

Entered July 16, 1982
JMR

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. 7603
Order No. R-7027

APPLICATION OF RIQUEZA, INC. FOR AN
EXCEPTION TO ORDER NO. R-3221,
AS AMENDED, EDDY COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on June 9, 1982, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 16th day of July, 1982, 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, Riqueza, Inc., is the owner and operator of a sediment oil treatment plant, located in the NE/4 of Section 26, Township 22 South, Range 29 East, NMPM, Eddy County, New Mexico.
- (3) That Order (3) of Division 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

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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 as an exception to the provisions of the aforesaid Order (3) to permit the disposal of salt water collected at applicant's above-described facility into a salt lake (Lindsey Lake) located in the NE/4 of said Section 26.

(7) That applicant's facility is expected to handle approximately 3000 barrels of water per day.

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

(9) That the area of the salt lake is sufficient to provide for evaporation in excess of the volume of salt water proposed for disposal (up to 3000 barrels of water per day).

(10) That the applicant should construct a header or settling pit upstream from Lindsey Lake to receive the initial discharge of waters from the treatment facility.

(11) That such header or settling pit shall be of sufficient size and design to prevent the movement of oil from the treatment facility to Lindsey Lake.

(12) That if the applicant fails to prevent the movement of such oils to the surface of Lindsey Lake, the Director of the Division should be empowered to administratively suspend or rescind the authority for use of such lake for salt water disposal.

(13) That this application should be approved.

IT IS THEREFORE ORDERED:

(1) That the applicant, Riqueza, Inc., is hereby granted an exception to Order (3) of Division Order No. R-3221, as

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amended, to dispose of up to 3000 barrels of salt water per day produced in conjunction with the operation of its sediment oil treatment facility, located in the NE/4 of Section 26, Township 22 South, Range 29 East, NMPM, Eddy County, New Mexico, in a salt lake (Lindsey Lake) also located in the NE/4 of said Section 26.

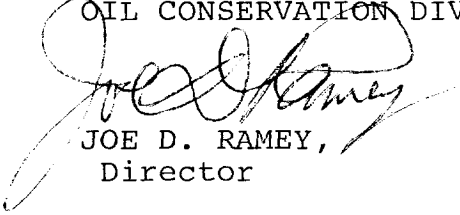
(2) That prior to disposal of any waters into Lindsey Lake, the applicant shall construct a pit upstream from such lake to receive the initial discharge of water from the treatment facility and shall maintain such pit in a manner as to prevent the movement of oil onto the surface of said lake.

(3) That the Director of the Division may by administrative order suspend or rescind such authority whenever it reasonably appears to the Director that such suspension or rescission would serve to protect fresh water supplies from contamination or if the applicant should permit the movement of oil onto the surface of Lindsey Lake.

(4) 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.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



JOE D. RAMEY,
Director

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