CASE 4135: Application of ROY E. KIMSEY, JR. FOR AN EXCEPTION TO ORDER NO. R-3221, AS AMENDED.

Case Number

4135

Application

Transcripts.

Small Exhibits

ETC.

BEFORE THE

NEW MEXICO OIL CONSERVATION COMMISSION

Santa Fe, New Mexico

May 21, 1969

EXAMINER HEARING

IN THE MATTER OF:

Application of Roy E. Kimsey, Junior, for an exception to Order No. R-3221, as amended, Eddy County, New Mexico.

Case 4135

BEFORE: ELVIS A. UTZ, Examiner

TRANSCRIPT OF HEARING

MR. UTZ: Case 4135.

MR. HATCH: Application of Roy E. Kimsey, Junior, for an exception to Order No. R-3221, as amended, Eddy County, New Mexico.

(Witness sworn)

ROY E. KIMSEY, JUNIOR

called as a witness, having been first duly sworn was examined and testified as follows:

DIRECT EXAMINATION

BY MR. UTZ:

(Thereupon, Applicant's Exhibits 1 through 8 were marked for identification.)

Q Will you state your name, by whom you are employed and what capacity?

A My name is Roy E. Kimsey, Junior, and I am representing myself in this case, and I am the part owner and operator of a one-well lease, known as the Kimsey and Cahoon, No. 1 P. R. Bass-Federal Well No. 1, which is located in Lot 6 of Section 3, Township 16 South, Range 30 East, Eddy County, New Mexico. And at the present time, this one well is producing from the Basil Gradburg, and is adjacent to the West Henshaw

Grayburg field, in relation to the Mobil Oil Company, West Hensaw waterflood project, and we are producing at the time, between approximately twelve to fourteen barrels of water per day. I have entered, and I would like entered Exhibit One,a topographical map showing the area of interest, outlined in red, mainly for the purpose of trying to locate any windmills or fresh water wells in the immediate area of my one particular well. And Exhibit Two,which I would like to offer in evidence, will be the other portions, or another topographical, showing the adjacent areas, which encompasses the area where the well is located. There again, to point out existing, or presently existing fresh well. On my personal examination, which was a week ago today, I went to the area and with my pumper -- I was looking, mainly, for a fresh water well which, could, possibly, be contaminated by the -- one well putting the salt water into the pit, and I only found one well in this township, the Range being 30; and that one particular well is located -- which I have marked on other Exhibits -- by -- in red. But it's located in the east half of the northwest quarter of Section 24, Township 16 South,

Range 30 East -- and I went, mainly, for the purposes -- because I knew that one well was there -- to get a sample of the water for analysis purposes, and upon getting to the well, I found that the rods had been pulled, and it had been off of production for approximately four weeks. And that particular well is owned by Hal Bogel. And it's in a little area known as Twin Lakes, which is a depression mainly, that fills up with water for cattle purposes. And it had rained two days prior to this. There was some water in one of the stock tanks, but it had been commingled with fresh rain water, so I just thought that possibly analysis wouldn't be -- well, it wouldn't be fresh or it wouldn't be true. So, therefore, I didn't take one. The only other well in the area is -- well, first of all, let me enter my Exhibit, if I may, Exhibit No. 3, which shows the lease ownership map, showing my particular lease, and the fresh water well we just discussed, marked there in red.

On this particular plat, I could find no other fresh water wells in the area, as far as this lease ownership map is concerned.

MR. NUTTER: Is the yellow lease your lease?

THE WITNESS: Yes, sir, that's my lease. Now, if I may enter Exhibit No. 4, from which the material was taken, from the text entitled "Geology and Ground Water Resources of Eddy County, New Mexico," published by the State Bureau of Mines and Mineral Resources, as their ground water report number three. It's Exhibit Four, and I made a Xerox copy of the map, from the text, showing the general direction of the movement of the ground water from my particular lease, or the lease in question. And I believe we will find that most of the ground water in this area moves to the south and in a southwesterly direction -- which I have indicated -- the one well we have discussed -- we have just discussed, the Hal Bogel water well, on this particular exhibit, Number Four. And the other wells, which are indicated and marked in red also. Now, the only other closest well which I did not know existed, and I'm not sure that it does exist, because it is a fairly old water well -- would be the one right on the highway, west of Artesia, which is located in Section 22, in Township 17 South, Range 29 East. And I think you can find it

just at the bend in the highway. And the last report we had was a test of that well, made in 1948. Now, I personally didn't know -- I have not observed this well and did not know it existed, until I got into this report, and I'm not sure that it is still producing. For our purposes, I think we should make note of this. Then, if I may enter Exhibit Number Six. Exhibit Number Six is also a plat taken from the text that I mentioned --

MR. UTZ: Are you going to skip Five?

THE WITNESS: No, sir, it's Five instead of Six. And this is a plat taken from that text, which shows the particular type of formation that the ground water in this area comes from, which I believe you will find, as the map indicates, and is from the Triassic Dockum group. And I believe that most of the water found in this area is contained at a depth of three hundred feet and above. Now, in my personal examination of the well in Section 24 and 16-30, I was trying to estimate the depth and all I could do was calculate by the rods; and it looked like there were approximately eighteen rods on the ground -- I don't know the length of the rods, but just estimating, I would say, twenty-five feet. So, that particular well --

if they did use all those rods, would be around close to four hundred feet in depth. I don't know what their capabilities or their producing capabilities are -- of those wells are. Of course, it has been off production and has been off for -- well, they tell me for about three or four weeks, now. And I don't know what the plans are for putting it back on production. Now, to enter Exhibit Number Six. This is another plat taken from the text, which show the general quality of the water, as come from this Triassic Dockumgroup, and I think that that is listed in areas Five A, Five B, Five C, and Five D. And our particular area of interest is carried as Five C, and in conjunction with this, I would like to enter Exhibit Six A, which is the written explanation of the type or quality of the water. And I believe that you will find in the area listed as Five C, which my lease is contained in, and it says that "in some instances --" I believe, "the water is impotable, but can be used for cattle drinking purposes." But noting, on Exhibit Number Four, showing the direction of waterflow, flowing to the south, we enter the zone, shown on Exhibit Six, which is carried as, I believe

Five C. And in Five C, this indicates that the water is impotable and unfit by consumption by human or animal, due to the fact that is high in chloride content and sulphate content. So, for this reason, I feel like that if we do have this movement to the south and the southwest and that the -- the chances are that it would -- there would be very little contamination, if any. And, also it is not shown on this particular plat, because we are getting fairly far away. But, as we go to the west, or toward the Pecos River, I believe your water there is produced and, mainly, becomes your ground water from the Rustler formation, which I believe, will be indicated -- indicated in my Exhibit Number Seven. That the water going to the west is of poor quality, than the water from areas Five C and Five D. So, therefore, the contamination, or the possibility of contamination, based on the direction of flow -- I don't think would be great. As to that Exhibit Number Seven, I have outlined -- oh, I think three or four pages in there, giving a general breakdown of the water as it pertains to this immediate area, which I believe, will have some significance. Now,

my Exhibit Number Eight, which I would like to enter, is the water analysis which was taken from the Kimsey-Cahoon well, giving the breakdown -- well, mainly, the chloride content, of course, which are the most important factors. This completes my testimony, Mr. Examiner, as to my exhibits.

MR. UTZ: Let's talk a little about Number Four, first, which is the direction of flow.

MR. KIMSEY: All right.

MR. UTZ: Now, your well is located at the top of this plat, in Township 16 North, is that right?

A Sixteen South, 30 East.

Q All right. Now, the red dots shown on this exhibit are water wells?

A Yes, sir.

Q Windmills?

A Yes, sir.

Q And they are water, used for what?

A Mainly, for stock. I believe stock water -- stock-watering purposes would be the only thing. I have not personally examined those wells, and I didn't know how to base it. But I was just looking at an area --

I didn't pay much attention -- I didn't pay any attention really, to an area graded, say, to an area nine or ten miles to my lease. In all probability, in conversation with people on the ground, and the people that supposedly make a study -- well, that made a study of ground water, they just felt that it, possibly, would not contaminate, you know, a well that was nine or ten miles away. So, I have, for all purposes --

Q How much water are we talking about?

A I am making approximately, twelve to fourteen barrels per day.

Q Section Twenty Four, I believe, 16 South, 30 East?

A Yes, sir.

Q Did you get an analysis of that water?

A No, sir. That's the one I went to a week ago today, and, for the purposes of getting water, and having it analyzed -- and that well has been off of production, they tell me, for about four weeks, now. And I don't know when they plan to put it back on to production, if they do. And there was some water in the tank, but it had rained two days before, and the

whole area was, I would say, at least, eight to ten inches under water, including the stock tank, which would be commingled with the ground water. So, therefore, I found it -- well, it was really impossible to get a sample of the water at that time.

Q Were they earthen tanks?

A No, sir. They were metal tanks. Well, the big tanks -- there are two big galvanized, iron tanks -- it's more or less a draw: they call **Twin Lakes** or just a depression that rain water accumulates in. They have some galvanized tanks and these large earthen tanks.

Q So, the run of water was commingled with the ground water?

A Yes, sir. I would, just guessing, I would say there was a thousand times more rain water than phosphate well water.

Q Did you talk to the owners?

A I talked to my pumper; I had him with me -- he has been pumping that area for about twenty-one years, and we -- I asked him to make an investigation about a month ago, of any existing water wells in the area, for the Hearing purposes, and he has checked

and -- in those areas, and says that this is the only fresh water anywhere in the area -- you know, which would possibly be contaminated. And he also talked to -- I can't recall his name. His first name is Frank, and I think -- I can't recall his last name -- I think it might be Whitlock, or something like that. This man was in the feed business, but he used to be a windmill man in that area for five or six years, and was acquainted with every windmill in that area. And he, again, stated that this was the only well that was even close to my particular producing lease.

Q But they do use that water for stock?

A Yes, sir. There was some cattle around there at the time.

Q I believe your application is to dispose of any unlined pit?

A Yes, sir.

MR. UTZ: Any questions?

MR. NUTTER: Mr. Kimsey, now, you indicated that Mobil is operating a waterflood on its West Henshaw Premier Unit, is that correct?

THE WITNESS: Yes, sir.

Q Now, actually your lease, which is Lot Six, there, in Section Three, is included in the unit boundaries --

A The reason for that, when they originally formed the unit -- when we drilled this well, I was not aware that a unit was being formed or even being discussed in there. And based on the formulas, we have completed a well, which was initially completed for about four or five barrels a day. And based on their formula, on their waterflood, it just wasn't economical for us to join the unit. So, they included us in the unit boundary, and afterwards, we advised the- that we did not want to be included in the participating areas, so actually this shows them to be in the unit boundary, but we are not in the participating area.

Q You are in the unit area, but the tract is not committed to the unit?

A No, sir. It's not committed to the unit.

Q Now, what are the injection wells there?

A There is an injection well -- the well due west of us is an injection well, and I have another well that I drilled last September, which is a gas well, as

indicated -- I think, marked in yellow.

Q Is that another lease?

A Yes, sir. That's another lease that I have that is making no water at all; and we are selling, approximately, oh, four hundred thousand cubic feet of gas per day.

Q What pool is that producing from?

A That's the West Henshaw Grayburg -- it's committed also.

Q Well, let's see, if the well west of you is an injection well, I presume that the well south of you would be, too.

A No, sir. The well south of us is a producer, and the well due west of it is an injection well.

Q So, the wells west of you and southwest of you --

A Are injection wells.

Q Are injection wells?

A Yes, sir.

Q How about to the southeast?

A That's an injection, also.

Q What is your well making, as far as oil is

concerned?

A It makes, just almost exactly, thirty-five point eight-eight barrels per day.

Q And it was originally for forty-five?

A Yes, sir.

Q So, you have had a --

A Yes, sir. We put it back on production last May 29. It came up -- and it was producing about fifty-eight barrels of oil per day, and about three barrels of water,

Q Well, if the oil production has increased seven-fold, we could expect the water production to increase, ultimately, too; couldn't we, Mr. Kimsey?

A Yes, sir, I think so. I think that ultimately we would.

Q We are not really talking about twelve or fourteen barrels -- we are talking about something different.

A No.

Q We are talking about some other kind of figure --

A Yes, sir. If and when that time occurs. --

of course, I have no way of projecting that.

Q Have you made any effort to dispose of this water with Mobil?

A Yes, sir. I had my pumper talk to the production foreman of the West Henshaw field. As far as -- my original thoughts were that I would give Mobil the water, if they would take it by laying a line from my lease, down to their nearest producing well, and putting it in their return system. Their production foreman preliminarily indicated that "he didn't think that Mobil would be interested, because they would have to treat the water." So, I have set, contacted -- I can't think of his name -- Bard; I think is his name. I have written him a letter with Mobil, in Midland, and that's been two and a half weeks ago, and I asked that they make a study as far as -- or would it be feasible for me to put my water into their system, which I have not received a reply yet.

Q You know, this is not related to your Case at all. We had another similar instance at one time which the waterflood operator offered to take the water, providing the man brought the oil back to them. But as far as you know, right now your negotiations

are still open?

A Yes, sir.

Q With Mobil?

A Yes, sir.

Q Now, they are reinjecting their own produced water?

A Right.

Q So, they are treating it?

A Yes, sir, they are treating it.

Q The water from the same formation?

A Right.

Q So, it's probably treated in a similar manner?

A Yes, sir.

Q Now, Mr. Kimsey, our maps indicate these maps were made from aerial photographs -- I don't know when the photographs were made, but they indicate the presence of two wells, approximately three miles to the southwest. That would be in the extreme northwest quarter of Section Eighteen, and in the extreme northeast quarter of Section Thirteen, approximately three miles to the southwest.

A Yes, sir.

Q But you are not aware of those wells?

A No, sir. Now, I took -- I actually stood on

the tank battery with field glasses - up here (Indicating) -- on a fairly high elevation here -- and scanned the whole horizon, all the way around me, and I drove -- well, it's back about two miles north, up here. (Indicating) And I rode back in here and checked that. Of course, this leased road here, Loco Hills -- it's a big county road -- let's see now, -- it's about right here. (Indicating) You can see the entire area, and I've never -- as many times as I've been in there -- in and out of the lease; and as many times as my pumper has been in and out, that I've never observed any well like that.

Q But we don't know that there is any water there?

A Yes --

Q We don't show it on the aerial photographs?

A Well, even in this 1952 report, they indicate -- you know, all the wells in the area which there were no wells indicated.

Q That's correct. But the ground water report does not show these wells?

A That's right. And I've never observed them officially. But I did -- I checked very carefully,

with field glasses, from the highest point I could find, and I could not find any wells other than the ones which I have noticed.

Q Now, does the ground water report give the depth of the well in Section Twenty Four?

A No, sir, it does not. Because, apparently it's a new well. The well has been drilled before the report was drilled.

Q But it's on the map; isn't it?

A No, sir. It's not on any map.

Q Oh, you put it on the map --

A Yes; I put it on the map, myself.

Q It wasn't printed on there?

A No, sir. I can't find it on any map -- even on the topographical maps; it's not listed there.

Q I see. And the analysis of the water that you are producing from your well, is a hundred twenty-one thousand parts per million?

A Yes, sir.

Q I believe that's all. Thank you.

MR. UTZ: Any other questions? The witness may be excused. Any other statements in this case? The Hearing will be adjourned until one thirty.

I N D E X

STATE OF NEW MEXICO)
) ss
COUNTY OF BERNALILLO)

I, CA FENLEY, Court Reporter in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Hearing before the New Mexico Oil Conservation Commission was reported by me, and that the same is a true and correct record of the said proceedings, to the best of my knowledge, skill and ability.

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 4135, heard by me on May 21, 1969.

....., Examiner
New Mexico Oil Conservation Commission

OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO
P. O. BOX 2088 - SANTA FE
87501

GOVERNOR
DAVID F. CARGO
CHAIRMAN

LAND COMMISSIONER
ALEX J. ARMIJO
MEMBER

STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY - DIRECTOR

June 3, 1969

Mr. Roy E. Kimsey, Jr.
Oil Operator
522 Building of the Southwest
Midland, Texas 79701

Re: Case No. 4135
Order No. R-3773
Applicant:
Roy E. Kimsey, Jr.

Dear Sir:

Enclosed herewith are two copies of the above-referenced Commission order recently entered in the subject case.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

ALP/ir

Copy of order also sent to:

Hobbs OCC x
Artesia OCC x
Aztec OCC
Other State Engineer Office

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE NO. 4135
Order No. R-3773

APPLICATION OF ROY E. KIMSEY, Jr.,
FOR AN EXCEPTION TO ORDER NO. R-
3221, AS AMENDED, EDDY COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on May 21, 1969, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 3rd day of June, 1969, the Commission, a quorum being present, 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 Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Roy E. Kimsey, Jr., is the operator of the Kimsey and Cahoon P. R. Bass-Federal Well No. 1, located in Unit F of Section 3, Township 16 South, Range 30 East, NMPM, West Henshaw Pool, Eddy County, New Mexico.

(3) That effective January, 1969, Order (3) of Commission Order No. R-3221, as amended, prohibits in that area encompassed by Lea, Eddy, Chaves, and Roosevelt Counties, New Mexico, the disposal, subject to minor exceptions, of water produced in conjunction with the production of oil or gas, or both, 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 would constitute a hazard to any fresh water supplies and said disposal has not previously been prohibited.

(4) That the aforesaid Order No. R-3221 was issued in order to afford reasonable protection against contamination of fresh water supplies designated by the State Engineer through disposal of water produced in conjunction with the production of oil or gas, or both, in unlined surface pits.

(5) That the State Engineer has designated, pursuant to Section 65-3-11 (15), N.M.S.A., 1953 Compilation, all underground water in the State of New Mexico containing 10,000 parts per million or less of dissolved solids as fresh water supplies to be afforded reasonable protection against contamination; except that said designation does not include any water for which there is no present or reasonably foreseeable beneficial use that would be impaired by contamination.

(6) That the applicant seeks an exception to the provisions of the aforesaid Order (3) to permit the disposal of salt water produced by applicant's Kimsey and Cahoon P. R. Bass-Federal Well No. 1 in an unlined surface pit located in said Unit F.

(7) That the subject well presently produces approximately 14 barrels of water per day.

(8) That the nearest fresh water well is a deep water well approximately 4 miles southeast of the subject pit.

(9) That there appears to be no shallow fresh water in the vicinity of the subject unlined pit for which a present or reasonably foreseeable beneficial use is or will be made that would be impaired by contamination.

(10) That the applicant should be permitted to dispose of salt water produced by the aforesaid well in the subject pit.

IT IS THEREFORE ORDERED:

(1) That the applicant, Roy E. Kimsey, Jr., is hereby granted an exception to Order (3) of Commission Order No. R-3221, as amended, to dispose of water produced in conjunction with the production of oil or gas, or both, by his Kimsey and Cahoon P. R. Bass-Federal Well No. 1, located in Unit F of Section 3, Township 16 South, Range 30 East, NMPM, West Henshaw Pool, Eddy County, New Mexico, in an unlined surface pit located in said Unit F until further order of the Commission.

(2) That the Commission may by administrative order rescind such authority whenever it reasonably appears to the Commission that such rescission would serve to protect fresh water supplies from contamination.

(3) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

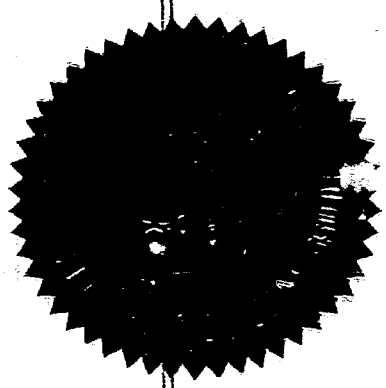
STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

DAVID F. CARGO, Chairman

ALEX J. ARMIJO, Member

A. L. PORTER, Jr., Member & Secretary

S E A L



Docket No. 15-69

DOCKET: EXAMINER HEARING - WEDNESDAY - MAY 21, 1969

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

The following cases will be heard before Elvis A. Utz, Examiner, or Daniel S. Nutter, Alternate Examiner:

CASE 3405: (Reopened) (Continued from the May 7, 1969 Examiner Hearing)

In the matter of Case No. 3405 being reopened pursuant to the provisions of Order No. R-3081, which order established 640-acre spacing for the North Indian Hills-Morrow Gas Pool, Eddy County, New Mexico, for a period of one year after first pipeline connection in the pool. All interested parties may appear and show cause why said pool should or should not be developed on 320-acre spacing units.

CASE 4131: Application of Gulf Oil Corporation for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle production from the Jalmat and South Eunice oil pools, Lea County, New Mexico, in the wellbores of six wells located as follows:

TOWNSHIP 21 SOUTH, RANGE 36 EAST

Arnott Ramsay (NCT-D) Well No. 6 - Unit K - Section 33
Arnott Ramsay (NCT-D) Well No. 7 - Unit M - Section 33
Arnott Ramsay (NCT-D) Well No. 8 - Unit N - Section 33
Arnott Ramsay (NCT-D) Well No. 9 - Unit L - Section 33
J. F. Janda (NCT-B) Well No. 4 - Unit O - Section 32

TOWNSHIP 22 SOUTH, RANGE 36 EAST

J. F. Janda (NCT-F) Well No. 8 - Unit C - Section 4

CASE 4132: Application of Pan American Petroleum Corporation for an exception to Order No. R-3221, as amended, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Order No. R-3221, as amended, which order prohibits the disposal of water produced in conjunction with the production of oil on the surface of the ground in Lea, Eddy, Chaves, and Roosevelt Counties, New Mexico, after January 1, 1969. Said exception would be for three wells located in Unit D, E, and P of Section 27, Township 18 South, Range 31 East, Shugart Field, Eddy County, New Mexico. Applicant seeks authority to continue to dispose of salt water produced in two unlined surface pits located in the E/2 of said Section 27.

CASE 4133: Application of Skelly Oil Company for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the West Dollarhide Drinkard Unit Area comprising 3,533.52 acres, more or less, of Fee, Federal, and State lands in Townships 24 and 25 South, Range 38 East, Lea County, New Mexico.

CASE 4134: Application of Skelly Oil Company for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in its West Dollarhide Drinkard Unit Area by the injection of water into the Tubb-Drinkard formation through 43 wells located in Townships 24 and 25 South, Range 38 East, Dollarhide Tubb-Drinkard Pool, Lea County, New Mexico. Applicant further seeks a procedure whereby said project may be expanded administratively without a showing of well response.

CASE 4135: Application of Roy E. Kimsey, Jr. for an exception to Order No. R-3221, as amended, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Order No. R-3221, as amended, which order prohibits the disposal of water produced in conjunction with the production of oil or gas or both, on the surface of the ground in Lea, Eddy, Chaves, and Roosevelt Counties, New Mexico, after January 1, 1969. Said exception would be for the P. R. Bass-Federal Well No. 1 located in Unit F of Section 3, Township 16 South, Range 30 East, West Henshaw Pool, Eddy County, New Mexico. Applicant seeks authority to continue to dispose of produced salt water in an unlined surface pit located near said well.

CASE 4136: Application of Mallard Petroleum, Inc. for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Yates formation in the interval from 3606 feet to 3627 feet in its Milner Federal Well No. 4 located in Unit C of Section 35, Township 20 South, Range 34 East, Lynch Pool, Lea County, New Mexico.

CASE 4137: Application of Atlantic Richfield Company for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the East Shugart Unit Area comprising 1359.40 acres, more or less, of Federal and State lands in Townships 18 and 19 South, Range 31 East, Eddy County, New Mexico.

CASE 4138: Application of Atlantic Richfield Company for a waterflood project and unorthodox injection well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project by the injection of water into the Yates-Seven Rivers-Queen formations through 11 wells in Townships 18 and 19 South, Range 31 East, Shugart Pool, Eddy County, New Mexico. Applicant further seeks an exception to permit the drilling of one of said wells at an unorthodox location 100 feet from the South line and 990 feet from the West line of Section 35, Township 18 South, Range 31 East.

CASE 4139: Application of Allied Chemical Corporation for a unit agreement, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Milnesand (San Andres) Unit Area comprising 5370.18 acres, more or less, of Federal and Fee lands in Township 8 South, Ranges 34 and 35 East, Roosevelt County, New Mexico.

CASE 4140: Application of Allied Chemical Corporation for a waterflood project, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in its Milnesand (San Andres) Unit Area by the injection of water into the San Andres formation through 33 wells located in Township 8 South, Ranges 34 and 35 East, Milnesand-San Andres Pool, Roosevelt County, New Mexico. Applicant further seeks a procedure whereby said project may be expanded administratively without a showing of well response.

CASE 4141: Application of McCasland Disposal System for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Seven Rivers formation in the intervals from approximately 3756 feet to 3851 feet and from approximately 3918 feet to 3939 feet, respectively, in the Getty Oil Company J. H. Day Wells Nos. 1 and 2, both located in the NW/4 of Section 8, Township 22 South, Range 36 East, Jalmat Pool, Lea County, New Mexico.

CASE 4142: Application of Tamarack Petroleum Corporation, Inc., for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water by injection into the Queen formation in the interval from 4946 feet to 5040 feet in its Cabot 15 State Well No. 2 located in Unit P of Section 15, Township 19 South, Range 35 East, Pearl-Queen Pool, Lea County, New Mexico.

Docket No. 15-69

CASE 4143: Application of Amerada Petroleum Corporation for downhole commingling and special gas-oil ratio limitation, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle production from the Eumont Gas Pool and the Skaggs-Grayburg Pool in the wellbore of its Fred Turner, Jr., "A" Well No. 2, the Eumont completion of which is presently classified as a gas completion, located in Unit K of Section 18, Township 20 South, Range 38 East, Lea County, New Mexico. Applicant, further seeks the establishment of a special gas-oil ratio limitation for the subject well.

(Continued from the May 7, 1969 Examiner Hearing)

CASE 4121: Application of Roger C. Hanks for special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the promulgation of special pool rules for the Bar U-Pennsylvanian Pool, Lea County, New Mexico, including a provision for 160-acre spacing and proration units and the assignment of 80-acre allowables.

4135
Heard 5-21-69
Rec. 5-23-69

Roy E. Kinney is producing a response well ~~[illegible]~~ offsetting a Mdy. H2O flood. He should be able to make a disposal deal to reinject the water. He could join the unit.

He is now producing 12-14 BSWPD (121,501 CL). There is a stock water well 4 mi. S/SE of the well. Drainage in the area is to S & SW. The SW in this well will increase before it peaks out.

Since there is a danger of contaminating water which is used for stock use, I therefore recommend this appl. be denied.

[illegible signature]

OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO
DRAWER DD - ARTESIA
88210

GOVERNOR
DAVID F. CARGO
CHAIRMAN

LAND COMMISSIONER
ALEX ARMIJO
MEMBER

STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY - DIRECTOR

May 27, 1969

N. M. Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico

Attention: D. S. Nutter

Re: Windmills

Dear Dan:

Subsequent to your request of 5-26-69, I investigated the windmills reportedly located in the NE/4 NW/4 24-16-30, NW/4 NW/4 18-16-30 and NE/4 NE/4 13-16-29.

These wells are all located on land operated by the Turkey Track Ranch where I talked to Mr. Jim Freyburger. He is in charge of all windmill work and reported the following:

1. The well in section 24-16-30 is 350 feet deep with about 12 feet of water in the hole. The water is "just fair" and is primarily fit for stock.

2. The well in section 13-16-29 went dry and was abandoned several years ago. It was about 300 feet deep. The well in 18 must have been a mistake.

3. He told me of a windmill in the SW/4 14-16-31, that is 155 feet deep and has good drinkable water.

If any additional data is required, please advise.

Very truly yours,

OIL CONSERVATION COMMISSION

Dick

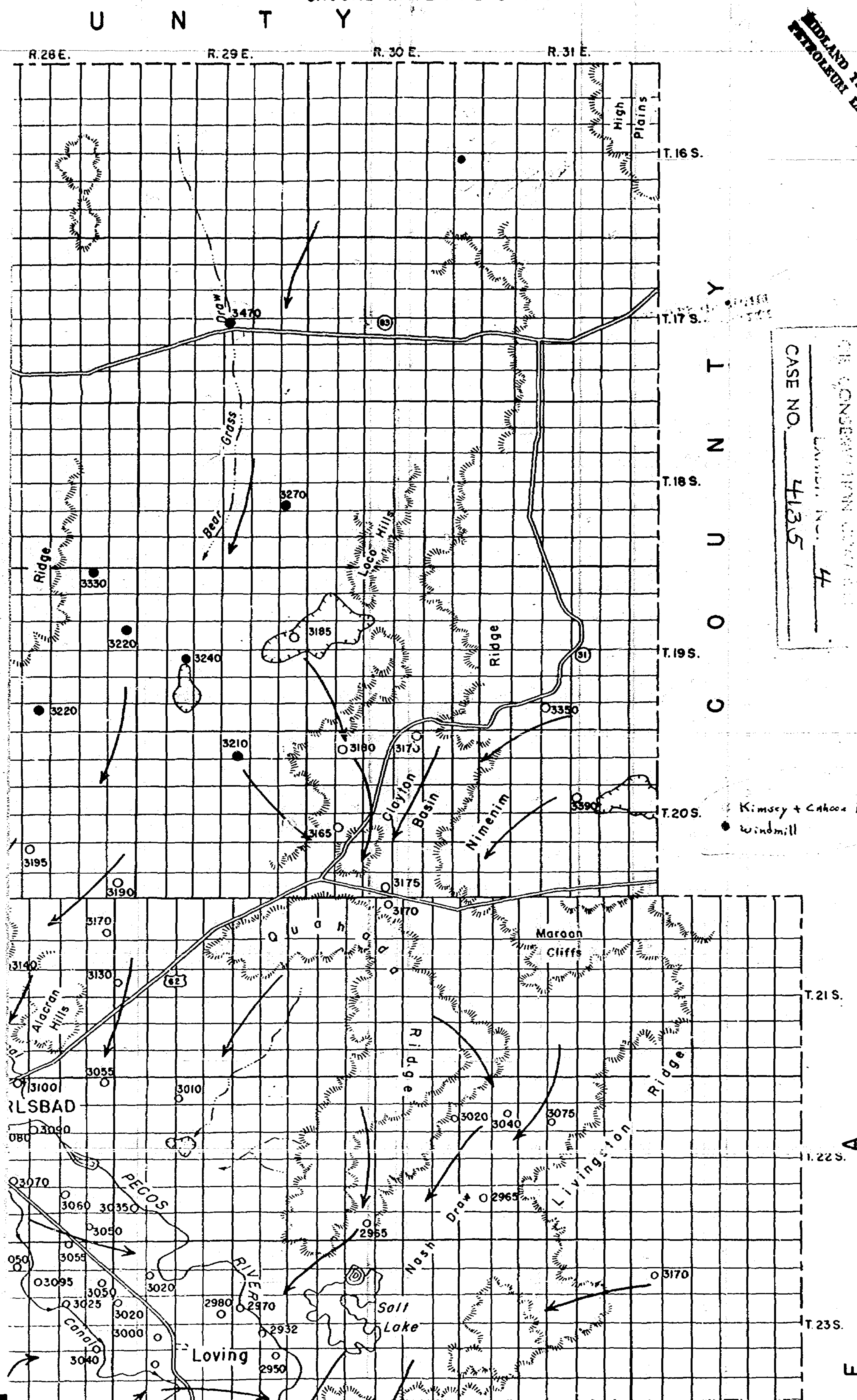
R. L. Stamets

RLS:jw

[redacted]

General Direction of Movement of Ground Water

GROUND-WATER REPORT 3 PLATE 3



U N T Y
R.28 E.
R.29 E.
R.30 E.
R.31 E.
High Plains
T.16 S.
T.17 S.
T.18 S.
T.19 S.
T.20 S.
T.21 S.
T.22 S.
T.23 S.
C O U N T Y
A
E
Bear Grass Draw
3470
83
3270
Ridge
3330
3220
3240
3220
Loco Hills
3185
Ridge
31
3350
3210
3180
3170
Clayton Basin
Nimenim
3390
3165
3195
3190
3175
3170
Quahada
Maroon Cliffs
3170
3140
3130
Alacran Hills
62
Ridge
3055
3010
3100
RLSBAD
3020
3040
3075
Livingston Ridge
3090
3070
PECOS
3060
3035
3050
Nash Draw
2965
2955
3059
3095
3050
3020
RIVER
2980
2970
3025
3020
3000
Canal
Salt Lake
2932
3170
Loving
3040
2950
Kimsey + Cahoon Lease
Windmill

BEFORE EXAMINER UTZ
OIL CONSERVATION COMMISSION
EXHIBIT NO. 4
CASE NO. 4135

GROUND-WATER REPORT 3 PLATE I

U N T Y

EXPLANATION

Qal	Alluvium	QUAT.
To	Ogallala formation	TERTIARY
Rd	Dockum group	TRIASSIC
Prc	Rustler formation east of the Pecos River. Castile and Rustler formations west of the Pecos River. (Ochoa series)	PERMIAN
Pcl	Carlsbad limestone (Capitan limestone and Bell Canyon formation along reef escarpment. Goat Seep limestone along west escarpment of Guadalupe Mountains.) (Guadalupe series)	
Pcb	Chalk Bluff formation (including upper part of Goat Seep formation in southwest part.)	
Ps	San Andres formation (Leonard series)	

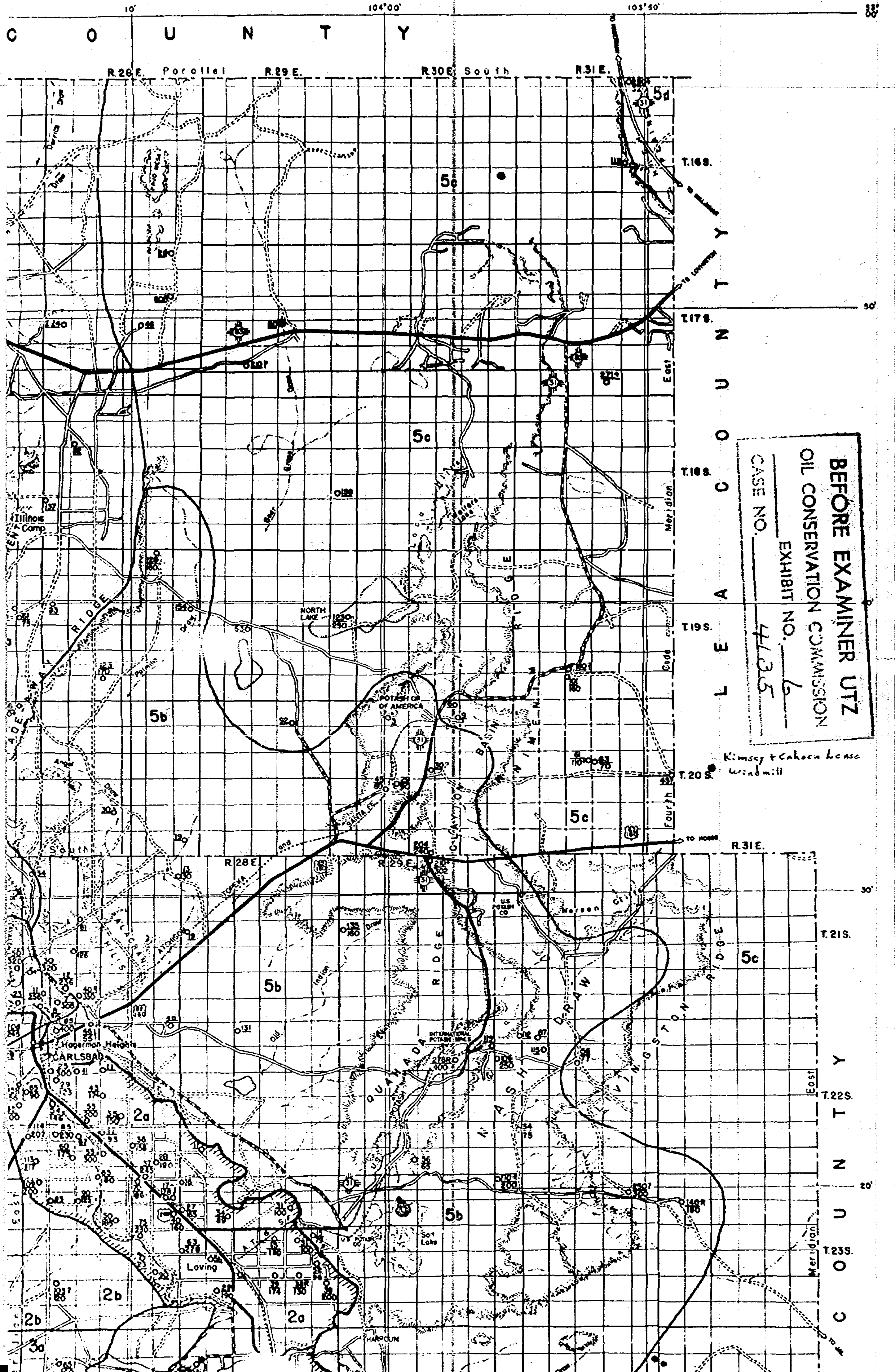
C O U N T Y

BEFORE EXAMINER UTZ
OIL CONSERVATION COMMISSION
EXHIBIT NO. 5
CASE NO. 4635

A

3

GROUND WATER REPORT 3 PLATE 4



BEFORE EXAMINER UTZ
OIL CONSERVATION COMMISSION
EXHIBIT NO. 6
CASE NO. 4135

Kimsey + Cahoon Lease Windmill

5b. In this area, water for stock use generally can be obtained from wells in limestone, gypsum, or redbeds of the Rustler formation at depths as great as 250 feet. Water is generally too high in chloride and sulfate for domestic use and locally is undesirable even for livestock.

5c. In this area, water for stock and domestic use generally can be obtained from wells in the Triassic redbeds at depths up to 300 feet. Water is generally of fair quality but locally is impotable.

5d. In this small area of the High Plains, potable water for stock and domestic use can be obtained from wells in sand and gravel or from underlying redbeds at a depth of about 300 feet.

and red sandstone and lenses of red shale and conglomerate. The Santa Rosa either crops out or is overlain by a thin mantle of sand over a large area in eastern Eddy County.

Overlying the Santa Rosa sandstone in the southeast part of the county are redbeds, possibly the Chinle formation, consisting of a thick series of red shales and thin interbedded sandstones. In Eddy County the Chinle is covered, in large part at least, by a thin mantle of dune sand.

Stock wells in the east and southeast parts of Eddy County probably obtain water from the sandstones of the Dockum group. The water is generally of better quality than that in the underlying Rustler formation, although some wells in the Dockum group produce impotable water.

Tertiary system

Ogallala formation

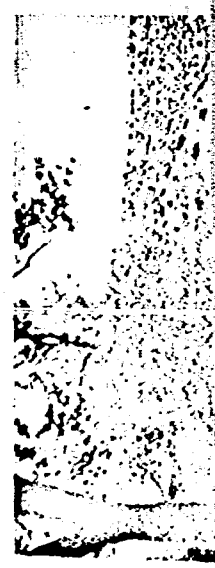
The Ogallala formation of late Tertiary age, caps the small area of the High Plains in the northeast corner of the county. The Ogallala is composed of clay, silt, sand, and gravel, locally cemented with calcium carbonate (caliche). The formation supplies water of good quality to a few stock wells in its outcrop area in the county. The Potash Co. of America gets a part of its water from the High Plains east of Eddy County, and this general area has been considered as a possible source of water for the city of Carlsbad.

Quaternary system

The Quaternary deposits in Eddy County include large areas of alluvium and dune sand and some small isolated areas of lake and spring deposits. The alluvium can be divided into older and younger alluvium which are separated in most places by an angular unconformity.

Older alluvium

Quartzose conglomerate.—The quartzose conglomerate may be basal Ogallala as suggested by Bretz and Horberg (1949), rather than an early Pleistocene deposit as has been commonly believed. It is present in two large areas in Eddy County. In the Roswell basin it extends in a belt 10 to 20 miles wide, mostly west of the Pecos, from Seven Rivers north to and beyond the county line. The other area is also mainly west of the Pecos and extends south from Carlsbad to the Black River. The quartzose conglomerate ranges in thickness from a feather edge to more than 300 feet and consists of clay, silt, sand, gravel, and conglomerate. In both areas the conglomerate appears to be thickest a few miles west of the Pecos and to thin abruptly to the east and more gradually to the west. It is nearly everywhere slumped



ler formation contains
water at Malaga Bend
formation (Robinson

unconformably over-
ist of the Pecos River,
roup or its equivalents
bedding of the Rustler
ce of the Salado forma-
from about 200 feet in
ist of Carlsbad. It con-
green sandy clay, and

es can be divided into
nick and an upper an-
and others, 1942, pp.
hale but includes some
init contains irregular
it basal dolomite.
istler formation in the
inson and Lang, 1938,
parts: The upper part,

TLER FORMATION
V MEXICO

THICKNESS Ft.	DEPTH Ft.
.. 30	30
.. 30	60
. 100	160
. 30	190
.. 20	210
.. 35	245
.. 30	275
. 70	345
.. 20	365
.. 130	495
.. 5	500

line. The east boundary of the outcrop area of the
concealed by the mantle of the so-called Mescalero sands which cover both the Rustler and the overlying Triassic redbeds. The Rustler also crops out west of the Pecos in the Frontier Hills.

In its outcrop areas the Rustler yields water to many stock wells and some domestic wells. It also furnishes some of the water used by the International Minerals and Chemical Co., and the Potash Co. of America for refining potash. In the Carlsbad area it yields some water for small-scale irrigation. The water from the Rustler generally is not desirable for domestic use because of its high chloride and sulfate content. In certain areas wells penetrating the lower part of the Rustler yield a concentrated brine derived from the underlying Salado formation which cannot be used even for livestock. This brine aquifer at the base of the Rustler discharges salt water into the Pecos River in the vicinity of Malaga Bend (Robinson and Lang, 1938, pp. 77-100).

TRIASSIC SYSTEM

Dockum group

Overlying the Rustler formation in Eddy County are redbeds and sandstones of the Dockum group. The lower part of these beds has been considered Permian and correlated with the Dewey Lake redbeds by some geologists (DeFord, Willis, and Riggs, 1940). The total thickness of the Dockum group east of Artesia is about 1,000 feet. The formations of the Dockum group exposed in Eddy County are the Pierce Canyon redbeds, the Santa Rosa sandstone, and redbeds that possibly represent the Chinle formation.

The Pierce Canyon redbeds overlie the Rustler formation. They are about 350 feet thick and consist of red sandy shale and fine-grained sandstones marked with greenish-gray reduction spots. The formation thins to the north and is absent north of the latitude of Artesia. The Pierce Canyon redbeds crop out in the upper part of Nash Draw, in Clayton Basin, in some of the canyons on the east side of the Pecos River south of Malaga, and in other isolated areas east of the Pecos.

The Santa Rosa sandstone overlies the Pierce Canyon redbeds south of the latitude of Artesia and the Rustler formation north of Artesia. The Santa Rosa is 200 to 300 feet thick and consists of gray

l area is generally fair
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ost wells, in both the
irrigation, stock, and
hat is hard but other-
quifers.
l near Artesia in the
hardness as calcium
million of sulfate, and
vater from another ar-
6, T. 20 S., R. 26 E.,
arts per million, 1,290
llion of chloride. The
ake it undesirable for
n wells in the Roswell
er ranging in quality
1933, p. 173).
in the irrigated area
the artesian aquifer.
he Lakewood School,
ate of 1,040 parts per
0 parts per million of
t edge of the irrigated
ow wells near the west
ater of slightly better
m the shallow aquifer
).
st of the irrigated area
om two of the wells,
in chloride, low and
n calcium bicarbonate.

for irrigation, public
ount of ground water,
in this area in Eddy
e irrigated, was about
ich has the only muni-
e-feet per year. Water
does not exceed 500

AREA EAST OF THE PECOS RIVER

The area east of the Pecos River is a large area and includes approximately half of Eddy County. It is designated on plate 4 as 5a, 5b, 5c, and 5d.

PRINCIPAL AQUIFERS

The strata east of the Pecos River dip gently to the east and southeast. As a consequence the strata crop out in north-south bands as shown in plate 1. The Chalk Bluff formation crops out in a band 5 to 10 miles wide east of the Pecos River extending from Lake Avalon north to the county line and beyond. East of the Chalk Bluff formation and extending from the Texas State line to the Chaves County line is a band 2 to 10 miles wide in which the Rustler formation crops out, and east of the outcrop area of the Rustler is a band 12 to 20 miles wide, extending to the Lea County line, in which redbeds of the Dockum group of Triassic age crop out. In the extreme northeast corner of the county, the Ogallala formation crops out in an area of a few square miles coextensive with the High Plains physiographic area. A veneer of dune sands covers most of the area, and in a few places, especially in a narrow band along the east side of the Pecos extending from Malaga to north of Carlsbad, relatively thin deposits of Quaternary alluvium are present.

Only alluvium, near the river, and the cavernous limestone and gypsum of the Rustler formation produce large quantities of water. Much of the water in the area east of the Pecos River is highly mineralized. Moderately large quantities of rather highly mineralized water are used by the potash companies for some industrial purposes, but in most of the area the ground water is used only for stock and domestic purposes.

Chalk Bluff and Castile formations

East of the Pecos the limestone, redbeds, and gypsum of the Chalk Bluff formation crop out in a belt 5 to 10 miles wide from Lake Avalon north to beyond the county line. The ground water in the area immediately east of the river between Lake Avalon and Carlsbad has been discussed under the heading "Ground water in the Carlsbad area."

In the outcrop area of the Chalk Bluff formation east of Lake McMillan water of fair to good quality is available in most places at depths less than 200 feet. The water probably is in solution channels in limestone and gypsum, and the quantity and quality available range widely within short distances. Two wells on the Neatherlyn place in the SE¼NE¼ sec. 14, T. 19 S., R. 27 E., illustrate the complex groundwater conditions in this area. The wells are about 20 feet apart. The north well is reported to be about 152 feet deep and to yield moderate supplies of hard water. The measured depth to water in this well is

Dockum group

Sandstone beds in the Triassic Dockum group and possibly in the Permian Dewey Lake redbeds are the chief sources of ground water in a belt 10 to 20 miles wide along the east border of the county. The depth to water in this area is generally less than 300 feet, and the quantity of water available from wells is generally sufficient for stock or domestic use. None of the wells visited in this area was reported to be weak or inadequate.

Most of the wells in the outcrop area of the Dockum group yield water of better quality than the wells to the west that produce from the Rustler formation. Analyses were made of 21 samples of water from wells probably taking all or part of their water from the Triassic redbeds. The hardness as calcium carbonate in the 21 samples ranged from 201 to 3,590 parts per million and was more than 1,000 parts per million in 14 of the 21. The chloride content ranged from 17 to 785 parts per million and was more than 200 parts per million in 10 of the samples. Probably about half the wells in the Triassic redbeds produce water that is considered usable for domestic purposes. The water from well 20.30.20.130, which contains 388 parts per million of chloride and has a hardness as calcium carbonate of 1,980 parts per million, is used for domestic purposes but is of very poor quality for such use. None of the wells in the Triassic redbeds produces water too highly mineralized for stock.

Ogallala formation

In the small area of the High Plains in the northeast corner of the county, water of satisfactory quality is obtained from a few stock wells. One of these, 16.31.2.122, is reported to be 320 feet deep and the depth to water is reported to be about 300 feet. This well may obtain water from the sand and gravel of the Ogallala formation or possibly from the underlying Triassic redbeds. The water from this well contained only 47 parts per million of sulfate and 14 parts per million of chloride, and its hardness as calcium carbonate was 330 parts per million.

Because this area is close to the escarpment marking the edge of the High Plains, the thickness of water-saturated material is probably small. However, the wells in this area appear to be adequate for stock supplies.

Alluvium

East of the Pecos between Salt Lake (Laguna Grande de la Sal) and Malaga Bend is an area of several square miles of Quaternary alluvium. In April 1950 a test well, 23.28.13.131, was drilled by the U. S. Potash Co. in the alluvium in this area. The well penetrated 78 feet of clay, silt, sand, gravel, and conglomerate, and was bottomed in redbeds of the Rustler formation. The well was pumped for a few hours

TABLE 1. RECORDS OF WELLS IN EDDY COUNTY, NEW MEXICO. (Continued)

LOCATION NUMBER	OWNER OR NAME	DATE COMPLETED	TOPOGRAPHIC SITUATION	ALTITUDE ABOVE SEA LEVEL (feet)	DEPTH OF WELL (feet)	DIAMETER OF WELL (inches)	PRINCIPAL WATER-BEARING BED: CHARACTER OF MATERIAL	PRINCIPAL WATER-BEARING BED: GEOLOGIC UNIT
17.28.2.240	Hal Bogle	–	Flat between mesas	–	–	6 (?)	Redbeds (?)	Dockum (?)
14.220	do.	–	Rolling	–	–	7	do.	do.
19.200	do.	–	do.	–	–	8	Redbeds, gypsum (?)	Chalk Bluff or Rustler
22.230	–	–	Flat between mesas	–	–	6	Redbeds (?)	Rustler or Dockum (?)
17.29.22.110	–	–	Bear Grass draw	3,550	–	6	do.	Dockum (?)
29.400	Bishop (?)	–	Flat	–	–	7	do.	do.
17.31.34.000	–	–	Rolling	–	–	6 (?)	Redbeds	Dockum
18.21.13.310	Andy Teel	1915	–	4,100	520	8	Limestone	San Andres
27.440	do.	1947	Broad valley	4,200	667	10	do.	do.
32.430	George Teel	1946	Rolling	4,300	815	6	do.	do.
18.23.6.140	Couhape Bros.	1941	S. of Rio Penasco	4,060	500	10	do.	do.
18.25.23.111	G. M. Phelps	–	Blackdom Terrace	–	–	–	Alluvium (?)	Quaternary (?)

See explanation at beginning of table.

LOCATION NUMBER	WATER LEVEL: BELOW LAND SURFACE (feet)	WATER LEVEL: DATE OF MEASUREMENT	YIELD (g.p.m.)	METHOD OF LIFT	USE OF WATER	REMARKS
17.28.2.240	27.6	Dec. 1, 1948	3	W	S	Depth to water measured while pumping.
14.220	80	–	61	W	S & D	Driller: Cy Hinshaw. See analysis, Table 3.
19.200	224.3	Dec. 2, 1948	1.2	W	S	Depth to water measured while pumping.
22.230	45.5	Dec. 1, 1948	–	N	N	Abandoned stock well.
17.29.22.110	79.7	Nov. 29, 1948	3 E.	W	S	Depth to water measured while pumping.
29.400	210	Dec. 3, 1948	1.1	W	S	do.
17.31.34.000	271+	Dec. 6, 1948	5.5	W	S	do. See analysis, Table 3.
18.21.13.310	505	–	10 R.	W	S & D	Formerly C.C.C. well. Cased to 50 ft.
27.440	530	–	–	W	S	Cased to 120 ft.
32.430	800 (?)	–	12 R.	W	S & D	Lowered cylinder 5 ft. in 1948 because water level declined. Cased to 580 ft.
18.23.6.140	440	Jan. 12, 1950	–	W	S & D	
18.25.23.111	117.8	Jan. 1950	–	W	S	

See explanation at beginning of table.
1 Measured Dec. 3, 1948.

1342-A

HALLIBURTON DIVISION LABORATORY

HALLIBURTON COMPANY

MIDLAND DIVISION

LABORATORY WATER ANALYSIS

No. W1-200-69

To: Roy E. Kimsey, Jr.

522 Bldg of the Southwest

Midland, Texas

Date: 5-16-69

Submitted by: ______ Date Rec. 5-14-69

Well No. P. R. Bass Federal #1 Depth ______ Formation Premier

County Eddy Field West Henshaw Grayburg Source Well Head

Resistivity	.048 @ 74 F.		
Specific Gravity	1.142		
pH	6.6		
Calcium (Ca)	9,000		*MPL
Magnesium (Mg)	2,400		
Chlorides (Cl)	121,500		
Sulfates (SO_4)	560		
Bicarbonates (HCO_3)	145		
Soluble Iron (Fe)	15		

Remarks: 12-14 BOPD
35 BWPD

BEFORE EXAMINER UTZ
OIL CONSERVATION COMMISSION
EXHIBIT NO. 8
CASE NO. 4135

*Milligrams per liter

Respectfully submitted,

HALLIBURTON COMPANY

Analyst: Whitfield

cc:

By Frank Whitfield
DIVISION CHEMIST

NOTICE

This report is limited to the described sample tested. Any user of this report agrees that Halliburton shall not be liable for any loss or damage, whether it be to act or omission, resulting from such report or its use.

MU 2-1422

ROY E. KIMSEY, JR.

OIL OPERATOR
522 BLDG. OF THE SOUTHWEST
MIDLAND, TEXAS 79701

April 25, 1969

APR 28 AM 8 22

Case 4135

New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico

Re: Application for Exemption
to R-3221

Gentlemen:

I am the operator of a one well lease carried as Kimsey and Cahoon #1 P. R. Bass-Federal, located in Lot 6, Section 3, T-16-S, R-30-E, Eddy County, New Mexico, and said well is producing from 12 to 14 barrels of water per day.

It will be appreciated if I could be granted a hearing, preferably on May 21, 1969, in order to present evidence for obtaining an exemption to the above captioned regulation.

I will provide a water analysis from my well and from any surrounding fresh water wells, and the location of said fresh water wells at the hearing.

I am enclosing a plat of this particular well and the area adjacent to same.

Yours very truly,

Roy E. Kimsey, Jr.

REK:sf
Enc.

DOCKET MAILED
Date 5-9-69

R-30-E

HIGH LONESOME PENROSE UNIT DEPCO OPER

E. HIGH LONESOME PENROSE SAND UNIT GEN'L AMER

WEST HENSHAW PREMIER UNIT MOBIL (OPER)

HENSHAW

SHELL (OPER) HENSHAW UNIT

SQUARE LAKE 31 U.S. UNIT

POST

Roy E. Kinsey = ~~B~~ 522 Building of the Southwest Midland, Tex.

Utz + Hewett

R-3221

Eddy West Henshaw - Grayburg

Cahoon # PR Boss Fed.

Sec 3 - lot 6 - T16S, R30

Mobil has flow

13 barrels of water - pit -

— 6 mi —

Set above as an exception to R-3221

DRAFT

GMH/esr

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE No. 4135

Order No. R-3773

APPLICATION OF ROY E. KIMSEY, JR.,
FOR AN EXCEPTION TO ORDER NO. R-
3221, AS AMENDED, EDDY COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on May 21, 1969, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this _____ day of June, 1969, the Commission, a quorum being present, 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 Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Roy E. Kimsey, Jr., is the [redacted] Kimsey and Calhoon operator of the P. R. Bass-Federal Well No. 1, located in Unit F of Section 3, Township 16 South, Range 30 East, NMPM, West Henshaw Pool, Eddy County, New Mexico.

(3) That effective January 1, 1969, Order (3) of Commission Order No. R-3221, as amended, prohibits in that area encompassed by Lea, Eddy, Chaves, and Roosevelt Counties, New Mexico, the disposal, subject to minor exceptions, of water produced in conjunction with the production of oil or gas, or both, 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 would constitute a hazard to any fresh water supplies and said disposal has not previously been prohibited.

(4) That the aforesaid Order No. R-3221 was issued in order to afford reasonable protection against contamination of fresh water supplies designated by the State Engineer through disposal of water produced in conjunction with the production of oil or gas, or both, in unlined surface pits.

(5) That the State Engineer has designated, pursuant to Section 65-3-11 (15), N.M.S.A., 1953 Compilation, all underground water in the State of New Mexico containing 10,000 parts per million or less of dissolved solids as fresh water supplies to be afforded reasonable protection against contamination; except that said designation does not include any water for which there is no present or reasonably foreseeable beneficial use that would be impaired by contamination.

(6) That the applicant seeks an exception to the provisions of the aforesaid Order (3) to permit the ~~continued~~ disposal of salt water produced by applicant's P. R. Bass-Federal Well No. 1 in ~~said~~ Unit F. in an unlined surface pit located ~~near said well~~.

(7) That the subject well ~~presently~~ produces approximately 14 barrels water per day.

~~(8) That there is no shallow water well within~~

(8) That the nearest fresh water well is a deep water well approximately 24 miles ~~southeast~~ southeast of the subject pit.

(9) That there appears to be no shallow fresh water in the vicinity of the subject unlined pit for which a present or reasonably foreseeable beneficial use is or will be made that would be impaired by contamination

(10) That the applicant should be permitted to dispose of salt water produced by the aforesaid well in the subject pit.

IT IS THEREFORE ORDERED:

(1) That the applicant, Roy E. Kimsey, Jr., is hereby granted an exception to Order (3) of Commission Order No. R-3221, as amended, to dispose of water produced in conjunction with the production of oil or gas, or both, by his Kimsey and Cahoon P. R. Bass-Federal Well No. 1, located in Unit F of Section 3, Township 16 South, Range 30 East, NMPM, West Henshaw Pool, Eddy County, New Mexico, in an unlined surface pit located in said Unit F until further order of the Commission.

(2) That the Commission may by administrative order rescind such authority whenever it reasonably appears to the Commission that such rescission would serve to protect fresh water supplies from contamination.

(3) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.