

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

RECEIVED

SEP . 3 2003

Oil Conservation Division

APPLICATION OF THE NEW MEXICO OIL CONSERVATION DIVISION
THROUGH THE ENVIRONMENTAL BUREAU CHIEF TO REVOKE THE
PERMIT OF A. L. DAUGHERTY TO OPERATE AN OIL TREATMENT PLANT
AND DISPOSAL FACILITY AND TO RELEASE BOND; CHAVES COUNTY,
NEW MEXICO

CASE NO. 13167

APPLICATION TO REVOKE OIL TREATMENT AND DISPOSAL FACILITY
PERMIT
AND RELEASE BOND

1. By Order No. R-5464, issued in Case No. 5922 on June 14, 1977, the Oil Conservation Commission granted to A. L. Daugherty ("Daugherty") a permit to operate an oil treatment and disposal facility in Section 24, Township 8 South, Range 29 East, NMPM, and Section 19, Township 8 South, Range 30 East, NMPM, in Chaves County, New Mexico.
2. Pursuant to the authority of the said order, Daugherty established the Daugherty-Crosby Salt Lake Treating Plant and Disposal Facility ("the subject facility") at the location described above, and began operations.
3. Operations at the facility have ceased at the subject facility. Daugherty submitted a closure plan that was accepted by the Oil Conservation Division ("Division") on January 31, 2003. Daugherty submitted a closure report dated June 1, 2003. The Division approved the closure of the subject facility on August 8, 2003.
4. Daugherty posted a surety bond in the amount of \$25,000 to secure its obligation to properly close the subject facility, in compliance with O.C.D. Rule 711. Fireman's

Fund Insurance Company is the surety on said bond, and the number of the bond is 111 3268 3654.

WHEREFORE, the Chief of the Environmental Bureau of the Division hereby applies to the Director to enter an order:

- A. Determining that the subject facility has been closed.
- B. Revoking Daugherty's permit to operate the subject facility.
- C. Releasing Bond No. 111 3268 3654.
- D. For such other and further relief as the Director deems just and proper under the circumstances.

RESPECTFULLY SUBMITTED,



Gail MacQuesten
Assistant General Counsel
Energy, Minerals and Natural
Resources Department of the State of
New Mexico
1220 S. St. Francis Drive
Santa Fe, NM 87505
(505)-476-3451

Attorney for The New Mexico Oil
Conservation Division

CASE 13167: **Application of the New Mexico Oil Conservation Division through the Environmental Bureau Chief to Revoke the Permit of A. L. Daugherty to Operate an Oil Treatment Plant and Disposal Facility and to Release Bond; Chaves County, New Mexico.** The Applicant seeks an order revoking the permit of A. L. Daugherty to operate an oil treatment plant and disposal facility located at Section 24, Township 8 South, Range 29 East, NMPM, and Section 19, Township 8 South, Range 30 East, NMPM, in Chaves County, New Mexico. The facility was originally permitted under Order No. R-5464. Applicant also seeks an order releasing the bond on the subject facility.

RECEIVED

SEP . 3 2003

Oil Conservation Division