIVED

DEPARTMENT OF ENERGY AND MINERALS 1981

STATE OF NEW MEXICO OIL CONSERVATION DIVISION  
SANTA FE

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

Case 7141

APPLICATION

COMES NOW P & O OILFIELD SERVICE, by 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 Northwest Quarter (NW/4) of Section 25, Township 25 South, Range 36 East, N.M.P.M., Lea County, New Mexico.
4. That the capacity of the plant is dependent upon the amount of incoming product.

P & O OILFIELD SERVICE requests that this application be set for hearing before a duly appointed Examiner of the Oil Conservation Division on January 28, 1981, that notice be given as required by law and the rules of the Division, and that this application for a treating plan permit be approved.

Respectfully submitted,

CAMPBELL, BYRD AND BLACK, P.A.

By

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

RECEIVED  
BEFORE THE OIL CONSERVATION DIVISION  
DEPARTMENT OF ENERGY AND MINERALS  
STATE OF NEW MEXICO  
JAN 16 1981  
OIL CONSERVATION DIVISION  
SANTA FE

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

Case 7141

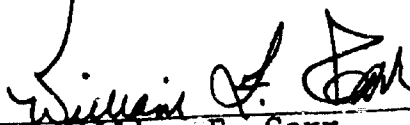
APPLICATION

COMES NOW P & O OILFIELD SERVICE, by 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 Northwest Quarter (NW/4) of Section 25, Township 25 South, Range 36 East, N.M.P.M., Lea County, New Mexico.
4. That the capacity of the plant is dependent upon the amount of incoming product.

P & O OILFIELD SERVICE requests that this application be set for hearing before a duly appointed Examiner of the Oil Conservation Division on January 28, 1981, that notice be given as required by law and the rules of the Division, and that this application for a treating plan permit be approved.

Respectfully submitted,  
CAMPBELL, BYRD AND BLACK, P.A.

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



BEFORE THE OIL CONSERVATION

DEPARTMENT OF ENERGY AND MINERALS

STATE OF NEW MEXICO

RECEIVED

DIVISION

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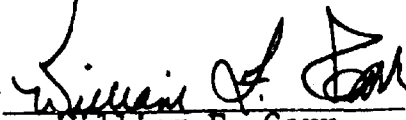
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By



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

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. 7141

Order No. R-6591

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 January 28  
19 81 at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this        day of February, 19 81, 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 NW/4 of Section 25, Township  
25 South, Range 36 East, NMPM, Lea County, New Mexico, for

the reclamation of up to approximately 30 barrels of sediment oil <sup>operating hour</sup> per month 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, 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 NW/4 of Section 25, 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;

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 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.

# Memo

From

FLORENE DAVIDSON  
ADMINISTRATIVE SECRETARY

To

Called in by Bill Carr  
1/8/81

P + O Oil Field Service

Oil Treating Plant Permit

Lea County

SW14 NW14

25-255-36E

OIL CONSERVATION COMMISSION-SANTA FE