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Brenda

17 December 1985

Mr. Mike Stogner
Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87504

Re: B & E, Inc.
Application for Expansion of
Salt Water Facility
Case No. 7612, Order No. R-7031

Case 8800

Dear Mr. Stogner:

Enclosed is the original Motion, and two copies, for your consideration of the B & E, INC. request for expansion of its Salt Water Disposal Facility located at Laguna Cuatro.

If you have any questions, or further requirements, please contact me.

Sincerely,

Roger E. Yarbrow
Roger E. Yarbrow

/bw

Enclosures

cc: Phil Withrow,
B & E, INC.

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

CASE NO. 7612
Order No. R-7031

APPLICATION OF B & E, INC., FOR
THE EXPANSION OF ITS SALT WATER
DISPOSAL FACILITY LOCATED AT
LAGUNA CUATRO, EDDY COUNTY, NEW MEXICO.

Case 8850

MOTION FOR EXPANSION OF SALT WATER DISPOSAL FACILITY

COMES NOW, B & E, INC., a New Mexico corporation, and requests authority to expand its commercial salt water disposal facility located at Laguna Cuatro, Eddy County, New Mexico, and for its reasons, therefor, states:

1. Finding No. (9), of Division Order No. R-7031, states 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."

2. The facility at Laguna Cuatro is capable of handling 15,000 barrels per day.

3. The discharge of 15,000 barrels per day into the lake system will not affect or create a hazard to any fresh water, or otherwise adversely affect the existing hydrological systems in the lake system.

4. Finding No. (8), of Division Order No. R-7031, states 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,"

5. There is implied in the previous Order entered herein authority to dispose of assorted hydrocarbon waste products and related solids which are removed from the waters disposed at the Laguna Cuatro facility, and Applicant herein seeks authority for the use of such open waste pits.

6. The open waste pits are described as follows:

SEE ATTACHED EXHIBIT "A"

WHEREFORE, B & E, INC., requests approval for:

1. Expansion of its salt water disposal facility at Laguna Cuatro from the 7,500 barrel per day limit ordered by the Division, to 15,000 barrels per day.

2. Approval of open waste pits for the disposal of assorted hydrocarbon waste products and related solids in the exploration and production of oil and gas, which are removed from the waters disposed at the Laguna Cuatro facility.

MAREK & YARBRO, P.A.

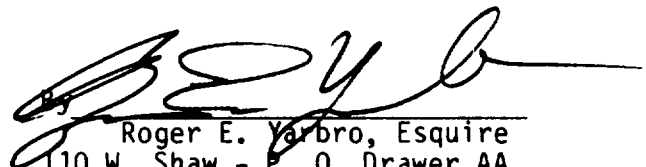

By _____ Roger E. Yarbrow, Esquire
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(505) 885-6615
Attorney for B & E, INC., a
New Mexico corporation

EXHIBIT "A"

PIT "A":

Location: Laguna Cuatro
North side of pit 250' South of highway 128 (Jal Highway)
NE corner 60' West of lease road
SE corner 90' West of lease road

Dimensions: 100' long, 70' wide
7' - 8' depth

(approximately 50' between Pit A and Pit B)

PIT "B":

Location: Laguna Cuatro
400' South of highway 128 (Jal Highway)
NE corner 30' West of lease road
SE corner 80' West of lease road

Dimensions: 200' long, 90' wide
7' - 8' depth

(approximately 300' from South side of Pit B
to Laguna Cuatro salt water lake)

PIT "C":

Location: Laguna Cuatro
700' South of highway 128 (Jal Highway)
NE corner at SE corner of facility pad
NW corner located at South line of facility pad

Dimensions: North side 40' wide
West side 110' long
South side 40' wide
East side 138' long
5' - 6' depth

The facility is located on land which slopes to the south. The pits have been excavated and the fill dirt is bermed up on each side of the pit to contain the waste materials, with the South side of each pit bermed up higher to create a "dike".