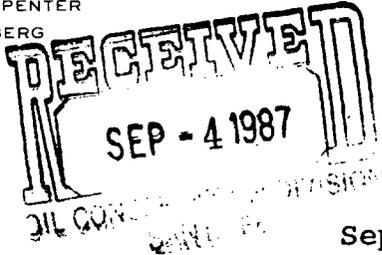


# Carpenter and Goldberg, P. A.

Accidental Injury, Product Liability and Commercial Litigation

WILLIAM H. CARPENTER  
JOSEPH GOLDBERG  
DAYMON B. ELY

1600 UNIVERSITY BLVD., N. E., SUITE B  
ALBUQUERQUE, NEW MEXICO 87102-2124  
(505) 243-1336



September 2, 1987

Mr. William J. Lemay, Director  
Oil Conservation Division  
P.O. Box 2088  
Santa Fe, New Mexico 87504

*Case 9220*

Re: Injection Well Application of Basin Disposal Inc.

Dear Mr. Lemay:

This office represents a large number of landowners and their families who live adjacent to or in the vicinity of the existing produced water disposal pits operated by Basin Disposal outside Bloomfield, New Mexico. We have noted Basin Disposal's application for a permit to construct an injection well on the site. My understanding is that the Oil Conservation Division has scheduled a hearing on this application, to be held in Santa Fe, New Mexico, on September 23, 1987.

The permit application proposes to put an injection well right in the middle of an area where a large number of families reside, some of whom have residences within 300 feet of the disposal site. The adjoining landowners have an intense concern about the health and safety effects on them and their families of Basin Disposal's application, as well as the effect on the value of the land surrounding the proposed disposal site. These concerns are heightened by the substantial and sustained adverse health effects arising from Basin Disposal's operation of the open air pits that presently exist on the site. OCD is well aware of those concerns. In addition, I am well aware that many others in the community, both in Bloomfield and in Aztec are quite concerned about the existing disposal pits, as well as Basin Disposal's application for a well permit. The great majority of my clients, as well as the people in the community, are working men and women who cannot afford to take a full day's work off to travel to Santa Fe in order to make their views known at the permit hearing. Holding this hearing in Santa Fe, in my estimation, effectively forecloses my clients, as well as others in the community, from having their views presented to and considered by OCD.

Mr. William J. Lemay  
Page Two  
September 2, 1987

In light of the circumstances surrounding Basin Disposal's application for an injection well permit, as well as the continuing problems arising from the operation of the open air pits, I request that OCD reschedule the hearing on Basin Disposal's permit application to a location in Farmington or Aztec or Bloomfield, so that my clients and the citizens in these communities may have their views effectively presented to OCD on this permit application.

I appreciate your consideration in this matter and I look forward to an early response from you on this request.

Very truly yours,

CARPENTER & GOLDBERG, P.A.

  
Joseph Goldberg

JG:ck

cc: John A. Dean, Jr., Esq.  
Edmund H. Kendrick, Esq.  
Deborah H. Mande, Esq.  
F. Chester Miller III, Esq.  
Jeffrey S. Taylor, Esq.

STATE OF NEW MEXICO

ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION

September 4, 1987



GARREY CARRUTHERS  
GOVERNOR

POST OFFICE BOX 2088  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87501  
(505) 827-5600

Carpenter and Goldberg, P.A.  
1600 University Blvd. N.E.  
Suite B  
Albuquerque, New Mexico 87102-2124

Re: Examiner Hearing, September 23, 1987  
Case No. 9220, Basin Disposal, Inc.

Dear Mr. Goldberg:

We are in receipt of your letter dated September 2, 1987 whereby you have requested that the subject case be heard by the Division at a location in Farmington, Bloomfield, or Aztec, New Mexico. It is our understanding that such a location change would be more convenient to your clients and would enable more of them to attend the hearing in order to express their views and concerns. We understand and appreciate your concern, however, it has been the policy of the Division for many years now to conduct hearings in Santa Fe for several reasons, among them being the central statewide location of Santa Fe, and the fact that the hearing staff, engineering and legal bureaus are located in Santa Fe. In addition, granting your request would require that the Division also grant any future requests for hearing location changes which would be impractical for the Division and would be very difficult to implement in view of current budget restraints. For these reasons, we cannot grant your request.

I would like to further address at this time some concerns the Division has regarding the subject hearing. The application of Basin Disposal, Inc. is for authorization to construct and operate a salt water disposal well. While the Division understands that much of the public concern stems from problems arising from the surface disposal pits at the site, this particular case will be limited to testimony by the applicant and by the opposition that deals solely with the disposal well itself, as any testimony regarding the surface pits are beyond the scope of the hearing.

If you should have further questions or concerns, please contact myself or Mr. Jeff Taylor in our Santa Fe office.

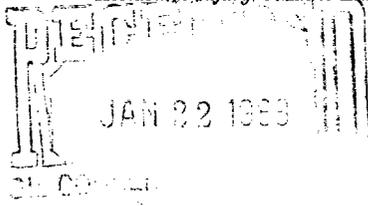
Sincerely,

William J. LeMay  
Director

Carpenter and Goldberg, P. A.

*Accidental Injury, Product Liability and Commercial Litigation*

WILLIAM H. CARPENTER  
JOSEPH GOLDBERG  
DAYMON B. ELY



1600 UNIVERSITY BLVD., N. E., SUITE B  
ALBUQUERQUE, NEW MEXICO 87102-2124  
(505) 243-1336

January 20, 1988

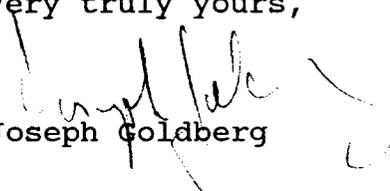
Mr. William J. Lemay, Director  
Oil Conservation Division  
P.O. Box 2088  
Santa Fe, New Mexico 87504-2088

Re: Case No. 9220 (De Novo) Injection Well Application of  
Basin Disposal Inc.

Dear Mr. Lemay:

This is to confirm telephone conversation this date between my assistant, Carolyn Kennedy, and Ms. Florene Davidson of the ODC Legal Department. We requested dismissal of the de novo hearing of Case No. 9220, set for January 21, 1988, at 9:00 a.m., concerning Basin Disposal's application for an injection well in San Juan County.

Very truly yours,

  
Joseph Goldberg

JG:ck

cc: John A. Dean, Jr., Esq.  
Perry Pearce, Esq.  
Edmund H. Kendrick, Esq.  
F. Chester Miller III, Esq.  
Deborah H. Mande, Esq.  
Florene Davidson, OCD



**WALSH**

ENGINEERING & PRODUCTION CORP.

Petroleum Engineering Consulting  
Lease Management  
Contract Pumping

3001 Northridge Drive  
P.O. Drawer 419  
Farmington, New Mexico 87401  
(505) 327-4892

April 15, 1988

*Stop rate test*

*Case File- 9220*

Mr. Frank Chavez  
Oil Conservation Commission  
1000 Rio Brazos Road  
Aztec, New Mexico 87410

REF: Basin Disposal, Inc.  
Disposal No. 1  
Unit F, Section 3-T29N-R11W  
San Juan County, New Mexico

Dear Mr. Chavez:

Attached is data obtained during the injectivity test conducted April 14, 1988 on the above-referred-to well.

It is requested that the maximum injectivity pressure, at this time, be approved at 1870 psig.

The test was witnessed by Mr. Charley Gholson of your office.

Very truly yours,

Ewell N. Walsh, P.E.  
President

ENW:rr  
cc: Basin Disposal, Inc.  
Roger Anderson, OCD, Santa Fe, New Mexico

Enclosures

**RECEIVED**  
APR 13 1988  
OIL CON. DIV.  
DIST. 3



**WALSH**

ENGINEERING & PRODUCTION CORP.

Petroleum Engineering Consulting  
Lease Management  
Contract Pumping

3001 Northridge Drive  
P.O. Drawer 418  
Farmington, New Mexico 87401  
(505) 327-4892

April 15, 1988

Step-rate test

*CASE NO.*

Mr. Frank Chavez  
Oil Conservation Commission  
1000 Rio Brazos Road  
Aztec, New Mexico 87410

REF: Basin Disposal, Inc.  
Disposal No. 1  
Unit F, Section 3-T29N-R11W  
San Juan County, New Mexico

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The test was witnessed by Mr. Charley Gholson of your office.

Very truly yours,

Ewell N. Walsh, P.E.  
President

ENW:rr  
cc: Basin Disposal, Inc.  
Roger Anderson, OCD, Santa Fe, New Mexico

Enclosures

RECEIVED  
APR 15 1988  
OIL CON. DIV.  
OCD



**WALSH**

ENGINEERING & PRODUCTION CORP.

Petroleum Engineering Consulting  
Lease Management  
Contract Pumping

3001 Northridge Drive  
P.O. Drawer 419  
Farmington, New Mexico 87401  
(505) 327-4882

April 15, 1988

Step-rate test

*CASE NO.*

Mr. Frank Chavez  
Oil Conservation Commission  
1000 Rio Brazos Road  
Aztec, New Mexico 87410

REF: Basin Disposal, Inc.  
Disposal No. 1  
Unit F, Section 3-T29N-R11W  
San Juan County, New Mexico

Dear Mr. Chavez:

Attached is data obtained during the injectivity test conducted April 14, 1988 on the above-referred-to well.

It is requested that the maximum injectivity pressure, at this time, be approved at 1870 psig.

The test was witnessed by Mr. Charley Gholson of your office.

Very truly yours,

Ewell N. Walsh, P.E.  
President

ENW:rr  
cc: Basin Disposal, Inc.  
Roger Anderson, OCD, Santa Fe, New Mexico

Enclosures

APPROVED  
MAY 1988  
OCD  
SANTA FE, NM

BPM	PRESS. PSIG
0	640
0.5	1000
1.0	1400
1.5	1750
2.0	1940
2.5	2020
3.0	2140

BASIN DISPOSAL, INC.  
 DISPOSAL NO. 1  
 Injectivity Test  
 APRIL 14, 1988

46 1323

Pressure - Psig

2100

2000

1500

1000

500

0

0.5

1.0

1.5

2.0

2.5

3.0

BPM

K&E 10 X 10 TO 1/4 INCH 7 X 10 INCHES  
 KEUFFEL & ESSER CO. MADE IN U.S.A.

01 1001 07:30 1 007



STATE OF NEW MEXICO  
 ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
 OIL CONSERVATION DIVISION



BRUCE KING  
 GOVERNOR

July 13, 1993

POST OFFICE BOX 2088  
 STATE LAND OFFICE BUILDING  
 SANTA FE, NEW MEXICO 87504  
 (505) 827-5800

ANITA LOCKWOOD  
 CABINET SECRETARY

Basin Disposal, Inc.  
 c/o Walsh Engineering & Production Corporation  
 P.O. Drawer 419  
 Farmington, NM 87499

Attention: Ewell N. Walsh

**RE: Injection Pressure Increase Disposal No. 1, Section 3, Township 29 North, Range 11 West, NMPM, San Juan County, New Mexico**

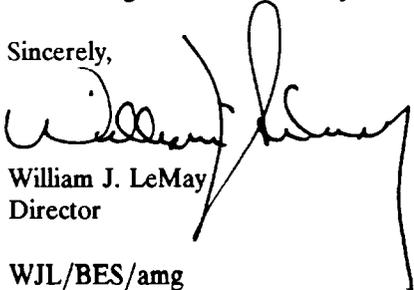
Dear Mr. Walsh:

Reference is made to your request dated April 15, 1988 to increase the surface injection pressure on the above-referenced well. This request is based on a step rate tests conducted on this well on April 14, 1988. The results of the test have been reviewed by my staff and we feel an increase in injection pressure on this well is justified at this time. This approval will be retroactive to cover that time which has elapsed since the original step rate test, at which time, the supervisor of the Aztec District Office verbally authorized the increase in injection pressure.

You are therefore authorized, as of April 15, 1988 and now, to increase the surface injection pressure on the following well:

Well and Location	Maximum Injection Surface Pressure
Disposal Well No. 1 Unit F, Section 3, Township 29 North, Range 11 West	1870
This well is located in San Juan County, New Mexico.	

The Division Director may rescind this injection pressure increase if it becomes apparent that the injected water is not being confined to the injection zone or is endangering any fresh water aquifers.

Sincerely,  
  
 William J. LeMay  
 Director

WJL/BES/amg

cc: Oil Conservation Division - Aztec  
 D. Catanach  
 File: Case No. 9220



STATE OF NEW MEXICO  
 ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
 OIL CONSERVATION DIVISION



BRUCE KING  
 GOVERNOR

July 28, 1993

POST OFFICE BOX 2088  
 STATE LAND OFFICE BUILDING  
 SANTA FE, NEW MEXICO 87504  
 (505) 827-5800

ANITA LOCKWOOD  
 CABINET SECRETARY

Basin Disposal, Inc.  
 c/o Walsh Engineering & Production Corporation  
 P.O. Drawer 419  
 Farmington, NM 87499-0419

**RE: Injection Pressure Increase; Disposal Well No. 1, San Juan County, New Mexico.**

Gentlemen:

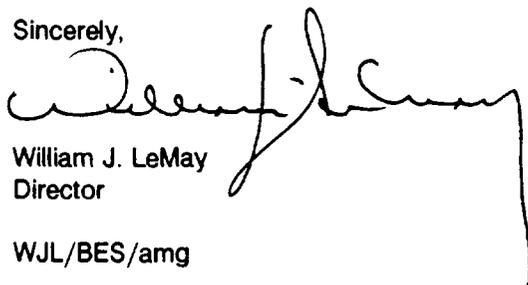
Reference is made to your request dated April 15, 1988 to increase the surface injection pressure on the above-referenced well. This request is based on a step-rate test conducted on this well on April 14, 1988. The results of the test have been reviewed by my staff and we feel an increase in injection pressure on this well is justified at this time. This approval will be retroactive to cover that time which elapsed since the original step-rate test, at which time, the supervisor of the Aztec District Office verbally authorized the increase in injection pressure.

You are therefore authorized, as of April 15, 1988 and now, to increase the surface injection pressure on the following well:

Well and Location	Maximum Surface Injection Pressure
Disposal Well No. 1 Unit F, Section 3, Township 29 North, Range 11 West	1870 PSIG
This well is located in San Juan County, New Mexico.	

The Division Director may rescind this injection pressure increase if it becomes apparent that the injected water is not being confined to the injection zone or is endangering fresh water supplies.

Sincerely,



William J. LeMay  
 Director

WJL/BES/amg

cc: Oil Conservation Division - Aztec

D. Catanach

File: Case No. ~~8800~~ 9220

R 1524

2007 N & 1670 W  
 Section 11 - 171 N 790 N

ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION



GARREY CARRUTHERS  
GOVERNOR

February 5, 1988

POST OFFICE BOX 2088  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87501  
505) 827-5800

Mr. Joseph Goldberg  
Carpenter & Goldberg  
Attorneys at Law  
1600 University Blvd., Suite B  
Albuquerque, New Mexico  
87102-2124

Re: CASE NO. \_\_\_\_\_  
ORDER NO. 9220  
R-8524-A

Applicant:  
Basin Disposal, Inc.

Dear Sir:

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

Sincerely,

FLORENE DAVIDSON  
OC Staff Specialist

Copy of order also sent to:

Hobbs OCD \_\_\_\_\_  
Artesia OCD   x    
Aztec OCD   x    
  x  

Other Thomas Kellahin, Perry Pearce



NEW MEXICO ENERGY, MINERALS and  
NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON  
Governor  
Jennifer A. Salisbury  
Cabinet Secretary

Lori Wrotenbery  
Director  
Oil Conservation Division

May 8, 2001

Walsh Engineering & Production Corporation  
7415 East Main  
Farmington, New Mexico 87402

Attn: Mr. Paul Thompson

**RE: Injection Pressure Increase,  
Basin Disposal Inc.  
Disposal Well No. 1  
API No. 30-045-26862  
San Juan County, New Mexico**

Dear Mr. Thompson:

Reference is made to your request dated April 1, 2001 on behalf of Basin Disposal, Inc. to increase the surface injection pressure on the above referenced well. This request is based on data obtained from a step rate test conducted on April 1, 2001. The results of the test have been reviewed by my staff and we feel an increase in injection pressure on this well is justified at this time.

You are therefore authorized to increase the surface injection pressure on the following well:

<b>Well and Location</b>	<b>Maximum Surface Injection Pressure</b>
Basin Disposal Inc.—Disposal Well No. 1	1600 PSIG
Located in Section 3, Township 29 North, Range 11 West, San Juan County, New Mexico.	

The Division Director may rescind this injection pressure increase if it becomes apparent that the injected water is not being confined to the injection zone or is endangering any fresh water aquifers.

*Injection Pressure Increase  
Walsh Engineering & Production Corp. o/b/o  
Basin Disposal, Inc.  
May 8, 2001  
Page 2*

---

Sincerely,

A handwritten signature in cursive script that reads "Lori Wrotenbery" followed by a small flourish.

Lori Wrotenbery  
Division Director

LW/DRC

cc: Oil Conservation Division – Aztec  
Files: Case No. 9220, IPI 2001



NEW MEXICO ENERGY, MINERALS  
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION  
2040 South Pacheco Street  
Santa Fe, New Mexico 87505  
(505) 827-7131

June 23, 1997

Basin Disposal, Inc.  
c/o Walsh Engineering & Production Corp.  
204 North Auburn  
Farmington, New Mexico 87401

Attention: Mr. Paul C. Thompson

Re: Disposal Well No.1  
Unit F, Section 3, T-29N, R-11W  
San Juan County, New Mexico

*See  
case file  
in case 9220.  
Thanks.  
Corene*

Dear Mr. Thompson:

In an effort to update our records concerning the Disposal Well No. 1, the Division is requesting that you supply the following described information:

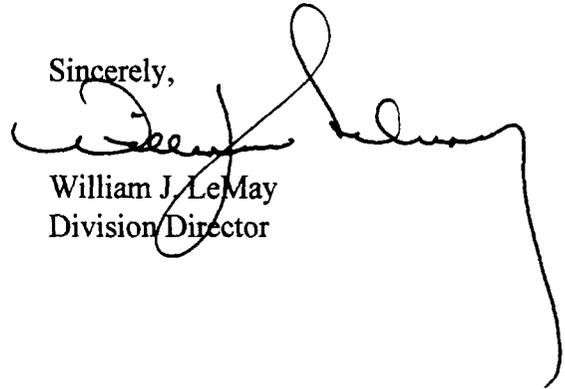
A description and analysis of the fluid being injected into the commercially operated Disposal Well No. 1. This includes an analysis of each and every water source and a description of its point of origin (i.e. San Andres produced water from the Grayburg-Jackson Pool). In addition, this includes water delivered to the well by pipeline and truck.

Division and Federal UIC Rules and Regulations require that all operators of disposal wells provide source water analysis at reasonable frequency. Our information indicates that the Disposal Well No. 1 was permitted by Basin Disposal, Inc. in October, 1987, and that our files have not been updated since that time.

Please provide the information requested within 60-days from the date of this letter. If you need additional time, or you wish to discuss the matter further, please contact Mr. David Catanach at (505) 827-8184.

Failure to comply may result in the imposition of fines and/or the termination of injection authority.

Sincerely,

A handwritten signature in black ink, appearing to read 'William J. LeMay', with a long, sweeping underline that extends to the right and then curves down.

William J. LeMay  
Division Director

xc: Case File-9220 /  
OCD-Aztec  
UIC Enforcement File



NEW MEXICO ENERGY, MINERALS  
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION  
2040 South Pacheco Street  
Santa Fe, New Mexico 87505  
(505) 827-7131

July 15, 1997

Basin Disposal, Inc.  
Box 100  
Aztec, New Mexico 87410

Re: Disposal Well No.1  
Unit F, Section 3, T-29N, R-11W  
San Juan County, New Mexico

*Case File  
9220*

Dear Sir:

In an effort to update our records concerning the Disposal Well No. 1, the Division is requesting that you supply the following described information:

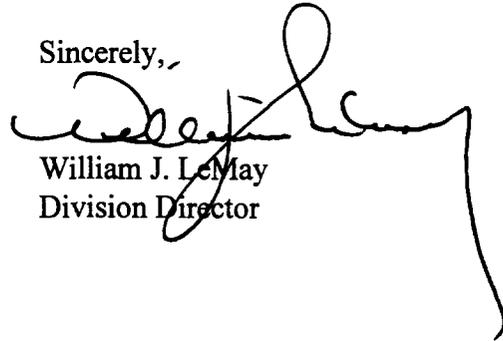
A description and analysis of the fluid being injected into the commercially operated Disposal Well No. 1. This includes an analysis of each and every water source and a description of its point of origin (i.e. San Andres produced water from the Grayburg-Jackson Pool). In addition, this includes water delivered to the well by pipeline and truck.

Division and Federal UIC Rules and Regulations require that all operators of disposal wells provide source water analysis at reasonable frequency. Our information indicates that the Disposal Well No. 1 was permitted by Basin Disposal, Inc. in October, 1987, and that our files have not been updated since that time.

Please provide the information requested within 60-days from the date of this letter. If you need additional time, or you wish to discuss the matter further, please contact Mr. David Catanach at (505) 827-8184.

Failure to comply may result in the imposition of fines and/or the termination of injection authority.

Sincerely,

A handwritten signature in black ink, appearing to read "William J. LeMay", written over the printed name and title.

William J. LeMay  
Division Director

xc: Case File-9220 /  
OCD-Aztec  
UIC Enforcement File

STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO

21 January 1988

COMMISSION HEARING

IN THE MATTER OF:

Application of Basin Disposal, Inc.,      CASE  
for salt water disposal, San Juan      9220  
County, New Mexico.

BEFORE: William J. LeMay, Chairman  
Erling Brostuen, Commissioner  
William R. Humphries, Commissioner

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Division: Charles E. Roybal  
Attorney at Law  
Energy, Minerals & Natural  
Resources Dept.  
525 Camino de Los Marquez  
Santa Fe, New Mexico 87501

For the Applicant:

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MR. LEMAY: This meeting will now come to order with the reading of Case 9220.

MR. ROYBAL: Case 9220. Application of Basin Disposal, Inc., for salt water disposal, San Juan County, New Mexico.

MR. LEMAY: The applicant in this case, as I understand it, is there a lawyer here for the applicant?

There was a request made to our office yesterday that this case be extended, which was denied, and a subsequent request was by the applicant that the de novo hearing request be dismissed.

This commission has hereby granted a dismissal of Case 9220.

(Hearing concluded.)

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C E R T I F I C A T E

I, SALLY W. BOYD, C.S.R., DO HEREBY CERTIFY that the foregoing Transcript of Hearing before the Oil Conservation Division (Commission) was reported by me; that the said transcript is a full, true, and correct record of the hearing, prepared by me to the best of my ability.

Sally W. Boyd CSR

STATE OF NEW MEXICO  
ENERGY, MINERALS, AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION

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

CASE NO. 9220 De Novo  
Order No. R-8524-A

APPLICATION OF BASIN DISPOSAL,  
INC. FOR SALT WATER DISPOSAL,  
SAN JUAN COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9:00 a.m. on January 21, 1988, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 4th day of February, 1988, the Commission, a quorum being present, having considered the record and being fully advised in the premises,

FINDS THAT:

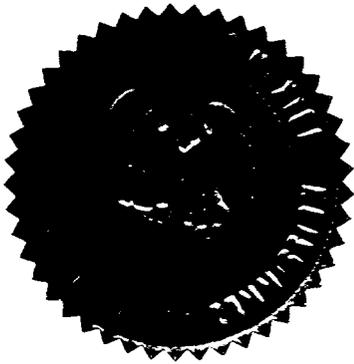
The applicant's request for dismissal should be granted.

IT IS THEREFORE ORDERED THAT:

Case No. 9220 De Novo is hereby dismissed.

Case 9220 De Novo  
Order R-8524-A  
Page 2

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



STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

WILLIAM R. HUMPHRIES, Member

ERLING A. BROSTUEN, Member

WILLIAM J. LEMAY  
Chairman and Secretary

S E A L