

STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

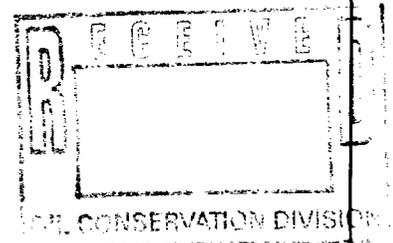
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING CALLED BY)
THE OIL CONSERVATION DIVISION FOR THE)
PURPOSE OF CONSIDERING:)

CASE NO. 11,457

IN THE MATTER OF THE APPLICATION OF THE)
NEW MEXICO OIL CONSERVATION DIVISION FOR)
A SHOW CAUSE HEARING REQUIRING PETRO-)
THERMO CORPORATION TO APPEAR AND SHOW)
CAUSE WHY ITS GOODWIN TREATING PLANT,)
LOCATED IN THE SOUTHWEST QUARTER,)
NORTHWEST QUARTER, OF SECTION 31,)
TOWNSHIP 18 SOUTH, RANGE 37 EAST, LEA)
COUNTY, NEW MEXICO, SHOULD NOT: (1) BE)
ORDERED TO CEASE OPERATIONS, (2) HAVE)
ITS PERMIT TO OPERATE REVOKED, (3) BE)
CLOSED AND CLEANED UP, (4) BE CLOSED BY)
THE DIVISION IF PETRO-THERMO DOES NOT)
CLOSE IT, (5) HAVE THE COSTS OF CLOSURE)
AND CLEANUP ASSESSED AGAINST PETRO-)
THERMO AND (6) HAVE ITS \$25,000 BOND)
FORFEITED)

ORIGINAL



REPORTER'S TRANSCRIPT OF PROCEEDINGS
EXAMINER HEARING

BEFORE: DAVID R. CATANACH, Hearing Examiner

March 21st, 1996
Santa Fe, New Mexico

This matter came on for hearing before the New Mexico Oil Conservation Division, DAVID R. CATANACH, Hearing Examiner, on Thursday, March 21st, 1996, at the New Mexico Energy, Minerals and Natural Resources Department, Porter Hall, 2040 South Pacheco, Santa Fe, New Mexico, Steven T. Brenner, Certified Court Reporter No. 7 for the State of New Mexico.

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I N D E X

March 21st, 1996
Examiner Hearing
CASE NO. 11,457

PAGE

REPORTER'S CERTIFICATE

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* * *

A P P E A R A N C E S

FOR THE DIVISION:

RAND L. CARROLL
Attorney at Law
Legal Counsel to the Division
2040 South Pacheco
Santa Fe, New Mexico 87505

FOR PETRO-THERMO CORPORATION:

CAMPBELL, CARR, BERGE and SHERIDAN, P.A.
Suite 1 - 110 N. Guadalupe
P.O. Box 2208
Santa Fe, New Mexico 87504-2208
By: WILLIAM F. CARR

* * *

1 WHEREUPON, the following proceedings were had at
2 3:08 p.m.:

3 EXAMINER CATANACH: At this time I'll call Case
4 11,457, in the matter of the Application of the New Mexico
5 Oil Conservation Division for a show cause hearing
6 requiring Petro-Thermo Corporation to appear and show cause
7 why its Goodwin Treating Plant, located in the southwest
8 quarter, northwest quarter, of Section 31, Township 18
9 South, Range 37 East, Lea County, New Mexico, should not be
10 ordered to cease operations and have its permit to operate
11 revoked or be closed and cleaned up, be closed by the
12 Division if Petro-Thermo does not close it, have the costs
13 of closure and cleanup assessed against Petro-Thermo and
14 have its \$25,000 bond forfeited.

15 Are there appearances in this case?

16 MR. CARR: May it please the Examiner, my name is
17 William F. Carr with the Santa Fe law firm Campbell, Carr,
18 Berge and Sheridan.

19 We represent Petro-Thermo Corporation in this
20 matter.

21 I do not have a witnesses; I do have a statement.

22 EXAMINER CATANACH: Okay.

23 MR. CARROLL: May it please the Examiner, my name
24 is Rand Carroll, appearing on behalf of the New Mexico Oil
25 Conservation Division.

1 I do not have a witness in this case either.

2 EXAMINER CATANACH: No witnesses in this case, so
3 who wants to make a statement?

4 Mr. Carroll?

5 MR. CARROLL: Mr. Examiner, the Division brought
6 this case in order to close up a treating plant that has
7 been pretty much abandoned.

8 We have met with the operator and his attorney,
9 Mr. Carr, to come up with a plan of cleaning up and closing
10 this plant. Mr. Carr and I have worked on drafting up an
11 order that we both stipulate to that we ask the Examiner to
12 sign and issue.

13 This order orders Petro-Thermo to clean up the
14 plant within six months of the date of the order and work
15 with the Division to come up with a plan in doing so, to
16 revoke the permit so Petro-Thermo cannot continue to
17 operate this plant. However, Petro-Thermo is authorized to
18 remove equipment from the plant and sell it, and we also
19 ask the Examiner that if Petro-Thermo finds a new buyer,
20 that the new buyer obtain an additional six-month period
21 from the date of sale in order to finish cleaning up the
22 plant.

23 If Petro-Thermo fails to clean up the plant or
24 sell it within six months, we ask for permission to clean
25 it up ourselves through the use of the Oil and Gas

1 Reclamation Fund, to foreclose on Petro-Thermo's \$25,000
2 bond.

3 And that's about it.

4 Like I said, Petro-Thermo, through its attorney,
5 Mr. Carr, has agreed to the order, and we ask the Examiner
6 to recommend that it be signed.

7 EXAMINER CATANACH: Thank you. Mr. Carr?

8 MR. CARR: Mr. Catanach, as Mr. Carroll
9 indicated, we did -- Mr. Robert Abbott, Petro-Thermo, and I
10 met with representatives of the Division, including both of
11 you and representatives of the Environmental Bureau, and
12 following that meeting Mr. Carroll prepared a draft of an
13 order and sent it to me. I forwarded it to Mr. Abbott.
14 The order addresses each of the matters mentioned by Mr.
15 Carroll.

16 We are at this time advertising the facility to
17 see if in fact a buyer can be obtained. But if we cannot
18 within the six-month period of time, we will go forward and
19 are prepared to -- and agree to the provisions of the order
20 which order us to cease operations, which revoke the permit
21 and which provide that if we can't get something going
22 within the next six months, that the bond be accessed and
23 the facility cleaned up.

24 The order is acceptable to us, and we would
25 request that you go forward with the order and enter it as

1 proposed.

2 MR. CARROLL: Just one point or clarification.
3 The operating permit for the plant is revoked as of the
4 date of the order.

5 MR. CARR: That's correct.

6 MR. CARROLL: And it's just the cleanup and
7 closure that is being allowed to occur.

8 EXAMINER CATANACH: Okay. Is the six-month time
9 frame -- Does that commence on the date of the order?

10 MR. CARR: Yes, sir.

11 MR. CARROLL: Yes.

12 EXAMINER CATANACH: All right, I will review the
13 order and forward it to the Director.

14 Is there anything else in this matter?

15 MR. CARR: Nothing further.

16 EXAMINER CATANACH: There being nothing further,
17 Case 11,457 will be taken under advisement.

18 (Thereupon, these proceedings were concluded at
19 3:12 p.m.)

20 * * *

21 I do hereby certify that the foregoing is
22 a complete record of the proceedings in
the Examiner hearing of Case No. 11457,
heard by me on March 21 1996.

23 David R. Catnach, Examiner
24 Oil Conservation Division
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