

Entered July 21, 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. 7612  
Order No. R-7031

APPLICATION OF B & E, INC. FOR  
SALT WATER DISPOSAL, EDDY COUNTY,  
NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on June 23, 1982, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 21st 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, B & E, Inc., has certain rights to dispose of salt water in a brine lake known as Laguna Cuatro and is in the process of acquiring rights to also dispose of salt water in a brine lake known as Laguna Tres, both in Eddy County, New Mexico.

(3) That the applicant proposes to install and operate a commercial facility for the disposal of salt water into the Southeast end of Laguna Tres in Section 12, Township 23 South, Range 29 East and/or into the Northeast side of Laguna Cuatro in Section 6, Township 23 South, Range 30 East, both in Eddy County, New Mexico.

(4) 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

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place or in any manner which would constitute a hazard to any fresh water supplies and said disposal has not previously been prohibited.

(5) 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.

(6) 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.

(7) That the applicant seeks an exception to the provisions of the aforesaid Order (3) of Division Order No. R-3221, as amended, to permit the commercial disposal of produced salt water into either or both of the aforesaid lakes at the sites described above.

(8) That the applicant proposes to install and operate an effective system for the removal of oily and solid waste material from the waters to be disposed of, said system being equipped to monitor the discharge stream and to automatically shut the facility down should water quality deteriorate below an accepted average level of 15 parts insoluble oils per million parts of water.

(9) That said facilities should be capable of handling up to 14,400 barrels of water per day at each of the proposed sites, but 7,500 barrels per day is a reasonable limit to place on each facility at this time.

(10) That the discharge of 7,500 barrels of salt water per day into either or both of the proposed salt lakes will not create a hazard to any fresh water in the area for which a present or reasonably foreseeable beneficial use is or will be made.

(11) That the surface area of each of the aforesaid salt lakes is sufficient to permit the evaporation of at least 7500 barrels of salt water per day, and the disposal of that amount of water into each of said lakes will not adversely affect the existing hydrologic systems in said lakes.

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(12) That the commercial disposal of salt water into Laguna Tres and/or Laguna Cuatro in the amounts and manner described above will not impair correlative rights nor cause waste, and should be approved, provided however, that the Division Director should be authorized to suspend disposal operations by the applicant into either or both of said lakes if applicant fails to prevent oil or other deleterious wastes from escaping to the lakes in harmful quantities.

IT IS THEREFORE ORDERED:

(1) That the applicant, B & E, Inc., is hereby authorized to install and operate a commercial salt water treating and disposal facility at the southeast end of Laguna Tres in Section 12, Township 23 South, Range 29 East, NMPM, and/or at the northeast side of Laguna Cuatro in Section 6, Township 23 South, Range 30 East, NMPM, both in Eddy County, New Mexico, said systems being limited to the disposal of a maximum of 7,500 barrels of salt water per day at each site.

(2) That the operator shall install and maintain in good operating condition a salt water treating facility at each site utilized for salt water disposal, said treating facility being designed and operated in such a manner as to reduce insoluble oils from the disposal discharge stream to an average concentration of less than 15 parts per million.

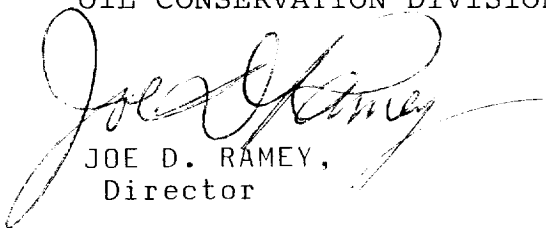
(3) That each of the aforesaid salt water treating facilities shall be so equipped as to monitor the salt water disposal stream and automatically shut the facility down if disposal water quality should deteriorate to an unacceptable level.

(4) That the Division Director shall have authority to suspend operations at the facilities herein authorized upon failure of the applicant to prevent oil or other deleterious substances from entering Laguna Tres and/or Laguna Cuatro in harmful quantities.

(5) 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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