

JOSEPH I. O'NEILL, JR.
OIL PROPERTIES

Case 3891

410 WEST OHIO
MIDLAND, TEXAS 79701

October 11, 1968

TELEPHONE
MUTUAL 3-2771

New Mexico Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico 87501

Gentlemen:

The property in question is the Joseph I. O'Neill, Jr. Federal "O" #1, located in the SE/4 of the SE/4 of Section 14, 25S, 32E, Lea County, New Mexico. Nearest production is approximately 1-1/2 miles west, being the Paduca Field.

The well is completed in the Olds section of the Delaware sand with a total depth of 4,907 feet. Attached is Exhibit A showing well location.

Attached is Exhibit B showing the previous oil, gas and water production. Production for the month of September averaged 18.6 barrels of oil and 13 barrels of water per day. Attached is a water analysis marked Exhibit C.

Our request is for an exemption from Section 3 of the Provisions of order R-3221 as amended which would allow us to continue to dispose of salt water produced from this well in an unlined, earthen pit located at our tank battery, approximately 300 feet north of the producing well.

We believe that we are justified in this request for the following reasons:

1. There is no known potable water having been found or presently being produced within seven miles of this location. Water from these wells, seven miles distant and which are located south and east of this location, supply water by means of a 1-1/4 inch plastic line which terminates in Section 15 and is used to water stock during the winter months. Their production is very limited during the summer.

2. A well 340 feet deep is located approximately two miles west and three miles north of our property and produces a very limited amount of water. A water analysis from this well is attached, marked Exhibit D. We have been advised that cattle will not drink this water; however, it is added to a tank of other water, the source of which is the "potash wells" and is hauled in by truck. These so-called potash wells are located six miles north and three miles east of our Federal "O" #1.

3. A cement-lined tank is located approximately two miles north of our well; however, water for it is supplied by a pipeline from the northeast and several miles distant.

4. Water used in the Paduca waterflood is being produced by The Texas Company from the Rustler formation at a location approximately seven miles west of our well.

To comply with the ruling requiring us to dispose of this produced water underground, it would be necessary for us to do one of three things:

1. Re-enter offset dry hole and complete as a salt water disposal well.

2. Lay a plastic or a plastic-lined pipeline from our well to the nearest battery in the Paduca Field and dispose of water into that field's salt water disposal system. This line would have to be 1.7 miles long.

3. Truck salt water from our well to some disposal system, which action would require trucks to come from Jal, New Mexico, a distance of approximately 35 miles.

It is obvious that a well of such limited production as our Federal "O" #1 could not support any one of the three projects, and we would, in all probability, soon abandon the lease. In conclusion, we believe, that because of the apparent absence of any potable water in the area and because of the very limited amount of salt water being produced, we are justified in requesting an exemption from the water disposal regulation and are herewith respectfully requesting same from the Commission.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "E. T. Anderson", with a long, sweeping underline.

E. T. Anderson

EXHIBIT "B"

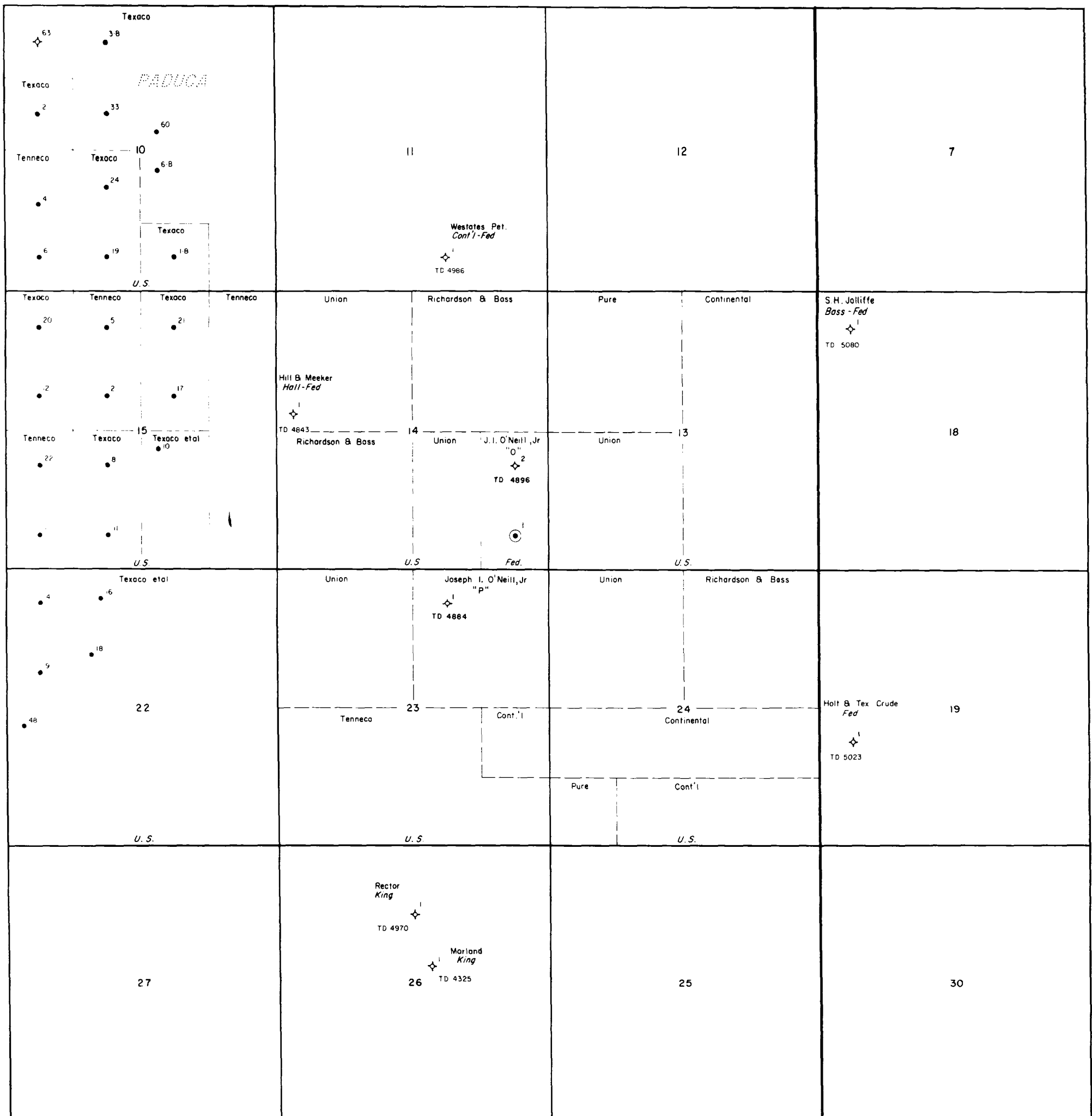
FEDERAL "O" - LEA COUNTY, NEW MEXICO
Production Through September 30, 1968

<u>MONTH</u>	<u>PRODUCTION (BBLs.)</u>	
	<u>OIL</u>	<u>WATER</u>
June, 1967	611	1052
July, 1967	907	1132
August, 1967	852	1141
September, 1967	822	1121
October, 1967	800	1086
November, 1967	663	858
December, 1967	719	821
January, 1968	543	804
February, 1968	579	857
March, 1968	606	896
April, 1968	588	870
May, 1968	578	855
June, 1968	570	844
July, 1968	542	802
August, 1968	608	426
September, 1968	<u>558</u>	<u>391</u>
TOTAL PRODUCTION	10,546	13,956

Case 3891

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JOSEPH I. O'NEILL, JR.
FEDERAL "O"

EXHIBIT "A"

SCALE 1"=2000'

Case 3891

Cardinal



ANALYTICAL SERVICE LABORATORY

Date October 11, 1968

Report No. _____

Company Joseph I. O'Neal
410 West Ohio
 Address Midland, Texas

County Lea

Lease Federal 0

Field _____

Well No. #1

Formation _____

Depth _____

Attention Mr. E. D. Anderson

Date
 Sampled 10/8/68

Sample
 Source _____

Recent Treatments _____

WATER ANALYSIS

(Reported as mg per Liter)

Specific Gravity	1.180 @ 76 ° F	pH	7.0
Chloride	158,500	Calcium	22,400
Bicarbonate	146	Magnesium	7,200
Sulfate	170	Total Iron	Fair Trace
Sulfide	None Detected	Sodium (Calc.)	63,250
Total Hardness (as Ca CO ₃)	86,000	Total Dissolved Solids (Calc.)	251,666
Resistivity	Ohm Meters @ _____		

Remarks:

jj

Analyst Foley

Cardinal Representative _____

Chad 3891

Cardinal



ANALYTICAL SERVICE LABORATORY

Date October 11, 1968

Report No. _____

Company Joseph I. O'Neal
410 West Ohio
Address Midland, Texas

County Lea, New Mex. Lease

Field Well No.

Attention Mr. E. D. Anderson

Formation Depth

Recent Treatments

Date Sampled 10/8/68
Sample Source Robins Water Tank

WATER ANALYSIS

(Reported as mg per Liter)

Specific Gravity 1.000 @ 76⁰ F

pH 7.2

Chloride 500

Calcium 440

Bicarbonate 244

Magnesium 312

Sulfate 1,550

Total Iron NIL

Sulfide NONEDETECTED

Sodium (Calc.) 46

Total Hardness (as Ca CO₃) 2,400

Total Dissolved Solids (Calc.) 3,090

Resistivity Ohm Meters @

Remarks:

jj

Foley

Analyst _____

Cardinal Representative Case 3891

GOVERNOR
DAVID F. CARGO
CHAIRMAN

State of New Mexico
Oil Conservation Commission



LAND COMMISSIONER
GUYTON B. HAYS
MEMBER

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

P. O. BOX 2088
SANTA FE

November 19, 1968

Mr. Jason Kellahin
Kellahin & Fox
Attorneys at Law
Post Office Box 1769
Santa Fe, New Mexico

Re: Case No. 3891
Order No. R-3534
Applicant:
JOSEPH I. O'NEILL

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

Carbon copy of order also sent to:

Hobbs OCC x

Artesia OCC x

Aztec OCC

Other Mr. D. E. Gray, State Engineer Office, Santa Fe, N. M.