

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

30 April 1986

EXAMINER HEARING

IN THE MATTER OF:

Application of Dwight Crawford, CASE
d/b/a Crawford Treating Company, 8880
for an oil treating plant permit,
Lea County, New Mexico.

BEFORE; Michael E. Stogner, Examiner

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation Jeff Taylor
Division: Legal Counsel to the Division
Oil Conservation Division
State Land Office Bldg.
Santa Fe, New Mexico 87501

For the Applicant: Dewey B. Leach
Attorney at Law
P. O. Box 1560
Hobbs, New Mexico 88240

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I N D E X

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DWIGHT CRAWFORD

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Direct Examination by Mr. Leach

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Cross Examination by Mr. Stogner

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E X H I B I T S

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Applicant Exhibit One, Letter

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MR. STOGNER: This hearing will
come to order.

We'll call Case Number 8880.

MR. TAYLOR: The application of
Dwight Crawford, doing business as Crawford Treating Com-
pany, for an oil treating plant permit, Lea County, New Mex-
ico.

MR. STOGNER: Call for appear-
ances.

MR. LEACH: I'm Dewey B. Leach,
attorney, Hobbs, New Mexico, representing Dwight Crawford,
doing business as Crawford Treating Company, and we're here
to offer the evidence that we are now -- have our plans.

We've attached to our applica-
tion a survey, and also a diagram of hte facilities that
will be constructed thereon as Exhibit B, and I have also a
letter from Mr. Jerry Sexton, who perhaps, I think, sent a
copy to the Commission of the original letter that I will
introduce in evidence that he has inspected the premises and
what is being erected there for the treating operation and
he feels that it's satisfactory in every respect.

And I'd like to call Dwight
Crawford as the first witness, please. Would you stand and
be sworn?

1 MR. TAYLOR: Do you have any
2 other witnesses at this point?

3 MR. LEACH: No, just him.

4 MR. STOGNER: Are there any
5 other appearances? Will the witness please stand?

6

7 (Witness sworn.)

8

9 MR. LEACH: Thank you.

10

11 DWIGHT CRAWFORD,

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

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15 DIRECT EXAMINATION

16 BY MR. LEACH:

17 Q State your name, please.

18 A Bobby Dwight Crawford.

19 Q And, Mr. Crawford, you have made applica-
20 tion for an oil treating permit on properties in Lea County,
21 New Mexico, is that correct?

22 A Yes.

23 Q Tell the Commission here what you have
24 proposed and what your operation is going to consist of.

25 A Yes, sir, I'll be receiving waste oil,

1 tank bottoms, pit oil, disposal system skim oil, the treat-
2 ment and disposing of waste at Parabo public disposal facil-
3 ity, about six miles from my plant, and be selling the
4 crude.

5 Q Now, what -- where is this located,
6 please?

7 A This will be six miles south of Hobbs and
8 ten miles to the east off Highway 18.

9 Q Then it's some two miles off the highway.

10 A Yes, sir.

11 Q And is there any residency in that area?

12 A No, sir, not within a mile.

13 Q I'll hand you an exhibit that I will of-
14 fer. Tell me what that is, please.

15 A Yes, sir. That's a letter from, I would
16 say, from Jerry Sexton, saying that he had gone with me and
17 approved the site.

18 Q Now, on the -- you're required to produce
19 a bond for this operation, which is a performance bond, I
20 believe, and have you made inquiry as to your ability to ob-
21 tain a bond?

22 A Yes, sir. I'm dealing with Daniels In-
23 surance and have given them my financial statement and they
24 said my bond will be received within -- within the week.

25 Q And it's in the amount of \$10,000.

1 A Yes, sir, \$10,000 performance bond.

2 Q And I really have no other questions, as
3 far as I would know.

4 MR. LEACH: Do we have any
5 questions by the Commission?

6 MR. STOGNER: Yes, I do.

7

8 CROSS EXAMINATION

9 BY MR. STOGNER:

10 Q Mr. Crawford.

11 A Yes.

12 Q I have here a letter from you, it looks
13 like dated April 1st, 1986.

14 A Yes, sir.

15 Q This is the application for the oil
16 treating plant permit?

17 A Yes, sir.

18 Q Okay, and in that you showed a survey.

19 A Yes, sir.

20 Q Okay, let's refer to that survey here.
21 I've got a copy of it here on that application that you sub-
22 mitted --

23 A Okay.

24 Q -- in which you show 40.09 acres --

25 A Yes, sir.

1 Q -- in Section 12, and then you show the
2 treating plant location essentially up in the northeast
3 quarter of that 40 acres.

4 A Yes, sir.

5 Q Is that the actual pad?

6 A Yes, sir.

7 Q How many acres does that pad cover?

8 A The pad will be 150 foot by 150 foot.

9 Q Will there be a firewall around this pad?

10 A Yes, sir, I've already constructed it and
11 there is a firewall.

12 Q Would you go into a little more detail?

13 A Well, we have, what it was, we had about
14 six inches of sand on top of a caliche subgrade and we took
15 all of the -- skimmed off all the sand and built a dike com-
16 pletely around the location.

17 Q Out of the sand that was on the pad.

18 A Yes.

19 Q Okay, could you give me the dimensions on
20 that firewall?

21 A Yes, sir, it would be 18 inches in height
22 by 150 by 150; 150 wide by 150 long.

23 Q Okay, now is this dike large enough to
24 contain --

25 A Yes, and my total volume is 2400 barrels

1 and that dike should hold well above 2400 barrels. I can't
2 remember my exact figures but it was like 4 or 5000 barrels
3 it would be safely holding.

4 Q What's the maximum amount of waste or oil
5 that you plan to treat in a day?

6 A In a day?

7 Q Uh-huh.

8 A It would be -- if, saying that oil was
9 already in the plant, I'll be treating gross barrelwise, 500
10 barrels in a day, depending on how much BS & W is in it, the
11 net oil sold would vary according to materials I receive.

12 Q So all things being equal, probably 500
13 barrels of oil per day maximum?

14 A Yes, sir, it would be maximum.

15 Q This pad that sets on this 40 acres, is
16 that 40 acres State, Federal, or fee land?

17 A It is my land, it's deeded land.

18 Q How long have you had this land?

19 A For approximately two months, I guess.
20 I'd have to look back to tell you.

21 Q Okay, let's refer to what you show as At-
22 tachment B on that application and you show some sort of a
23 schematic here, with waste tanks --

24 A Yes, sir.

25 Q -- heater/treater, bleeding tank (sic).

1 Would you please kind of elaborate on it?

2 A Yes, sir. In my treater tanks is where
3 I'll unload the waste materials and I'll circulate the waste
4 through my heating system. It will be coming off the bottom
5 of my treaters and coming through the heating system and
6 then back over the top into my treating tanks, and after it
7 settles out I'll be pumping the bottoms off into my waste
8 tank and skimming the crude over into my sales tanks.

9 And the blending tank will be if I have
10 some real high gravity oil, I can -- I'll use that to adjust
11 gravity on my crude.

12 And from the waste tank I'll be checking
13 the waste materials from the waste tank.

14 Q And as you mentioned in your testimony
15 they will be going to Parabo?

16 A Yes, sir.

17 Q Are they -- are they licensed to handle
18 such waste --

19 A Yes, sir.

20 Q -- that will be coming out of your waste
21 tank?

22 A Yes, sir, they are. They handle all
23 sites

24 Q Will any chemicals be used in this pro-
25 cess?

1 A No, sir.

2 Q Okay.

3 A Can I make an adjustment on that?
4 Usually, every now and then I might have to use chemicals
5 but on the normal everyday usage I won't have any.

6 Q When will you be needing to use
7 chemicals, do you --

8 A When I -- when I run into some -- some
9 kind of materials that are real hard to treat and knock the
10 BS & W out of. This was -- these are very, very rare
11 situations; and most times brine and heat takes care of
12 anything.

13 Q What sort of things would come in that
14 you would need to use chemicals? When would foresee this?

15 A Where it would aid in speeding the
16 treating of the oil, like if it was real heavy ion content
17 oil it might help in go ahead and making it fall out easier
18 and not having to retreat it again.

19 Q What kind of chemicals would be used on
20 something like that?

21 A In a situation like that I would have to
22 call a chemical company and have them help me with an analy-
23 sis on the problem.

24 Q Now this layout that you show on this At-
25 tachment B, is that the way it will be laid out on the --

1 A No, sir, I called one -- last week and
2 talked to Mr. Catanach, is that right?

3 Q Yes.

4 A And explained to him that instead of us-
5 ing the two 210 sales tanks I was going to use one 500 bar-
6 rel sales tank, and he said that that would -- I could just
7 bring that up to you all, that that would be no problem.

8 Q Is that the only adjustment?

9 A Yes, sir.

10 Q What kind of security will be provided
11 for this operation?

12 A What kind of security? You mean in
13 respect to the bond?

14 Q No, security as far as will there be a
15 fence around it? Is there --

16 A Oh.

17 Q -- somebody out there on location?

18 A There will be a fence built and there
19 will be some people living approximately 1000 foot from the
20 location.

21 Q This living quarters, I thought you said
22 that there ws no residence within a mile.

23 A Well, what I'm saying is a man has
24 offered to stay out at my place at nights if I would let him
25 stay out there, and that's the situation; just kind of as a

1 -- I'll let him stay out there if he can watch over my place
2 at night.

3 Q So there would be a man on 24-hour watch?

4 A I would be there during the day and he'd
5 be there at night.

6 Q Would there be any unlined pits or any
7 pits on the location?

8 A No, sir, no pits at all.

9 MR. STOGNER: I have no further
10 questions of Mr. Crawford.

11 Are there any other questions
12 of this witness?

13 If not, he may be excused.

14 Mr. Leach, do you have anything
15 further in Case Number 8880?

16 MR. LEACH: No, sir, I have no-
17 thing further except we feel that we're conforming with the
18 requirements of the Commission in the operation and we plan
19 to do so, and I understand that Pat Cargill, the agent with
20 Daniels Insurance, has indicated we will have the bond, the
21 \$10,000 bond, within a week. She has to get the home office
22 approval but she thinks it is tentatively granted.

23 MR. STOGNER: Is there anything
24 further in Case Number 8880?

25 Let's see, Mr. Leach, I believe

1 you wish to offer Exhibit Number One at this time?

2 MR. LEACH: Yes, yes, sir, I
3 would, please.

4 MR. STOGNER: All right, I'd
5 like to take administrative notice of the application which
6 shows the schematic and the survey at this time, also, and
7 that's attached to a letter from Mr. Crawford to us, dated
8 April 1st, 1986.

9 Is there anything further in
10 this case?

11 MR. LEACH: That is all we
12 have.

13 MR. STOGNER: If not, Case Num-
14 ber 8880 will be taken under advisement.

15

16 (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
HEREBY CERTIFY the foregoing Transcript of Hearing before
the Oil Conservation Division (Commission) 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. 8880,
heard by me on 30 April 1986.

Michael P. Higgins, Examiner
Oil Conservation Division